AMG

Transcript of Non-jury
trial Including of 1-5-84

1-10-84

195. 113 Pi# 3708

AM000 1155

1	SUPERIOR COURT OF NEW JERSEY
2	SOMERSET COUNTY - LAW DIVISION
2	Docket No. L-23277-80 P.W.
3	A. M. G. REALTY COMPANY :
	and SKYTOPLAND, :
4	Districted in the second of th
5	Plaintiff, : Transcript : of
Ŭ	vs. Non-jury
6	Trial
_	TOWNSHIP OF WARREN, : Proceeding
7	Defendant. :
8	Defendant.
	consolidated with :
9	
·.	TIMBER PROPERTIES, : L-67820-80 P.W.
10	Plaintiff, :
11	
11	
12	
	TOWNSHIP OF WARREN, :
13	Defendant. :
14	
. 15	
16	BEFORE:
10	
17	HONORABLE EUGENE D. SERPENTELLI, J.S.C.
18	Ocean County Courthouse
19	Toms River, New Jersey
	January 5, 1984
20	
21	
21	
22	DAYETTE J. ZAMPOLIN, C.S.R.
22	Official Court Reporter
23	Ocean County Courthouse
	Toms River, New Jersey
24	
25	
20	

23

24

25

## APPEARANCES: 2 MC DONOUGH, MURRAY & KORN, ESQS., JOSEPH E. MURRAY, ESQ., For Plaintiff, A. M. G. 3 RAYMOND E. TROMBADORE, ESQ., 4 For Plaintiff, Timber Properties. 5 KUNZMAN, COLEY, YOSPIN & BERNSTEIN, ESQS., BY: JOHN E. COLEY, JR., ESQ., 6 For Defendant, Township of Warren. 7 LEIB, KRAUS and GRIPIN, ESQS., 8 ROBERT H. KRAUS, ESQ., BY: For Intervenors, Facey, Kraus & Tuchen. 9 JOHN T. LYNCH, ESQ., For Intervenor, Bojczuk. 10 J. ALBERT MASTRO, ESQ., 11 For Sewerage Authority. 12 HANDELMAN & JACOBS, ESOS., BY: EUGENE W. JACOBS, ESQ., 13 For Planning Board. 14 15 16 17 18 19 20 21

				3
1		<u>INDEX</u>		
2	WITNESS		DIRECT	VOIR DIRE
3	Richard Th	omas Coppola		
<b>4</b> 5	<b>В</b> у Ву	Mr. Murray Mr. Trombadore Mr. Mastro Mr. Jacobs	16, 86	67 79 83
6	Ву	Mr. Coley		85
7				
8	EXHIBITS	DESCRIPTION		IN EVIDENCE
9	P-A-1	Map		4
10	J-1	Caton report		9
11	J-2	Lerman report		9
12	J-3	Burchell report		10
13	P-T-2	Moskowitz report		11
14	P-A-5	Coppola report		12
15	D-T-3	Oross report		13
16 17	P-A-6	Krauser, Welsh, Sorich report	& Cirz	13
18	P-T-3	Olenik report		14
19	J-4	Composite drawing		20
20	J-5	SDGP map		32
	J-6	Map		36
21 22	J-7 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	Map		52
23	J-8	Map		.53
24				
25				

(11:30 a.m.)

MR. MURRAY: We have this missing exhibit, if you want to mark it.

(P-A-1 marked in evidence.)

THE COURT: Yes, sir. Gentlemen, I'm sorry, one more thing. You want to approach the bench?

(Off-the-record discussion at sidebar.)

THE COURT: All right, Mr. Trombadore.

MR. TROMBADORE: May it please the Court for the record, I would like to indicate that after we convened Monday morning and after Mr. Coppola was sworn as a witness and we began to take his testimony, the Court did invite counsel in this case into chambers to determine whether there might be areas of agreement that could conserve some time. Since then, since Monday morning, we have spent considerable time in conference amongst ourselves with the expert witnesses in this case and considerable time with the Court itself in exploring those issues where we felt we might reach a consensus.

A considerable part of that time was spent on looking at the issue of region, the various definitions of region, which were submitted to the Court in the expert

reports of the witnesses involved in this case as well as reports by other expert witnesses and other planners.

A lot of effort then was put into determining whether there might be a common approach to a definition of region which this Court might ultimately accept, and we are prepared starting this morning to offer testimony from the expert witnesses who have worked together for a day and a half which we feel will establish that consensus and will permit this Court to make a finding or at least to accept our consensus with respect to the issue of region.

Having done that, we then address the question of fair share and we feel that if the Court is satisfied with what we have defined as region and with what the witnesses will offer as their theory for that region, the Court then will be permitted to hear further consensus testimony with respect to fair share housing for low and moderate income people as it applies to Warren Township. And there again, we would hope that this Court would accept what we feel we have arrived at by way of consensus amongst the parties.

MR. TROMBADORE: That's correct, your Honor.

MR. TROMBADORE: Yes, there are two other reports which have been received by this Court in connection with other litigation, one is a report by Phlip Caton which -- who was appointed as a master in another case which this Court heard, the Branchburg case. Another by Carla Lerman and I believe we do have copies of those reports here, and rather than take the Court's copies, I would offer the Caton copy which happens to be my only copy, but we can perhaps duplicate it, which we would offer as a joint exhibit, and I believe that we do have a copy of the Lerman report.

MR. JACOBS: That's the Branchburg one?

MR. TROMBADORE: This is Branchburg, yes
referring to Caton. Do you have Lerman?

THE WITNESS: Yes, I do. This is Mr. Moskowitz' copy on loan to me.

MR. TROMBADORE: Well, we'll copy that, as well. And so we would offer these as joint exhibits, and I'm not sure what numbers we would want to -- except J --

THE COURT: We'll give them a J number.

MR. TROMBADORE: And mark Caton as J-1

and Lerman as J-2.

THE COURT: Just a second. Off the record.

(Off-the-record discussion.)

THE COURT: Suppose you put a sticker on these, Dayette? Okay. J-l in evidence will be a report of Philip Caton, C-A-T-O-N, and that's P-H-I-L-I-P, dated November, 1983, entitled Branchburg Township Fair Share Housing Report.

And J-2 will be the report of Carla, C-A-R-L-A Lerman, L-E-R-M-A-N, dated also November, 1983, entitled Fair Share Allocation Report, filed in the matter of Urbean League v. the Borough of Carteret.

(J-1 and 2 marked in evidence.)

MR. TROMBADORE: Your Honor, I would also offer as J-3 a report prepared by the

Center for Urban Policy at Rutgers
University. It is a report which was authored
by Mr. Burchell and others on his staff. This
report was reviewed by the planners in this
case, and they do make reference to this report,
and I think your Honor will hear testimony from

them concerning the recommendations contained in the report. The report is one which deals with the first issue that I have described; that is, the determination of region, and we would ask that that be marked as a joint exhibit, J-3.

THE COURT: All right. In the absence of an objection, we'll mark in evidence a report entitled Mount Laurel II, Challenge and Delivery of Low Cost Housing, prepared by the Center for Urban Policy Research. I've been looking, it doesn't appear to bear a date, but it's the fall of 1983. Perhaps released a little bit later than that. Consisting of 430 pages.

MR. COLEY: Your Honor, are we going to put in all of our expert reports at this time?

THE COURT: I think. Why don't we get those two.

(J-3 marked in evidence.)

THE COURT: You gentlemen want me to start the copying process on this?

MR. TROMBADORE: That would help, yes.

THE COURT: Everyone has copies of the adversarial reports, so we don't have to copy

those.

MR. TROMBADORE: And your Honor, while they are attending to that, I would offer as Exhibit P-T-2, a report prepared by Harvey S. Moskowitz, it was previously submitted to counsel and submitted to the Court in the course of pre-trial conferences. This report is dated November 7th, 1983, and it is offered in evidence based upon the consensus reached amongst the parties that all of the experts would have access to the reports of their brother planners. And so I would offer this as P-T-2.

THE COURT: All right. The absence of an objection, P-T-2 in evidence.

(P-T-2 marked in evidence.)

(There is an off-the-record discussion.)

MR. TROMBADORE: And just because I'm on my feet at this point, I would offer as P-A-5 for the plaintiff A. M. G., Skytop, a two-part report prepared by Mr. Coppola. We referred to this report on Tuesday. The first part is a bound volume dated June of 1983, captioned Warren Township, Somerset

County, New Jersey, Meeting Its Housing

Obligations, An Assessment, prepared by
Richard Thomas Coppola. It is supplemented by
another bound document captioned Updated
Housing Analysis, Warren Township, Somerset
County, New Jersey, November, 1983, prepared
by Richard Thomas Coppola and Associates.

THE COURT: All right. One exhibit, P-A-5.

(P-A-5 marked in evidence.)

MR. COLEY: Your Honor, do you have the Court's copies of the two Chadwick reports?

THE COURT: Sure.

MR. TROMBADORE: I have them, your

Honor. And these would constitute, and I would
offer them as D-T-13, offered on behalf of the
township, but really by consensus of the
parties. It again constitutes a two-part
report prepared by the planner for Warren
Township. The first part consists of some 19
pages -- 20 pages with attachments, actually
22 pages with attachments, and is dated

November, 1983. It's captioned Warren Township
Housing Study, prepared for Township of Warren
by E. Eugene Oross Associates, and it is
supplemented by a later report dated December

of 1983, also prepared by E. Eugene Oross Associates.

THE COURT: All right. That's D-T-12.

MR. TROMBADORE: No. 13.

(D-T-13 marked in evidence.)

MR. TROMBADORE: Your Honor, I would offer as P-A-6 a two-part report prepared for the plaintiff A. M. G., Skytop by Krauser, Welsh, Sorich & Cirz, the first part dated August 18th, 1983, and the second part carrying a date of November 22nd, 1983 on the face sheet. This is a report which is captioned Market Survey Local Condominium Market; and the second part of it is Preliminary Analysis of Proposed Greenwood Meadows Development. It deals with --

THE COURT: All right.

THE CLERK: That's in evidence?

THE COURT: P-A-6 in evidence.

MR. TROMBADORE: In evidence. Yes.

(P-A-6 marked in evidence.)

MR. TROMBADORE: And the last exhibit that I would offer would be an engineering feasibility report prepared for the plaintiff Timber Properties by Thomas Olenik dated

November 17th, 1983, which I would offer as
P-T-3. I might say that this was a report
prepared for a number of units which we will
not be offering, but it does contain background
information which I think is useful to the Court.

THE COURT: All right. P-T-3.

(P-T-3 marked in evidence.)

MR. TROMBADORE: Your Honor, I had no other exhibits to offer.

With respect to P-T-3 which has just been marked, I might say, we are not going to rely on that. I marked it because it's been submitted to the parties and to the Court. It is not relevant at this point, because it relates to the proposal which was considered as an appropriate builder's remedy which has now been modified, and the same thing I think might be said with respect to P-T-1 which was a site plan based on a specific number of units which we will no longer be pursuing, but having been marked, I'd simply suggest we leave them where they are.

THE COURT: Mr. Coley?

MR. COLEY: Yes, your Honor. The P-T-3 that Mr. Trombadore just put in on behalf of

2

3

4

5

6

7

8

9

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Timber Properties, I wouldn't want to have that in any way considered as consented to by the township, because that's going to be a site plan type of a question, if there's drainage information or whatever, I guess it will be in the record and Mr. Trombadore said he isn't going to rely on it. I just want it noted that the township has not actually consented to the engineering report as we have 10 to the other items that are in evidence.

> THE COURT: All right. All right. Are we ready to proceed and at least get a half hour in before the Assignment Judge takes me away?

MR. MASTRO: Your Honor, may I simply say something on behalf of defendants in regard to comments made by Mr. Trombadore?

Sure.

THE COURT:

MR. MASTRO: I want to clarify that indeed during the past two days, all counsel have conferred, addressing some very difficult problems, and out of that process, significant results I believe were obtained, and some innovative thinking also was germinated. That's not to say that there has been any accord

reached as to the many issues that the Court has to address. There has been a consensus as to an approach to region. Certainly, these are difficult problems, and indeed, we may vary in the ultimate process from what the Supreme Court had to say in Mount Laurel II in regard to region; however, there are many issues that have to be finely tuned and there is no consensus, and perhaps there shouldn't be. We are not in accord as to formulas. Perhaps we shouldn't be, because one of the cases indicated it may not be very -- too good to become too formulaic, that there may be many approaches to many of these problems and all certainly legitimate.

I wanted to express and -- that particular concept to the Court so that there won't be any confusion in that regard.

THE COURT: All right. Ready to proceed?

MR. MURRAY: Yes, sir.

RICHARD THOMAS COPPOLA, having been previously sworn, resumes.

CONTINUED DIRECT EXAMINATION

25 BY MR. MURRAY:

Q. Mr. Coppola, during the last two days, there has been reference to those two days by Mr. Trombadore concerning discussions with the Court involving the planners. Were you among the planners who participated in those discussions?

A. Yes, I was.

Q. And I would now like to direct some questions to you in that capacity as a planner to the various issues that are involved in this case.

Among the primary issues as I understand it is a determination of region. Have you in your capacity as a planner undertook a study of the -- the issue of region as it applies to this case?

A. Yes. The question of region is a threshold issue in terms of a planner's work under the terms of the Mount Laurel II decision. Page 80 of that decision discusses three separate issues to be resolved in determining a growth municipality's fair share of regional housing need.

Q Would you identify those three issues?

A The first, of course, is the identification of a relevant housing region, and the second thereafter, is a determination of the region's present and prospective housing need, and the third issue is an allocation of the determined housing need to the

O

.

Q. Now, have you undertaken analysis of those three issues, and if so, would you discuss the first of those three issues; that is, the identifica-

municipalities within the defined region.

tion of the relevant housing region?

A. The question of region I think has been a stumbling block in terms of the planning work that has been accomplished by a number of consultants throughout the State since the January, 1973 Supreme Court decision.

The decision on Page 92 reiterates --

0. Which decision is that?

A. I'm talking now about the Mount Laurel II decision on Page 92 reiterates a previous concurrence by the Court with Judge Furman's definition of region, although slightly modified in the Oakwood v. Madison case, and on Page 92 of the Mount Laurel II decision, there is a quote which reads, "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 be drawn in the absence of exclusionary zoning."

The decision continues, that is, the Mount

Laurel II decision, on the very same Page 92 by indi
cating that a trial court can vary the definition

premised upon special circumstances, and then goes on to suggest that the trial court, and therefore, every planner who is reading the decision and acting under it, consider the regional area factors for the definition of region which were mentioned by Judge Pashman in his concurring opinion in Mount Laurel I.

Q. Do you have those factors?

A. Yes, there are four in number and they include: number one, the area included in the interdependent residential housing marking. Number two, the area encompassed by significant patterns of commutation.

Three, the areas served by major public services and facilities. And fourth, the area in which the housing problem can be solved.

It is the last factor that -- that had the effect of broadening the size of a region and bringing it to what might be called a metropolitan level of definition; that is, an area that has within it both urban and older built-up areas in the state where the problems occur, and then a continuum to suburban through to x-urban areas where are vacant developable lands in adequate amount to solve the problems; that is, to redistribute the housing units that have to be constructed.

Q. In Mr. Trombadore's statements, there

was an indication that you, along with the other planners, as well as the attorneys and the courts -- and the Court, has reviewed certain concepts of region as indicated in other planning reports such as the Caton report, Lerman report and the Rutgers report. Do you have with you today a chart indicating the nature of the regions as depicted in those reports, together with the nature of the region as may have been depicted in the reports of the experts in this particular case?

A. Yes, I do.

THE COURT: Shall we mark that? Joint exhibit?

MR. MURRAY: Yes, your Honor.

THE COURT: J-4.

THE WITNESS:

(J-4 marked in evidence.)

THE COURT: Does it have a date on it?

Is that dated?

THE COURT: Okay. J-4 in evidence is a what might be called a composite of the regional configurations based upon six reports,

No, your Honor, it is not.

the Oross Associates report, Caton report,
Rutgers report, Lerman, Coppola and Moskowitz

report, all of which now are in evidence; and

\_

this composite was prepared by Mr. Oross' office.

BY MR. MURRAY:

- Q. Mr. Coppola, would you indicate by reference to that exhibit the locations of the regions and give an indication what each region covers with respect to the particular expert?
- A. There are essentially out of the six, three regions which have been devised for Warren Township based upon a commuting pattern of employed residents as to where they live and where they work. They include the Oross Associates region, the Moskowitz region and the Coppola region.

The three other regions that are mapped include what might be considered metropolitan regions. They are the Lerman, the Caton and the Rutgers. Of the three, the Rutgers attempts to marry the two considerations of commuting patterns and some other measures of similarity and dissimilarity between neighboring counties.

The point, however, may be illustrated by the Caton map shown on the display. Actually, the Caton region shown on the display is an eight county region which was originally formulated by Mr. Caton in regards to his efforts on behalf of the Mount Laurel II

issue raised in Mahwah Township. And now, although not shown on the map, Mr. Caton has increased the size of the region by adding to the eight counties a ninth county, specifically, Hunterdon County. And the basic rationale is that in devising a housing region for Warren Township as I'm pointing to it on the map, it evidently occurred to Mr. Caton that because of the synergistic relationships between the place of work and the place of residence of the residents and employees of Warren Township, that there is an interface with Hunterdon County. So it was added.

The point I'm trying to make is that there is no one region that I think adequately answers all of the issues raised by the State Supreme Court.

In other words, there is no one region that is going to answer the question of the relationship between places of work and places of residence and also be extensive enough to include a metropolitan consideration; namely, a spectrum of urban-suburban and x-urban areas.

Do you have an approach that would resolve that particular dilemma as you refer to it?

A. I think the approach would be to have two separate regions for purposes of calculation of an ultimate fair share allocation number for a

municipality.

1

2

3

4

5

6

7

8

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

One region would be geared to the computation of prospective housing need and this --

And what do you mean by prospective housing need?

Prospective housing need, according to the decision as I understand it, is the future housing that will have to be constructed within a defined region which is compatible and will serve to house the residents of the new jobs anticipated in that very same region. The Mount Laurel II decision is clear on proferring that relationship in terms of the future housing that is to be constructed, and thereafter, the fair share of that housing that will be allocated to any particular municipality.

Since that relationship is so clearly stipulated in the Mount Laurel II decision, the commuter shed, if you will, approach has I think very understandable and clear merit; specifically, it is a measure of the municipalities that surround a municipality within a specified time travel distance which therefore documents the relationship of place of residence versus place of work for that municipality.

The Oross Associates region that was devised as

part of Warren Township's effort by Mr. Chadwick is a 45 minute commute region, and the methodology used to define the limits of that region was an actual sampling of the time it took to travel in a vehicle from Warren Township to the surrounding land areas.

The Moskowitz region is a 30 -- 30 minute commute region, but it is done by measuring a map and assigning speed limits or expected speeds for various classes of roads.

My - the Coppola - region is also a 30 minute commuting pattern devised exactly the same way as Mr. Moskowitz', with the exception that Mr. Moskowitz assumed the completion of Interstate 78 from the west to the east into Union County, and my calculation did not. But they are relatively minor differences among the three.

I think a resolution of the definition of a commuting region should be based upon the travel patterns of the residents of the state; basically, the time they first of all desire to travel to and from work, and then also the reality of what they are actually spending in terms of time to make that commute one way.

I mentioned that both Mr. Moskowitz and myself have defined the limits of the commuting region on the

7

8 9

10

11

12

13

14

15

16

17

18

19

20.

21

22

23

24

25

basis of a measurement of a map based upon the various classes of roads.

Have you given any categories for the classes of roads with respect to your commuter shed? Yes. We have assigned for interstate highways an expected speed limit of 50 miles per hour. state and federal numbered highways, 40 miles per hour. And for county roads, 30 miles per hour. These are less than -- in many cases, than the posted speed limits; but one must remember that there are lost time in terms of access to and from the highway, and not everybody goes at the speed limit, and some people don't even exceed it.

Has Mr. Moskowitz applied the same highway speed limits in his report?

I believe they can be found in Mr. Moskowitz' report that's submitted, in an appendix, likewise in my report, it's Appendix B of the housing report.

might add that in going through the Rutgers report which has been submitted in evidence I think as J-3, there is discussion in some detail of the commuting patterns, and what is shown is a map of a 1951 effort by the -- I think it was Aspo which assigned different speed limits. But in comparing

18

19

20

21

22

23

24

25

them and recognizing that the roads are somewhat different than they were in 1951 and that we have 2 3 passed 23 years since then, the difference between I believe it was the 50 miles an hour for the interstate 4 highways and I believe in the report it's 36 miles per 5 hour, is not unreasonable, and it's a similar upping 7 of the three classes of roads. So there is significant 8 precedent in the planning literature for the commuter 9 shed approach to defining a region in regards to housing market. And in fact, as I was starting to 10 say, the census data for 1980 for most municipalities 11 throughout the State of New Jersey substantiates the 12 idea that people do strive to limit their time of 13 travel. In fact, they apparently desire to limit their 14 time of travel to less than a half an hour one way to 15 work, and thereafter, from work to home. 16

For Warren Township, as an example, 59.5 percent of the employed residents in the township in 1980 spent less than 30 minutes, one-way travel, to and from work; however, an additional 24.5 percent didn't make the half hour limit and spent between 30 and 44 minutes.

To put another way, 84 percent of the employed residents in Warren Township in 1980 spent less than 45 minutes traveling between home and work.

A.

Q.		What	is	the	sour	ce	of.	that	data?
The	Uni	ted	Stat	es	Censu	s.	198	0.	

THE COURT: Mr. Coppola, somewhere in the reports there's an indication that the statewide average is 24 or 25 minutes. Is that -- is that right?

THE WITNESS: I believe it is. Yes, your Honor.

THE COURT: How would you -- how would you relate that then to -- why should we not use the average of 24, 25 minutes?

THE WITNESS: Well, in fact, it has been used by both Mr. Moskowitz and myself. It is something I think to be sought after, but I think it's a comfortable time for travel between place of work and home.

on the other hand, we are a mobile population and it -- the next class of breakdown in the census data has although not the majority of people, I'm talking now the 30 to 44 minute breakout, it's not the majority of employed residents, but it is a significant number, and from a purest viewpoint, I think there is a legitimate argument for the 45 minute boundary line, because that includes

in the case of the township before the Court now, it includes 84 percent of the township residents in Warren, and I just might add -
Q. You're referring now to what document?

A. I'm referring now to Appendix A of my updated housing report, dated November, 1983, which has the census breakdown for Warren Township.

What I was saying is that you pick up 84 percent between -- or under 45 minutes travel time, 9.3 percent, an additional 9.3 percent travels more than an hour. That's 60 minutes or more, that's really unaccountable for. We don't know whether people are flying out of the state, how frequently they travel, whether they are salesmen or whatever else, that no matter where they live, they'd be traveling.

So, if you reduce, deduct that 9.3 percent, you're dealing with something in the neighborhood of a 91 percent and you've accounted for 84 percent under 45 minutes, I think that's a compelling statistic.

And I -- I could tell the Court although I don't have all the figures in front of me that I have performed this analysis with the commuter shed approach for a number of municipalities throughout the state, and a -- a similar pattern emerges in terms of these

1 |

statistics.

-

Supreme Court as I recall in the <u>Oakwood</u> case, indicated in a footnote that a 60 minute commute even would not be considered unreasonable by the Court, and it would appear to me that an average doesn't necessarily denote that it's reasonable. It merely denotes that that's a statistical average, the 24 minutes. Would you agree generally with that concept?

THE WITNESS: Yes, I would, your Honor.

BY MR. MURRAY:

Q. Therefore, for the prospective need region, the commuter shed of -- in the manner as you have described it is the basis for the approach taken by you at this time?

A. I think it is a finite region. I think it is tailor-made to the particular municipality that's the subject of the calculation and the obligation under Mount Laurel II, and I think it is in full keeping with the edicts of Mount Laurel II, to relate housing to places of employment.

Q Now, as to the present need, would you first indicate to me what you mean by present need?

A. Yes. Present need under my understanding of

1

5

6

7 8

9

10

11

12

1314

15

16

17

18

19

20

21

22

23

24

25

the Mount Laurel II decision is essentially a distribution of existing housing need within the state in its broadest term from areas of the state which are either heavily built up or have in any case a disproportionate share of dilapidated and/or over-crowded housing.

The Court is mindful as were the prior decisions of the Supreme Court, Mount Laurel I and Oakwood at Madison, that some towns, some cities particularly, possibly because of past exclusionary practices of zoning throughout the state have an overabundance of deteriorated housing or an overabundance of units which are not large enough to house the families residing within them, and that in order to share the burden, some measure, some calculation should be undertaken to make certain that any one city or area or municipality is not overburdened with the construction of housing to satisfy the existing present need, and so what the Court is asking for is an identification of that present need, and where appropriate, a distribution of the surplus present need, if you will.

In other words, that need which is beyond that which is carefully attributed to that city, in most cases outward, from -- as an example, the northeastern

3 Have you prepared an exhibit depicting 4 the present need region as compared to the prospective 5 need region? 6 Yes, I have. And if I can, Mr. Murray, let me 7 just make one other comment. 8 The problem with making the commuter shed 9 region and utilizing it for the identification and 10 thereafter allocation of surplus present need is that in many instances, the commuter shed regions are not 11 12 metropolitan regions. In other words, by very 13 definition, they don't always include both, as Mr. 14 Moskowitz has indicated, sending and receiving districts. 15 In other words, built-up urban areas which 16 have a surplus need and also the other end of the 17 spectrum in terms of land use, the more undeveloped 18 19 portions of the state which can provide in the spectrum room for this -- these units to be allocated. 20 So, it's important to come up with a second 21 region for the purpose of computation of present need. 22 THE COURT: Mr. Coppola, let me interrupt 23 you for a minute. 24 Let's put up and mark as a joint exhibit 25

portion of the state, in a fan-like way in most

instances, to the west and south.

31

Coppola - Direct

1

2

the SDGP map. That's it I think.

THE WITNESS: Yes, sir.

THE COURT: All right. If there is no objection, we'll mark a map without necessarily conceding its complete validity, the State Development Guide Plan. This was prepared for the Court by the Bureau of Planning to be utilized in Mount Laurel litigation, and we'll mark that as J-5.

(J-5 marked in evidence.)

THE COURT: Could we set that up on the easel for a minute?

THE WITNESS: (Indicating)

THE COURT: That map, Mr. Coppola, I think you've had an opportunity to see it, contains a series of red dots which are designated as urban aid municipalities.

Do you have knowledge as to what that represents?

THE WITNESS: Well, in terms of my prior testimony, your Honor, those dots represent some of the major urban centers in the State of New Jersey, and indeed are -- are those which can be expected to have the greatest amount of surplus present need in

requiring redistribution under the terms of the Supreme Court decision.

THE COURT: And by surplus, I take it you mean that a need that they cannot be reasonably expected to accommodate through any present devices, or for that matter in the future.

THE WITNESS: That's correct, your Honor

THE COURT: Now, with relation to the composite J-4, Mr. Oross' composite, and the regions that you and Oross Associates and Mr. Moskowitz have developed on a commuter shed basis, how would those regions reach out to that cluster? Red dots, see, we see in the upper northeast section of our state?

THE WITNESS: I have prepared, your Honor, a larger version of the map that was drafted in rough form yesterday among Mr.

Moskowitz, Mr. Chadwick and myself, and I didn't --

going to the present regions?

THE WITNESS: Yes, sir.

THE COURT: Perhaps my question wasn't --

THE WITNESS: I beg your pardon?

THE COURT: If you used your commuter shed approach, to what extent would we exclude those urban aid areas that are grouped, there might be a dozen of them in the northeast section, in Essex and Passaic, Hudson County.

THE WITNESS: Well, starting with my 30 minute commute, the only one of the urban aid municipalities that's included in -- in my commuter shed region is New Brunswick in

Middlesex County.

THE COURT: Most southerly of the urban aids, all the way down to Monmouth County, that would be from Middlesex up, that's the most southerly of the urban aid communities?

THE WITNESS: Yes, that's correct, your Honor.

THE COURT: All right. And above that, if just by rough count it looks as though there is perhaps a dozen and a half, perhaps 16 to

MR. TROMBADORE: 16 --17, because you go to the western boundary.

THE COURT: Okay. So you would get one out of the 17 urban aid communities by your region, roughly.

1 THE WITNESS: That's correct, your 2 Honor. 3 THE COURT: And Mr. Moskowitz? 4 THE WITNESS: Mr. Moskowitz, because he 5 assumed the completion of 78 would pick up a 6 number of others. He would pick up the City of 7 Newark and also Plainfield. I might also add, 8 your Honor, that I had Plainfield included in 9 mine, as well. 10 THE COURT: All right. So you have two 11 out of the 17. 12 I have two. Mr. Moskowitz THE WITNESS: 13 picks up Newark, and I think that's a difference, 14 although a major one, it is a difference of one; 15 but it's a major significant difference. 16 THE COURT: All right. And how about the 17 Oross report? 18 THE WITNESS: The Oross has Plainfield, 19 has New Brunswick, and also picks up Perth 20 Amboy. 21 THE COURT: But not Newark. 22 THE WITNESS: But not Newark. 23 THE COURT: All right. 24 BY MR. MURRAY: 25 Mr. Coppola, you referred to 78. What do

2046

PENGAD CO..

Coppola - Direct 36 1 you mean by 78? 2 Interstate 78, the interstate highway, proceeding 3 in an easterly direction from Warren Township. 4 That's the same 78 you referred to in 5 the opening portion of your testimony with respect to 6 the exhibits showing Warren Township. 7 Yes, it is, Mr. Murray. 8 Now, have you prepared an exhibit indi-9 cating the present need regions which were offered by 10 yourself as a second form of region within the concept 11 of region under Mount Laurel? 12 Yes. 13 MR. MURRAY: I guess we should have this 14 THE COURT: Yes. Let's mark this J-6, 15 and I think this is going to be our break point. 16 (J-6 marked in evidence.) 17 THE COURT: All right. J-6 is a map 18 entitled Metropolitan Regions For "Present" 19 Need Calculations. 20 Undated. THE WITNESS: 21 THE COURT: Undated, showing six 22 regional configurations. 23 All right. Gentlemen, I have a meeting 24 with the Assignment Judge and which I cannot be

late for. I think we're going to have to break

at this point. We have now duplicated the Lerman and Caton reports, and to the extent you need them, my law clerk will give them to you.

All right. See you at 1:30.

(Luncheon recess is held in this matter from 12:30 p.m. to 1:50 p.m.)

1

2

3

4

5

6

7

8

9

12

13

14

15

16

17

18

19

20

21

22

23

24

25

AFTERNOON SESSION RICHARD THOMAS COPPOLA, having been previously sworn, resumes.

CONTINUED DIRECT EXAMINATION

BY MR. MURRAY:

Mr. Coppola, with reference to the last exhibit that was marked J-6, would you indicate what that exhibit depicts with respect to the present need regions?

This display represents the State of New Jersey broken up into six metropolitan regions, by and large, including within each region, relatively large urban areas or relatively speaking, densely populated areas compared to the surrounding land areas, and the purpose of this display, which is entitled Metropolitan Regions For "Present" Need Calculations is the second level of regions in terms of the necessary computations for fair share to a municipality.

Now, in taking those regions -- we have Region I, Sussex and Warren, and Region II, within what region now would be the Warren Township community? Within Region II, which consists of Passaic, Bergen, Morris, Essex, Hudson, Hunterdon, Somerset, Union and Middlesex Counties, and which is the identical region utilized by Mr. Caton in his analysis

regarding Warren Township.

2

Q. With respect to --

- Nanahhura arayan ma
- A. Branchburg, excuse me.
- Q. With Mr. Caton's region, you referred in your testimony previously that he expanded it to include Hunterdon. How do you know he did that? It isn't shown on this exhibit.
- A. Well, I'm familiar with both of Mr. Caton's reports, the initial report that I read, I think was done during the summer months of '83 regarding Mahwah, and the Branchburg report which is dated November, 1983, included the addition of Hunterdon County, and I saw the reports.
- A. It includes all 17 of the urban municipalities shown on the State Development Guide Plan concepts map exhibit, including as far south as New Brunswick, Perth Amboy, Plainfield in Union County, Elizabeth.

  Then across the county line to Newark, picking up East Orange, Orange and a few other urban aid municipalities in Essex County, and then proceeding across the line into Passaic County and picking up Passaic City and Paterson, and then moving out into

metropolitan region.

2

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 Hudson County and picking up Bayonne, Jersey City, Hoboken. In an aggregate there are 17 there, all 3 included in that relatively large northeastern

Now, there is a Region III and a Region IV which are -- Region III being on the westerly side of the state, and Region IV on the easterly side. Would you give me your reasoning for the demarcation line between those two?

The demarcation line, the north-south demarcation line separating Mercer and Burlington, dubbed as Region III, versus Monmouth and Ocean, dubbed as Region IV, was primarily the basis of the Pinelands and agricultural nondevelopment of the central portion of this southern portion of the state. And then recognition that the development and the location of the major populated areas in all four of the counties, essentially hug the water to the west, the Delaware River; and to the east, the Atlantic Ocean.

I might mention that an attempt was made, and this was done in concert with Mr. Chadwick and Mr. Moskowitz to come up with a fixed regional plan for the computation of present housing need, and as a result of that, there are certain areas of judgment that are incorporated.

16

17

18

19

20

21

22

23

24

25

1

We looked, for instance, as a starting -- at a starting point, since this is a case involving Warren Township, we looked at the various -- the three metropolitan regions which appear on J-4, specifically, the Caton region, either the eight or nine county version, the Rutgers, four county region and the Lerman south metro region. The problems in terms of latching on to one or the other to some extent are simply the leftover counties and how to aggregate them. So it's really -- it was a process of benefiting from all the work that has been done and is before the Court now, including I might add the fair share al -fair share allocation analysis that was prepared by the Department of Community Affairs in '68, and is now defunct as an official document, certainly, looking at all that information and trying to come up with a reasonably -- hopefully very rational approach for the identification of areas.

Starting with Region I, Sussex and Warren, the only urban aid municipality is Phillipsburg in the southern portion, but there is similarity in terms of the development pattern, number one. There are some village concentrations of relatively high populations. And more importantly, in relationship to the lands to the east, it is a quantum leap to go that far out of

2046

FORM

07002

CO. BAYONNE.

Coppola - Direct

1 the concentration of the densely populated portions 2 of the northeastern portion of the state. And it 3 appears reasonable to try to come up with a dividing 4 line between or among the northern county munici-5 palities. 6 THE COURT: Mr. Coppola, just interrupt-7 ing at that point, looking at the SDGP map 8 which has been marked in evidence, with respect 9 to Region I, what would you estimate to be 10 the available growth area in any event in that 11 -- in that region as related to nongrowth? 12 THE WITNESS: As a percentage, your 13 Honor? 14 THE COURT: Yes. THE WITNESS: I'll say it was something 15 16 in the neighborhood of 5 percent. 17 THE COURT: So that in reality, there 18 isn't a great deal of area there to accommodate 19 any growth in any event. 20 THE WITNESS: That's correct, your Honor. 21 Moving away from Region II, I've 22 started addressing Regions III and IV, the 23 Mercer-Burlington, Monmouth-Ocean regions 24

respectively. The axis of orientation in these

42

regions between Mercer and Burlington, the -it is assumed to be the focal point of Trenton,
but there is absolute recognition that
Burlington is a difficult county to put into
any region, because effectively, at the Mount
Holly point, which is roughly the center axis
of the New Jersey Turnpike through Burlington
County in a northeast, southwest direction,
the orientation shifts.

In other words, north of Mount Holly, the orientation is definitely in my opinion towards the City of Trenton. South of that point, it is equally definite in my mind that the orientation is towards the City of Camden across the county line.

We chose to put it with Mercer because of the axis orientation around the Delaware River, but also as I mentioned earlier, it was a question of looking at the entire state and trying to come up with the most rational apportionment and aggregation of the various counties. Monmouth and Ocean was certainly easier in our mind because of the orientation north-south, and the fact that there -- also there's only two urban aid municipalities at

least indicated on the map and that may have to be updated, the two I think that are shown on the State Development Guide Plan concept map are Asbury Park and I would guess it is --

THE COURT: Freehold?

THE WITNESS: Long Branch.

Moving down to the Regions V and VI, there was one swing county involved and that's Cumberland County, which effectively spans a great distance along the Delaware Bay on the southern end of the state, but the map proposes Camden, Gloucester and Salem in a sub-region. The -- again, the focal point of interaction is towards Camden and Philadelphia, but there is the Turnpike and Interstate 295 and 130 going down parallel to the Delaware River, towards the bridge to Delaware itself.

Cape May and Atlantic and Cumberland were grouped together. Again, in the case of these three counties, that is, Cumberland,
Atlantic and Cape May in Region Six, there are shown to be three urban aid municipalities. I believe they are Bridgeton, Millville and Vineland, but in fact there is very little land that is designated for growth in a State

Development Guide Plan, and of course, the same can be said for Monmouth and Ocean, with the exception of some land area around the north-eastern portion of Monmouth County.

The attempt, again, and in summary, was to come up with a regional pattern that would address the problem identified in the Mount Laurel II decision of distributing in some rational fashion and in some fair way the present dwelling units needed to be constructed to satisfy existing dilapidated or overcrowded units within a metropolitan area.

So the focal point of all of the regions I think clearly is Region II, and it is coterminus with Mr. Caton's nine county region.

## Q. If we took --

THE COURT: Mr. -- excuse me. On a percentage basis, Mr. Coppola, I don't like to ask you to have to estimate these things with-out ever having studied them, maybe -- maybe you have, your Region II area, what percentage of the state growth or State Development Guide Plan growth area would you just roughly estimate is contained in that region as a

percentage of the whole?

THE WITNESS: I would say, your Honor, at least 50 percent, although we could get the precise figure from the State Development Guide Plan, and if you'd like, I will.

THE COURT: Well, that's close enough.

Even looking at it visually, that would be your guess.

THE WITNESS: Yes, sir.

THE COURT: And are you aware of the approximate percentage of total growth area in the state as it related to nongrowth? How much of the state is classified for growth as opposed to nongrowth, or limited growth? If not, maybe we can --

THE WITNESS: I think I can answer that, your Honor.

THE COURT: You want to pass that up?

THE WITNESS: Your Honor, I'm sorry to

take this time, but I can give a precise figure.

I have the State Development Guide Plan document in my hand.

All right. Within the state, your Honor, I'm reading now from Page 169 of the Guide Plan, the total land area in the state is stated to be

4,797,268 acres, and of that, 1,520,900 acres is designated to be assigned to the growth area category. Roughly, your Honor, it's 30 percent; more particularly, it's 31.7 percent according to those figures.

THE COURT: And at least 50 percent of that 31 percent approximation, and perhaps Mr. Moskowitz and Mr. Chadwick would want to look at that and address themselves to it as well, is --

THE WITNESS: Is actually -- sorry, your Honor.

THE COURT: Go ahead. You want to -THE WITNESS: Well, I could be very
specific if you just give me a moment.

My calculation for the nine county
Region II as identified on the exhibit, your
Honor, is 753,077 acres which represents 49.5
percent of the total acreage in the state
designated in the State Development Guide Plan
as growth, and the information, your Honor,
was taken from Page 170 of the May, 1983
Development Guide Plan document.

THE COURT: So the largest region,
Region II, contains half of the growth area as

1 designated, and I would assume that we -- we 2 could almost take judicial knowledge that that is probably the area of greatest population 3 concentration of the state? 4 5 THE WITNESS: I would certainly agree 6 with that, your Honor. 7 THE COURT: And it contains 17 of the 8 urban aid municipalities which are also listed, 9 and I was about to put the total of those on. Page 65 -- no, it's in that area. 10 THE WITNESS: Your Honor, I am --11 12 THE COURT: Page 46. THE WITNESS: Okay. I -- I'm not sure, 13 your Honor, but I see the information to 14 compute acreage, but --15 THE COURT: No, there are 30 urban aid 16 municipalities in the State of New Jersey 17 according to the State Development Guide Plan 18 on Page 46. 19 THE WITNESS: Yes, 46. 20 THE COURT: And 17 of those would be 21 within that region. Now, would you refer to Page 94, the SDGP?

THE WITNESS: Yes, your Honor.

THE COURT: And that shows population

22

23

24

25

projections realized to the year 2000, and I believe we've been working on a 1990 basis, but for this purpose, it would satisfy my question.

It shows an approximate population of 9 million. Could we compute the population of that Region II based on those projections?

THE WITNESS: Yes, your Honor. It's projected, your Honor, to reach a level of 5,752,100 people by the year 2000.

THE COURT: Which is what percentage of 9 million?

THE WITNESS: Which is 63.4 percent of the total year 2000 population projected for the state of 9,066,462 people.

THE COURT: So your largest region encompasses 50 percent of the growth area, 60 percent of the projected population, and over 50 percent of the urban aid municipalities.

THE WITNESS: Exactly, your Honor.

THE COURT: All right. Thank you.

Mr. Murray?

BY MR. MURRAY:

Q. The prospective need region of Warren now, of course, is much smaller than the present need

1 region?

\_\_\_\_

A. That's correct.

Q. To your knowledge is there any calculation being prepared as to the scope of that prospective need region to be superimposed, for example, over the present need Region II or has that been done?

A. It has been done and it — the deviation from the 30 minute commute region I think I can identify at least in broad terms. I have a small legal size sheet which indicates the 45 minute travel time, assuming Interstate 78 is completed.

Q. Does that sheet that you have also depict Region II, or can we do that by reference to the sheet you have and the --

- A. Well, it does --
  - Q -- the exhibit?

A. It does, Mr. Murray, depict Region II to the extent that the county boundaries are indicated on the base map.

THE COURT: Why don't we -- why don't we mark one of the reductions, or whatever it is, of the larger map which depicts the regions, it's entitled Present Need Regions, and it shows the same regions that are shown on J-4 in evidence.

^ ∥

2

3

**4 5** 

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

THE CLERK: It's J-6.

THE COURT: No. I'm sorry. J-6 in evidence. And we'll mark this as J-7.

MR. TROMBADORE: Yes, please.

MR. COLEY: Your Honor, can we mark it -- take off the pencil notation towards the bottom?

THE COURT: You mean the names on there?

MR. COLEY: I'm just kidding.

It has an authorship THE COURT: Yeah. claim on it, a Master of Coppola and I could concede that perhaps something having to do with Coppola, but Master, I don't know quite how his name got on there. We'll white it out somehow. One of the principal issues in this case is whether this proposed approach is going to be called the Coppola, Moskowitz, Chadwick; or Chadwick, Moskowitz, Coppola; or Moskowitz, Chadwick, Coppola. I've been thinking about that and I think we should call it CMC because no one will know who's first, and the only one that would stand out is Moskowitz, so he really couldn't complain about being in the middle.

THE WITNESS: That's why I'd like to object, your Honor.

1 MR. MOSKOWITZ: We suggested the 2 Serpentelli approach. 3 (Off-the-record discussion.) THE COURT: All right. J-7 in evidence 4 5 is a map entitled New Jersey Division of State 6 and Regional Planning, 1976, and then on it 7 also contains Clarke and Caton, 1983. 8 (J-7 marked in evidence.) 9 THE COURT: And then did you want to mark the 45 committee -- minute commute map? 10 MR. MURRAY: I will in a moment, your 11 Honor. I think the witness is finishing it up. 12 13 THE COURT: Okay. BY MR. MURRAY: 14 Now, the exhibit that you've just given 15 to me, Mr. Coppola, contains some markings. What are 16 those markings? And I quess we should refer to this 17 at this time as J-8 for identification or is it J-9? 18 THE COURT: You want to put it in 19 evidence? Is there any problem? 20 MR. MURRAY: I don't know if there's a 21 problem. 22 MR. TROMBADORE: J-8. 23 THE COURT: It would be J-8. If there's 24 no problem, put it in evidence. Let's mark it 25

1 first. J-8 in evidence. 2 MR. TROMBADORE: Can we call that 3 commuter shed map? 4 (J-8 marked in evidence.) 5 THE COURT: J-8 then in evidence is a 6 45 minute commuter shed map. 7 BY MR. MURRAY: 8 With reference to this exhibit, J-8, 9 would you indicate what it depicts? 10 First of all, in a red lined marker, it indicates the 45 minute commuting distance for Warren 11 12 Township, measured from the center of the township and 13 utilizing the speeds for the various classes of roads 14 that I testified to earlier today. And the blue line? 15 0. Blue line in a hatched marking indicates the 16 17 present need Region II. 18 So what we have is the present need 19 region which is larger than the prospective need region? 20 That's correct. 21 Because of that difference in size, does 22 that create any problems with respect to your analysis 23 of the -- we have a dual region concept now. 24 25 that present any particular problems for the

13 | 14 | 15 | 16 | 17 |

little highlighting.

determination of region at all, or is this consistent with what you feel to be fair when we get to the fair share allocation from those two regions?

A. I think it is fair and I think by utilizing the dual region approach for purposes of computations, I think that the planning goals that are in the Mount Laurel decision I think are more accurately reflected in terms of regional definition for the prospective need using the commuter shed and the surplus present need, if you will, utilizing the metropolitan Region No. II.

Q. And I think that we understand the prospective need region, that is going to be different, municipality to municipality, within the same Region II. Their prospective need region is going to differ within each municipality?

A. That's correct. And it may deserve just a

Specifically, there has to be a separate quantification and allocation of the prospective need to each municipality for which the analysis is completed. And additionally, any single analysis for particular municipality at the center of its 45 minute commuter shed will have only a number attached to it and need not, and in many instances, depending upon

the methodology, will not have a number attached to any other municipality within that commuter shed.

Q It's possible at this time that it would be appropriate to get into the use of these regions and the fair share allocation -- have you undertaken a fair share determination and allocation of the housing needs both in the prospective and present need regions?

THE COURT: Before we -- before we get to fair share, let me ask just two additional questions, I think one you've answered, perhaps not directly, but certainly indirectly.

Why is it that you chose to opt for the Caton approach to Region No. II as opposed to Lerman approach let's say to a south metro region?

Honor, the Lerman approach I think was a -- a very good attempt to try to combine the competing forces in the needs of the Mount Laurel II decision in terms of regional definition. It attempted to essentially bifurcate the major concentrations of urban land areas along the eastern coast of the northern part of the state and allocate one to

what's dubbed -- or one group to the southern metro area and another group to the northern metro area; however, in utilizing a dual regional approach, the commuting relationship of the south metro area became less important, because, of course, we would have a separate commuter shed for every municipality.

With that, we then look at this south metro area only in terms of distribution of surplus present need. And on that basis, it appeared better to try to get a broader relationship of more municipalities in terms of that distribution.

Two other points. In taking the south metro area by Mrs. Lerman, we had problems both north and south of that metro area for present need region mapping. South, we had the question of Burlington, possibly ending up with Ocean, which did not make much sense, or putting Burlington down with Gloucester, and leaving Ocean on its own. Or in turn putting Ocean with the south metro area which I think violates some of the findings of Mrs. Lerman in regards to her analysis.

Northward, we would still have Sussex

and Warren, possibly, but we would then be left with Morris, fragmented from Somerset. I can't say that it's -- it's a perfect remedy, but the Caton nine county area for all the reasons that I think the Court has discerned in terms of concentration of growth area, concentration of population and concentration of the major urban areas of the state appear to be a -- a more forthright effort to meet the requirements of the Mount Laurel II decision in regards to the redistribution of present need.

of the Lerman report indicates that she, indeed, recognized the interrelationship of the entire northern 13 counties, and that, in fact, with respect to present need, there was a necessity to distribute out of the core areas of Hudson and Newark and so forth, that need to both the north and the south, and that's why she broke a north — north and south metro region out of a single region, so to speak.

THE WITNESS: Yes.

THE COURT: All right. The second -- the second question, and you might want to stay there, that is, how does the 45 minute commute

which Mr. Chadwick developed based upon actual travel time compare to the 45 minute commute based upon speeds? How much more land area or less land area is affected? I'm not asking you town by town, but just approximately, if you can -- do we take in large percentages of additional counties or...

We certainly take in Newark and Elizabeth and East Orange. And we proceed northward to include Boonton Borough, and we proceed west, even across the Hunterdon County line into Warren County and we -- well, basically, that's the -- that's the difference. So it is broader particularly, to the north, east and west with relatively minor differences to the south, again because of the fact that you're -- you're dealing with a north-south oriented traffic circulation system in that portion of the state until you get to the north where it goes east and west.

THE COURT: So when we get to the issue of median income figures, if median income figures are to be calculated consistent with a region that is approximately the commuter shed,

٠.

we will have a broader median income base by virtue of using your 45 minute commute based on speeds?

THE WITNESS: Yes.

touched upon the question of overlap in the development of commuter sheds so that a given town might twice fall within a commuter shed -- or more than twice commuter shed area. I'm not sure that you addressed yourself to the question of whether there will as a result be double counting in creation of double fair shares, whether we will substantially increase the total fair share of the region.

THE WITNESS: Well, as a preface to my answer, your Honor, I must obviously state that I have not done the analysis for every growth municipality in the state. So I can give you my — the anticipated result, were such an analysis or composite series of analyses to be undertaken.

First of all, however, there's never any double assignment to any one municipality because the very nature of the exercise would

be to come up with a prospective need number for a commuter shed region, whether that be based upon population projections converted to households or employment projections converted to households. But the allocation of the number -- of a number is only to the given municipality.

What this necessitates, therefore, is an independent prospective need analysis for every growth municipality. It's not a laborious task once a formula were agreed upon.

I have done this on my 30 minute commuting region for upwards of 20 munici-palities. And it's a rather simple question of plugging in the numbers, assuming an agreed upon methodology.

It is very true that a given municipality will fall within a number of commuter sheds, but no number will be assigned to it unless it is being performed for its commuter shed.

Now, the ultimate question you asked,

Your Honor, was: If you were to add up all

the numbers as a result of all these various

analyses, would the individual numbers for each

municipality add up to a hundred percent on a

statewide scale? And the answer to that is I

don't know. I would doubt that it's going to

be precisely a hundred percent, and the reason

I would doubt that is because when you're

dealing with a commuter shed, the question is:

Do you go -- if you go 50 percent into a

municipality, if you're 40 percent, you drop

the municipality. If you're 52 percent, you

add on the municipality. So, clearly, there's

going to be some aberration in terms of the sum

versus the -- the sum of the individual parts

versus the total.

On the other hand, your Honor, I think that it will be a more accurate approach for a given municipality for which the analysis is being performed as opposed to, for instance, coming up with a nine county region and assuming all municipalities are in that region not only for the present, but for the prospective need; because as you move away from the center or the series of centers of a large region, you are going to end up towards the edge where the municipality really has no relationship to other municipalities in terms of the computation.

As an example, if we were to use what

has been dubbed -- or let me change that.

region for prospective need, we would be dealing with a projection for Clinton which is a growth area based upon what's projected to happen both in West Milford in Passaic County and in Northvale in Bergen County. And I think the numbers there become suspect, regardless of whether they add up to a hundred percent or not. I'm not -- in my mind, that's less important for the following reasons: It's important, I think, to have a projection based upon the dynamics of a particular municipality in terms of the relationship of employment opportunities to housing opportunities.

Number two, if the numbers are off by relatively small magnitudes, I don't think it affects what's going to happen in the near future.

To put another way, statewide, I believe Mr. Moskowitz in a discussion with me - and he can verify it on the stand - indicated that the most active year for housing construction during the last 20 years was something like 1968, which had something in the neighborhood

of 65,000 total dwelling units constructed that year throughout the state. 50 percent or approximately 50 percent of which were single family homes and approximately 50 percent were multiple family dwellings. That number fluctuates down to 20,000 or less.

If all of the projected housing that is earmarked for construction based upon some of the population or employment models were -- had to be constructed by the year 1990, we would have to build approximately 65,000 units a year in order to get the 20 percent low and moderate.

Additionally, we might assume that if all that -- if all of those units were to be multiple family, that that 65,000 total then per year would have to be multiple family housing, and that if any single family housing was built, in addition, it would simply up that number even more.

I think that's an unrealistic market expectation.

So that essentially, since this effort has to be updated every six years by every municipality at a minimum, there is going to be

a certain degree of phasing, and whether the number for a municipality is 800 or 950, I question whether in the long run that has any import at all. And I think there can be less fundamental arguments in terms of the allocation process if the prospective housing region is one that is uniquely tuned to the municipality at hand.

THE COURT: I'm looking for the figure, but as I recall, Mr. Caton projected a prospective housing need alone for this Branchburg region of some 97,000 units, lower income. That's 1980-1990. You may want to look at Page 24. If I read that correctly.

MR. TROMBADORE: Would your Honor repeat that, please?

THE COURT: 97,000 units.

MR. TROMBADORE: 97,000.

MR. MASTRO: Lower income?

MR. TROMBADORE: That's the nine county region?

THE COURT: Yes.

THE WITNESS: I think, your Honor, I have a feeling that that might be, going back to Page 22 --

THE COURT: Page 24.

THE WITNESS: I'm on Page 22, where I think it came from. That might -- is that the present, the year 2000 present need figure?

THE COURT: Well, I'm a little bit confused by it myself. I think that figure on 22 appears to be present. All right? And he appears to come up with a present need figure of some 33,000 or 34,000 units, 33, plus. And --

THE WITNESS: That right -- that's 33,450 by 1990 for present need.

THE COURT: And it would appear from Page 24 that he's coming up with a prospective need of 97,000.

THE WITNESS: Yes, it would appear.

THE COURT: So just taking those figures we're talking about 130,000 units roughly. And in order to build that by 1990, we'd have to build something like --

MR. TROMBADORE: 65,000 a year -- well, more.

THE COURT: 650,000 units, if 20 percent of them would be low and moderate.

THE WITNESS: And if we figured a ten

year build-out which would, of course, bring us to 92, that's a sizable number per year.

MR. TROMBADORE: 65,000 a year.

THE COURT: So that would be 65,000 a year, and so as a practical matter, you're saying we would have to attain the 1968 record level high, or whatever that year was, in order to accomplish that.

THE WITNESS: I correct myself, your Honor, it was 1964.

THE COURT: All right.

THE WITNESS: Or a total of 68,078 dwelling units were authorized by building permit.

THE COURT: Do you have more current figures there as to what's happened since?

THE WITNESS: Yes, your Honor. The -the next peak was 1972 at 65,539. The latest
figure, your Honor, that I have on the sheet
are 1980 and '81 at 22,257 and 21,293,
respectively.

THE COURT: Fundamentally, you're saying that if there is some deficiency, we're worrying about an unattainable figure in any event, based upon everything that has happened at

1 recent date. 2 THE WITNESS: Yes, your Honor, I think 3 that's clear. 4 THE COURT: All right. 5 Before we go to fair share, perhaps it 6 might be best for the purposes of the record 7 if counsel have -- any other counsel have any 8 other questions concerning region, you want to 9 address that? Would that be an appropriate 10 procedure? MR. TROMBADORE: I think it might be 11 12 appropriate, your Honor, and I have just one 13 or two questions of Mr. Coppola. 14 VOIR DIRE EXAMINATION 15 BY MR. TROMBADORE: When you were first asked to meet with 16 17 Mr. Chadwick and Mr. Moskowitz, you were asked to 18 compare your own reports with respect to region, is 19 that correct? Yes. In the context of the other information 20 available, as well, Mr. Trombadore. 21 And all three of you had prepared and 22 submitted reports together with diagrams, exhibits 23 based on a 30 minute commuter shed? 24

Both Mr. Moskowitz and myself used the 30 minute

25

commuter shed. Mr. Chadwick used a 45 minute commuter shed, but the computation for the outbounds was different.

- Q. And so there was some agreement then at least as to methodology in your initial attempts to arrive at a definition of region for Warren Township?
- A. Yes, sir.

Coppola - Voir Dire

- Q. But you came up with different results because of some slightly different approach in terms of either how you measured the commuter shed or what the commuter shed itself should be?
- A. Yes, sir. And also, of course, the internal methodologies of projections of households, and then the allocation of those households to Warren Township.
- Q. Now, as I understand it, the next thing you were asked to do was to compare the results which flowed from the determinations which each of you made with respect to commuter shed. In other words, what kinds of figures did that produce in terms of fair share allocation. You did that as well?
- A. Yes, we did.
  - Q. And in addition, you then looked at the reports which had been submitted to the Court and which were generally available to other people, the reports

1

2

3

4

5

7

8

9

12

13

14

15

16

17

18

19

20

21

22

23

24

25

prepared by Rutgers, by Lerman and by Caton? Correct.

Coppola - Voir Dire

And those were not commuter shed region determinations, were they?

Certainly, the Caton and Lerman were not. Rutgers started out being a commuter shed approach and then was modified according to the information in the publication, but you're -- I think I would agree with you, Mr. Trombadore, that if I were going to classify the Caton, Rutgers and Lerman regions, I would say they were not pure commuter sheds, certainly They were more of a metropolitan approach.

In terms of end product, each of those, let's call them outside experts, Lerman, Caton, Rutgers, produced fixed regions so that like your exhibit which is presently on the board, J-6, you would have fixed regions on a map and you could point to any five hundred and seventy-some municipalities and say, municipality X is in Region III or I or VI? Yes. **A.** 

And those regions were used by those experts for the purpose of determining fair share allocation, both as to present excess need and prospective need?

That's correct.

And just so that I understand what

evolved from your discussion then with Mr. Chadwick

and Mr. Moskowitz, was a recognition that while it was

desirable to have fixed regions because you don't have

to make five hundred and seventy-some determinations,

it was not a perfect approach in terms of developing

prospective need, because it had no realistic

relationship to commuter shed?

A. In fact, it was determined to be very imperfect for the determination of prospective need.

Q. Let me ask you this just conceptually, because I understand what that has produced here in terms of your testimony, you're saying essentially then that in applying the instructions of Mount Laurel II, you would create two regions for each municipality or city -- or community?

A. Yes. Effectively.

Q. Would you have any difficulty with saying that you in effect have one region, a fixed region, but then for purposes of determining prospective need, you would create a separate formula or methodology based on a commuter shed area. It's a difference in terminology now, Mr. Coppola.

A. Well, it may not be just that. Let me just point out to you -- let me -- let me put this to you,

Coppola - Voir Dire 71 1 Mr. Trombadore: That is -- that would lead me to 2 believe that the commuter shed of any municipality 3 within let's say Region II on --4 J-6:--5 -- J-6, would be within Region II. 6 Oh, no, I'm not suggesting that as part 7 of my question. 8 Well, then from a semantic viewpoint --Okay. 9 I'm saying that --10 I have no problem, but frankly, I have no 11 problem with whatever terminology anybody comes up 12 with, but it seems to me in looking at the directions 13 of Mount Laurel II and as reference to Mount Laurel I 14 in Mr. -- in Judge Pashman's concurring opinion, we really are talking about breaking out two land areas, 15 two regions which in aggregate were to be the overall 16 17 region that is called forth by the Court. 18 In other words, within the directives of the 19 Court, there are conflicts, and I think it's very very 20 improbable if not impossible to come up with a fixed region unto itself that's going to answer all of those 21 22 directives. The best that can happen is a compromise, and 23 you end up compromising both questions. So, however 24

you call it. But it seems to me they're two -- they're

15

16

17

18

19

20

21

22

23

24

25

2046

FORM

07002

0

Coppola - Voir Dire 1 2 3 5 6 7 8 9 you're doing, essentially? 10 THE COURT: 11 12 13

72 two regional areas for the purposes of computation.

All right. But you -- but if in fact it were to be said that we do have one region, a fixed region or set of regions, which is a determination designed to produce allocation of present need, excess present need, and in addition, have a methodology which is dependent upon commuter shed areas, you would have no problem with that conceptually. That's what

> I think -- I think what Mr. Trombadore might be getting at, number one, the Supreme Court has never suggested that there will be two regions for a municipality. That's not to say that they've said it couldn't happen. They didn't discuss it in those terms.

> You've previously testified that the Rutgers approach really constitutes something of a marrying of the -- I think that was the term you used, of the concepts of commuter shed and metropolitan region, and would it be fair to say that fundamentally, that's what you've done here, you've married the two concepts?

> > THE WITNESS: Yes.

THE COURT: And that one could as easily say that you're using a metropolitan

2 share by using a commuter shed as part of a 3 single methodology? 4 THE WITNESS: Yes. 5 6 really not. 7 8 9 10 present need calculations. 11 12 13 feel more comfortable with that. 14 15 16 17 of that calculation. Is that --18 19 THE COURT: Correct? 20 21 22 at? 23 24 and I would suggest that it isn't only because 25

THE COURT: So, theoretically, we're THE WITNESS: You could also reverse it. You could say that the region is the commuter shed region and the adjustment is for the THE COURT: All right. Okay. So that --THE WITNESS: I think I would frankly THE COURT: But in reality, we're talking much more about methodology and calculation in terms of the need and that the concept of two regions is just a -- an element or a criteria THE WITNESS: Yes, your Honor. THE WITNESS: I have no problem with that. THE COURT: Is that what you're getting MR. TROMBADORE: Yes, it is, your Honor,

region, and then adjusting the prospective fair

Q.

1 the Court does not talk about two regions, it 2 is because laymen might have some difficulty, 3 perhaps even some lawyers might have some 4 difficulty understanding the notion of two 5 regions for one community. 6 THE COURT: Even some judges. 7 MR. TROMBADORE: Some judges. 8 BY MR. TROMBADORE: 9 Just two other questions, Mr. Coppola, 10 you indicated --11 THE COURT: Even Appellate Division 12 judges. 13 You indicated that the commuter shed 14 region which you developed was based on a 45 minute commute, and that that 45 minute commute anticipated 15 16 the completion of Interstate 78. I want to be clear 17 on that. 18 Yes. 19 If the map did not -- I'm sorry. 20 me restate that. If Interstate 78 were not completed 21 to the east from Warren Township to the east, from Warren Township to the east, would that change the 22 boundary of the 45 minute commute? 23 THE COURT: What was that question? 24

It would change the boundary of the

```
Coppola - Voir Dire
1
    water -- of the commuter shed?
2
           I would think it probably would. Yes. I don't
3
    know to what -- may I take a look at that map?
                 (Indicating)
5
           I would have to say, Mr. Trombadore, that it
6
    would probably only marginally at most change it,
7
    because you come up, of course, to the water, number
8
         And number two, I have the benefit of looking at
9
    my 30 minute commute region which was done the same
10
    way, except that a 30 minute outbound time limit and
11
    the Moskowitz region which was 30 minute also, but
12
    assumed the completion of 78. So I really don't know
13
    if there would be any change there.
14
                  The eastern boundary of the commuter
15
    shed as you have set it out on the exhibit includes
16
    Newark, does it not?
17
           Yes, it does.
    A.
18
              And does it include Jersey City?
19
          No, it does not.
20
                  All right. And would I be correct that
21
    if, in fact, Interstate 78 were not completed, you
22
    would not, in fact, include Newark in that commuter
23
    shed?
           Possibly not, but I can only tell you that Mr.
24
25
    Moskowitz in his region, which was a 30 minute commute
```

Coppola - Voir Dire 1 assumed the construction of 78. 2 That's correct. 3 Did include Newark. So I don't know what -- I 4 really don't recall. Mr. Chadwick, who oversaw the 5 formulation of this 45 minute region, might be better 6 able to answer that. 7 Well, the reason I raise that is because 8 I anticipate that Mr. Chadwick will produce an exhibit 9 which does not show Newark as included in the commuter 10 shed based on the noncompletion of Interstate 78. 11 I just want to be clear that yours is predicated 12 on that assumption, that Interstate 78 is completed. 13 It says it right on J-8. 14 You have indicated in your direct testimony that this boundary of the commuter shed area 15 16 or region would intersect or cross county lines, and 17 in many cases would run through --18 THE COURT: Go ahead. 19 -- municipal lines. 20 I'm sorry. You indicated that when you draw your 21

boundary for a commuter shed area, that boundary would 22 not be coterminus with boundaries of either counties 23 or municipalities. You would be cutting through a 24 municipality, cutting through a county. 25

Now, in that situation, you said I think that if we find that we include a certain percentage of a municipality, we might include it. If we have less than that, we might exclude it. There is a methodology that deals with that, is there not? In terms of whether you include or exclude that portion of the municipality or the county?

- A. Yes. The way -- in terms of the commuter shed?

  O. Yes.
- A. The way I have it in my Appendix B to the report which I believe was also utilized by Mr. Moskowitz was that if only a part of a municipality was within the specified minutes driving time, it was included in the region if more than half fell within the driving time, but was excluded if less than half fell within it. And the measurement proceeds from the center of the subject municipality.
- Q. What do you do then with respect to county? If you are traversing a portion of a county with that boundary, do you use the same methodology? You do not, do you? You include whatever is there.
- A. It has nothing to do with counties, the commuter shed.
- Q. All right. One of the questions raised by the Court with respect to allocation and

```
Coppola - Voir Dire
1
   determination of median income --
2
          Well, that's -- I think that's a different
3
   question.
          Q. All right, but that's my question.
5
          All right.
6
                For purposes of the commuter shed.
7
          But it has nothing to do with the region per se
8
   then.
9
                  But it's retained -- it would still be
   retained for purposes of the computation?
10
                  THE COURT: Of median income, is that
11
          what you're saying?
12
13
                 Of median income?
14
          Yeah. Let me just clarify my own mind in terms
   of the outbounds of the 45 minute commuting regions,
15
   it's just a question in terms of municipalities.
16
                 Okay.
17
          Q.
          Now, in terms of after the allocation and at the
18
   time of construction somebody obviously asks a question,
19
   what are our income limits? How much can we sell these
20
   units for? And the municipality asks, what do we have
   to make sure that the developer develops them at --
22
                 Excuse me. I think we understand now
23
   your position.
          I simply wanted to be sure based on your
25
```

25

79 Coppola - Voir Dire 1 statement on direct that you would exclude portion 2 of a municipality that you are not suggesting you 3 would exclude any part of a county in the determina-4 tion of median income, and you've said not. I'm 5 satisfied with that. 6 Well, I haven't answered the question about 7 how you'd compute median income, but that might be a 8 little later in the testimony. 9 But that's part of your testimony on 10 fair share, so that we'll reach that. 11 I have no other questions of Mr. Coppola. 12 THE COURT: Mr. Coley? 13 MR. COLEY: No. I have no questions, 14 your Honor. THE COURT: Mr. Mastro? 15 16 MR. MASTRO: Your Honor, I have just a couple questions on conceptual understanding of 17 the dual region approach. 18 19 VOIR DIRE EXAMINATION BY MR. MASTRO: 20 Mr. Coppola, aren't you saying that the 21 dual regional approach encompasses a present region 22 and prospective region that are clearly different, but 23

not inconsistent, aren't you saying that?

Very much so. I think they are, taken together,

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

however you dub them, totally consistent with the directives of the Mount Laurel II decision.

Q. In other words, if we take a look at all the problems that Mount Laurel theory attempted to

the problems that Mount Laurel theory attempted to address, to catalog a few, dilapidated housing, senior citizens and lower income categories, retired people, young people, incapacitated people, can't work, structurally unemployed people, poor, both employed or unemployed, concept that people who work would like to be within reach of the job to which they're commuting, the imbalance between cities and suburbs and the lower income people, the problem of the future lower income households, the State Development Guide Plan, the growth area in there, and the attempt to channel all of the prospective lower income households into that growth area, aren't we saying then that you can't possibly address all those issues with either a commuter shed region or a fixed region as indicated on J-6?

That's not a yes or no question. Your Honor -
THE COURT: That's the type of question

you always ask in a medical malpractice case,

but you want to get the guy to say, yeah, he

did it.

THE WITNESS: I can shorten it, and

simply say without answering the -- every one separately and not intending to say that by coming up with a -- a methodology that encompasses two calculations, one for prospective and one for present, you're going to answer all the ills that have been identified in Mount Laurel II, I do feel that in terms of the regional aspects of the question, the dual methodology does, I think, address more particularly the -- the goals of Mount Laurel II in terms of region.

When we get into the question of compatibility with the State Guide Plan and those types of questions, that's going to depend upon two things; first of all, the methodology of allocation of computation of the numbers based upon the determined regions, and then maybe most importantly I think has been the case in all the Mount Laurel litigations, what in fact happens in the real world when everybody leaves the courtroom and construction occurs or doesn't occur.

I hope that was responsive.

THE COURT: It was such a lovely question, too.

1 MR. JACOBS: I agree. 2 BY MR. MASTRO: 3 Aren't we saying that the two regions 4 address different factors? For example, the commuter 5 shed addresses prospective, which is job oriented and 6 SDGP oriented, you agree with that? 7 Well, it is job oriented. The S -- the State 8 Development Guide Plan aspect of it comes in on it 9 during the allocation, but --10 During the implementation process, we 11 have to channel lower income households of the 12 prospective need into the growth areas. 13 No. During the allocation process, the growth 14 areas come into play. That's when they particularly 15 come into play. 16 THE COURT: I think the --17 A. Maybe I'm --18 THE COURT: The point that Mr. Mastro is 19 getting at is that is it fair to say that 20 within the opinion itself there are conflicting 21 goals, conflicting in the sense that they call 22 for us to gravitate towards a different 23 regional approach? 24 THE WITNESS: For present versus 25 prospective, yes.

quick answer.

```
1
                  MR. MASTRO: That's what I'm...
2
                  THE COURT: And that what you're trying
3
           to do by this approach is to resolve the
4
           conflict with all those goals that Mr. Mastro
5
           listed in his original question.
6
                  THE WITNESS: Yes.
7
                  THE COURT: Is that it?
                  MR. MASTRO: Thank you, Judge.
9
                  THE COURT: You know, when I had a good
10
           question I wanted to ask, and yours was so
11
           stellar.
12
                  MR. JACOBS:
                               I was going to say the same
13
           thing. I'll be brief.
14
   VOIR DIRE EXAMINATION
   BY MR. JACOBS:
15
16
                  In speaking with you, I know you're
17
   fairly familiar with it, the housing market area as
   we refer to in the Madison case, and Mount Laurel II,
19
   in the Courts' discussing that area, in terms of the
20
   housing market area, is it your opinion that the
   housing market of Warren Township is drawn substan-
21
   tially from the commuter shed area you're proposing?
22
23
           Yes.
               Okay. I thought that would get a pretty
24
```

So that this area -- this area again is more or less, and that's the terms used in Mount Laurel II, the housing market area of Warren Township?

A. Yes.

THE COURT: You're referring to what page?

MR. JACOBS: I'm referring specifically to page -- Mount Laurel II, 256.

THE COURT: All right.

MR. JACOBS: The answer is yes.

THE COURT: Okay.

I suppose it would be fair to say that the third way to describe these two regions is to say that you really have a region and a subregion within it. Would that be a third, because every commuter shed is going to be a part of a larger region, is that right?

THE WITNESS: That's correct, the only problem I can see with that, your Honor, and --

THE COURT: I can see a variation.

THE WITNESS: If you come towards the line of let's say I and II, you're going to have a commuter shed overlapping the six regions.

THE COURT: Okay. I was leading to that
And what happens in that sense? Will

Yes.

1 that cause any problem with respect to this? 2 THE WITNESS: None at all. 3 THE COURT: Why not? 4 THE WITNESS: Because there are separate 5 computations for separate purposes under the 6 Mount Laurel II decision. 7 THE COURT: Okay. So the goals that Mr. 8 Mastro was talking about will be met just as 9 well, even though a commuter shed overlaps two 10 of the metro regions if we want to call it that? 11 THE WITNESS: I sincerely think so. 12 THE COURT: All right. 13 MR. COLEY: Your Honor, could I have just 14 one question? 15 THE COURT: Sure. 16 MR. COLEY: Two questions? 17 VOIR DIRE EXAMINATION 18 BY MR. COLEY: 19 Mr. Coppola, you're satisfied for the 20 purposes of this case that Region II accurately 21 represents a way to determine present existing need?

23 Q. And you're also able to accept the
24 45 minute commuter -- commuter shed that is set forth
25 in exhibit --

```
1
           P-8.
2
                  P-8? Right? And that's an accurate
3
   way to set the prospective need for Warren Township?
4
           Yes, I think it is a reasonable way to do it,
5
   and I think it is specific to -- to Warren Township in
6
   this case.
7
                  THE COURT: Just for the record, I think
8
           the commuter shed is J-8. All right. Go ahead.
9
                  It's J-8, yes, your Honor.
           Q.
10
                  THE COURT: Yes.
11
                  MR. COLEY: I have no other questions.
12
                  THE COURT: Gentlemen, Intervenors, do
13
           you wish to be heard on this point at all?
14
                  MR. KRAUS:
                             No.
15
                  MR. LYNCH: No thank you, your Honor.
16
                  THE COURT: All right. Suppose we take
17
           a recess at this point, and then we'll come back
18
           on the issue of fair share.
19
                  (Recess is held from 3:05 p.m. to 3:30
20
          p.m.)
21
   RICHARD THOMAS COPPOLA, having been previously sworn,
22
   resumes.
23
   CONTINUED DIRECT EXAMINATION
   BY MR. MURRAY:
25
                 Mr. Coppola, in the overall Mount Laurel
```

obligation concept and its application to a given community, would the determination of fair share now be the next step in the analysis that we have here today, and if so, would you indicate in general what that encompasses? And then we'll go into detail.

A. Well, it encompasses ordinarily three calculations, one, a projection, an allocation of prospective housing need to the municipality. Two, a calculation and allocation of surplus present housing need to the municipality. And third, the indigenous need which is operative to every municipality, whether they are growth or nongrowth under the State Development Guide Plan.

- Q. And have you determined a calculation of the prospective housing need for the region as you have defined it previously?
- 17 A. Yes, I have.
  - Q. And would you indicate the method or methodology in doing that?
  - My region was, as I mentioned earlier, a 30 minute commute region and --
  - Q Now, the region that you're referring to now would be the region that you set up in the report previously submitted, the November, 1983 report?
  - A. That's correct. My approach was to project

employment growth within the defined region from '82 to 1990. That projection was a straight line projection carrying forth the employment growth within the region within the years 1972 and 1981. 1972 and '81 were chosen because 1981 is the most recent year for which the data is available, and 1972 is the earliest year in which the definition of covered jobs is consistent with current years.

- Q. What is the source of that data for the 1972 and 1981 growth?
- A. It's private sector jobs covered by the New Jersey Unemployment Compensation Program.
  - Q All right.
- A. And once that projection was made to the year 1990, the total number of jobs was converted to total number of households that would be added to the region, the prospective households. The conversion factor that I used was 0.759, which means that for every new private sector job, 0.759 new households would be created. This is the aggregate figure for the State of New Jersey for the ratio of jobs to covered employees. And what it essentially means is that for every household, you have more than one, some fraction greater than one employed person.
  - Q. All right. In applying that formula,

Coppola - Direct

what did you project?

A. The projection for total need, this includes low and moderate, and includes higher income housing, as well, for 1990, within the defined region was 90,742 dwelling units. That, I might add, includes an additional 4 percent for vacancy and housing loss, which was a standard that is ordinarily applied. So we ended up with a total need anticipated new housing within the region of some 90,742 units.

The next step in my analysis was to allocate that regional need and I developed a matrix of three independent factors, one of which was the percent of growth area in Warren Township versus the growth area in defined region. And that turned out to be 4.93 percent for Warren Township.

- Q. Again, you're using the region that was set forth in your --
- A. It's a 30 minute commuting region, correct.

  That which is mapped on J-4 under my name.

The next factor in the matrix was the employment in Warren Township in 1981 as a percent share of the existing employment in 1981 throughout the defined region and the percentage factor for Warren Township in that regard was 0.75 percent.

And third and finally was the percentage of

employment growth experienced in Warren Township

between the years 1972 and 1981 as a percentage of

employment growth in a defined region. That factor

for Warren Township was 1.06 percent.

I then took those three factors and weighted them in four separate ways; one, considered all three factors equal. So I added up the percentages, divided by three and the weighted factor, therefore, for Warren Township was 2.25 percent.

I then took each of the factors and in one instance assigned factor one of 50 percent weighting, and factors two and three, 25 percent each; and then did it again, but assigned 50 percent weighting for factor two; and one and three, 25 percent each. And then finally again, 50 percent weighting for factor three; and one and two, 25 percent each. In order to project a range of prospective need. And the range was between 1.87 percent as a multiplier upwards to 2.92 percent. The 2.92 percent which is the highest assigned a 50 percent weighting to factor one, which is the percentage of growth area in Warren Township versus the percent of growth area throughout the region as mapped by the State Development Guide Plan.

The next step in the process was to take the projected total regional housing need of 90,742 units

and break it down to low and moderate income units,

and at the same time apply the weighted fair share

percentages against the numbers. And in that way, it

is possible to come up under this methodology with a

range of low, moderate income obligation numbers for

Warren Township.

breakdown, did you obtain a final figure?

A. Yes. First of all, the -- the breakdown of low and moderate out of the total 90,742 was -- I used the statewide figure of 39.5 percent of all units in the state being either, and low and moderate income units.

As a result of that computation and

In other words, it's 15.9 percent moderate and 23.6 percent low. So 39.5 percent of 90,742 units turns out to be 35,843 units, which is the projected need for low and moderate income housing units within the 30 minute commute region by 1990.

Then by taking that 35,843 unit number and applying the various weighted factors against it, a range of obligation to Warren Township is determined to be between 670 dwelling units and 1,046 dwelling units. Evenly weighted, it's 807 dwelling units.

Q. When you say evenly weighted, is that the average of these two figures?

A. That would be the figure derived from weighting each of the three factors evenly.

Q. All right. And that last figure was what?

A. Was 1,046.

THE COURT: No.

THE WITNESS: I'm sorry. I beg your pardon. 870. Thank you.

The next step in the process or next step is the question of indigenous, and I'll make the point that indigenous and present in some methodologies overlap, and in other methodologies such as mine, are handled separately. The reason that they are handled sometimes in aggregate is because they are the same — they represent the same measurement of — of housing unit.

physically deteriorated housing units, or
those which are overcrowded; however, that is
quantified, and some point in this testimony
I will indicate the variations on methodology
utilized by some of the experts who have
submitted reports to the Court or have been
used, such as Caton and Lerman in the proceedings

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

before this Court.

But the difference between the indigenous label versus surplus present as used in my report is that the indigenous is a localized quantification for every municipality throughout the state, and in terms of Warren Township, I took from the U.S. Census, 1980 data, different series as indicated on Page -housing -- 4, Plate 2 of the November, 1983 report, Units With No Kitchen Facilities, Units With No Bath Or Half Bath Only, and Overcrowded Units. And the total number of units, therefore, is 43.

And I should also say that -- let me just proceed.

That 43 doesn't have a range, it's a fixed figure?

It's a fixed figure. I'm not providing for any overlap. Other methodologies have included a number of other line items in the census, such as overcrowded with adequate plumbing, overcrowded with inadequate plumbing, inadequate plumbing with no overcrowding, inadequate heating, lack of kitchen, and then there's various deductions and compensation factors utilized.

In fact, that's -- I'm reading now the

19

20

21

22

23

24

25

1

2

3

4

Coppola - Direct

lower income households.

07002

BAYONNE.

methodology used by Mr. Caton, and then he has a 50 percent deduction for above moderate income households plus needed vacancies and 60 percent deduction for

94

Suffice it to say that the methodologies that I reviewed and up within a very very similar range of magnitude in terms of the indigenous for a municipality such as Warren Township.

The next question is the present, and the reason I introduced this commentary with indigenous --

> THE COURT: Excuse me. Before you get on to present --

> > THE WITNESS: Yes, your Honor.

THE COURT: Your calculation of indigenous does not include a calculation based upon financial need, is that correct?

THE WITNESS: That's correct.

THE COURT: And it could be argued, couldn't it, that there are people who don't live in dilapidated housing or overcrowded housing, but would fit in the Court's definition of a low and moderate income person.

THE WITNESS: That's true, your Honor, and I spent some time in the report discussing it as a possible contention.

25

1

I, in looking at the decision and going backwards, and I might add, your Honor, that I'm representing a developer here, I had submitted a report earlier which had a financial need component, and it ended up with a larger number for Warren Township. In my learning experience, and it continues in this effort, in going back and scrutinizing the decision, it appears to me that the Court was somewhat specific, and I don't have the exact page reference, as to what was meant by present need, and the reference was to physically deficient units and overcrowding. I think it was more in the discussion of Mount Laurel itself, the town, that there was explicit reference to their methodology which included a component of calculation for financial need.

I have found that that number can be in blunt words off the boards. It can be a number of significant magnitude beyond, I think, a -- a meaningful relationship to what might be the prospective need, as an example. And then there's a question of double counting. There is a question of empty nesters, retirees, widows, widowers. There's a question of the

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

2046

FORM

source of the data, what people are actually reporting as their income.

Then there's a question of what's income versus what's coming out of the bank in different forms.

I am troubled with that possible component, and you are right, your Honor, when you note that in the November, 1983 analysis, I did not include it at all.

THE COURT: And Mr. Moskowitz has apparently attributed 338 people in financial need, and Mr. Chadwick has apparently attributed 313, if my chart is correct, and presumably eliminated the overlap by saying, well, a certain percentage of those people that overcrowded are obviously also financially in need, whatever that percentage is.

Why wouldn't it be more accurate to say that people in financial need represent a better measurement than just those in overcrowded or dilapidated? I mean, why are the figures so far off? And can -- can one say with certainty that in Warren Township, for example, there aren't 313 people in financial need? We probably could say with more

certainty that there are X amount of people in dilapidated or overcrowded housing. I could understand that's a more ascertainable measure, but why is it not ascertainable, or why is it questioned as to financial?

THE WITNESS: Well, you're getting people reporting what they earned. That's the source of the data that I know that is available.

I think people are less apt to indicate a higher income, just by human nature. I may be wrong.

THE COURT: Or for other reasons.

THE WITNESS: Yes. Or for very very pronounced reasons, but I find a lot -- I spent some time in the report on Page 3 in a paragraph talking about some of the problems that I have with it.

on the dilapidated, not try to say, well, you know, some of the units that are measured for plumbing also have -- are overcrowded. It's -- I'm not saying this is the only way to go, and as a matter of fact the thrust of my testimony was going to be that there are a lot of reasonable ways of approaching it.

THE COURT: But you would -- would it be your inclination that it's a truer measure that in fact while statistically the 313 might be called upon based upon mathematical calculation, that really, poor people or low income people would demonstrate that by living in housing that's not adequate? Is that what you're saying?

THE WITNESS: I think there is going to be a tremendous overlap, yes.

THE COURT: And that the relationship between overcrowded housing and their true economic condition is much more accurate than simply accepting figures they give us? Is that what you're -- is that your bottom line?

your Honor, is that the financial component in that quantification troubles me for two reasons first of all, the reliability of the data; and secondly, I think predictable reasons for the inflated numbers, and I think they are inflated relative to other quantifications that come out of this overall fair share process.

THE COURT: And why are they -- I mean, the town didn't want to inflate them. Why

would they be inflated?

about, for instance, people that are showing relatively low incomes, we don't know, for instance, whether they're retirees living on pensions, but they own their units outright, they have money put away, but it is not incomeproducing money. There are a sizable, I think, number of empty nesters, and as I said, retirees, widows and widowers in the state. They're going to show up in the statistics.

THE COURT: We took the Ocean County as an example which has a -- one of the highest senior citizen populations in the State of New Jersey, and the housing by common knowledge is rather nice. We would find a rather high percentage of low or moderate income people, is that what you're saying?

THE WITNESS: I ran the numbers for a client under the old format in Middletown Township, which has I think a lesser percentage of retirees, but there are some along the shore corridor, and the number was astounding, I believe it was in the neighborhood just for the financial component of 1400. That was one of

the exercises which caused me to rethink this

process, and again, I was representing a

developer in that regard; but the numbers are

no good if they're not reasonable.

THE COURT: Okay. I'm satisfied with at least your justification. Okay.

I think you were going then on to the question of present.

## Q. Present?

A. Yeah. The present is also an indigenous need component, but it's a -- it's a residual component. It's a -- the difference between the indigenous need assigned to let's say an urban city, the difference between what that urban city can be reasonably expected to accommodate in terms of new housing construction or in terms of remodeling, or rebuilding the housing, versus the amount that should be acknowledged to move out of the city into the areasand that's what I discussed in regards to the metropolitan regions,

Region II on the six region map.

So they're both indigenous. It's a question of the the particular -- the present is a question of the surplus residual that is more appropriate to be -- or is inappropriate and unfair to be assigned to that built-up area.

My particular methodology was basically that --and let me just read -- paraphrase the decision in The decision pointed out that a municipality's "present" lower income housing need comprised of dilapidated and overcrowded units may be more than its fair share obligation. And in such a case, the Court suggests that municipalities located within growth areas are obligated to provide housing units in addition to their indigenous need in order to satisfy the surplus present housing needed in their region that cannot be fairly satisfied within those municipalities currently overburdened by a dispro-portionate number of such units.

What I did was, within my 30 minute commute region, is identify the numbers of indigenous housing need obligation for every member of municipality. And that's shown on Plate 7 of the analysis. And that plate also tabulates the total number of housing units within each municipality, and in turn, each municipality within a defined region. And what I said is that it's the percentage ratio of total housing units in the municipality versus total number of housing units in the region that becomes a municipality's fair share multiplier.

1

4

3

5

6

7 8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

The basic premise is that a municipality's fair share of indigenous housing need should not be more than its current share of the total housing stocked within a defined region.

So, if a municipality has 10 percent of the total housing stock in the region, but it had 12 percent of the indigenous; that is, the dilapidated housing stock in the region, that differential of 2 percent was thrown out into the pot to be distributed to the remaining municipalities in the region. distribution of that number of units, and I might say that in the 30 minute commuting region for Warren Township, there were 12 municipalities that had a surplus of present housing need, and the total surplus for the region was 3,859 dwelling units. Interestingly, 81 percent of that total were located within Plainfield and New Brunswick. And my approach, quite simply, was to use the same weighted factors for the allocation of prospective need and apply those against the 3,859 dwelling units of surplus present need and distribute those out. That, I thought was reasonable, given the nature of the region and the fact that considering all those municipalities that were contributing surplus present need, Warren Township was roughly in the center, naturally, of that

Coppola - Direct

1 distribution. 2 The number, therefore, of obligation of surplus 3 present housing needs of Warren Township, again, indi-4 cated in a range, was between 72 and 87. 5 THE COURT: Now, as I read --6 THE WITNESS: I beg your pardon, may I 7 correct that, your Honor? 8 THE COURT: Yes, sir. 9 THE WITNESS: 72 and 113. 10 THE COURT: Right. Okay. That was my 11 first question. 12 Now, as I read the reports of Mr. 13 Moskowitz and Mr. Chadwick, they did not make 14 this excess calculation. Is that right? 15 THE WITNESS: That's correct. 16 THE COURT: Okay. Mr. Caton did it --17 he did it differently, did he, or did he not? 18 Do I understand his as being a -- a calculation 19 of a maximum density per acreage for munici-20 palities which he could identify as having 21 excess, and then distributing whatever addi-22 tional need that existed out to the -- those 23 that could take it? 24 THE WITNESS: Yes. And he did it using 25 the same weight -- the allocation was the same

weighted factor he used to distribute prospective.

THE COURT: And is his distribution -is his distribution as opposed from identifying
what has to be distributed? Is it any
different in methodology than yours?

THE WITNESS: No.

THE COURT: All right. So the only difference is that he's identified the excess by a different formula; that is, rather than go through actually identifying town by town based upon a -- their percentage in relation to the region, he has used a percentage of land coverage so to speak?

THE WITNESS: Yes. Essentially, a saturation model in terms of what the appropriate density for the development would be.

THE COURT: Would you anticipate -- I

don't know whether you worked these numbers,

would you anticipate that utilizing his

approach, you would come up with anything

substantially different than utilizing yours?

THE WITNESS: I think I have his -- utilizing his.

THE COURT: Of course, he was using a

16

17

18

19

20

21

22

23

24

25

Coppola - Direct 1 different region now. 2 THE WITNESS: If I -- if I understand the 3 question, your Honor, if I were to use his nine 4 county region and use my methodology --5 THE COURT: Instead of using his 6 methodology for -- for identifying the surplus. 7 THE WITNESS: Right. 8 THE COURT: Would there be much of a 9 difference in number? 10 THE WITNESS: Yes. 11 THE COURT: And why? 12 13 14

THE WITNESS: I had -- I've run the total surplus present need within the eight county region which was Mr. Caton's earlier region utilized in Mahwah, and I don't believe there would be any significant difference in terms of adding Hunterdon.

THE COURT: Okay.

THE WITNESS: The total surplus present need in the eight county region according to my calculations is 44,972 units. If I were to take -- your Honor, I apologize to you, I'm mixing apples and oranges here.

THE COURT: That's all right. And I think maybe I confused you.

The only differential in your two approaches is the identification of what he's in excess, essentially.

In other words, he uses this percentage of coverage or land density, and you use a percentage of -- with respect to the region, over and above the -- or over and above the indigenous percentage. Frankly, it struck me that there wouldn't -- it wouldn't amount to much of a difference, but you indicate now that it would.

THE WITNESS: Well, I'm looking at the wrong figures, your Honor.

THE COURT: Yes.

THE WITNESS: I'm looking at a calculation which I did, which essentially was his -- his approach for the nine county region for Warren Township.

THE COURT: Do you have his excess number?

THE WITNESS: His excess number would be 396.

THE COURT: For the total region?

THE WITNESS: His bottom line number would be 865.

1 THE COURT: You're looking at -- are you 2 looking at your own numbers? 3 THE WITNESS: This was the calculation 4 that I prepared yesterday, which for Warren 5 Township took the -- I had prospective for nine 6 county -- the nine county region. 7 THE COURT: Well, that's prospective. 8 THE WITNESS: And then I had surplus 9 present for eight county region, which was 396. 10 THE COURT: 396 units? THE WITNESS: Yes, but the prospective 11 12 dropped down to 426. 13 THE COURT: Now, you're talking about 14 Warren's share? 15 THE WITNESS: Yes. 16 THE COURT: Warren's share? 17 THE WITNESS: Yes. 18 THE COURT: And your excess, at the 19 high side, is 113; the low side, 72. 20 THE WITNESS: That's correct, your Honor. 21 THE COURT: And would you ex -- would 22 you then identify that differential to the 23 method in which he has developed the excess? 24 THE WITNESS: Yes.

2046 BAYONNE. . .

1 THE COURT: Is that the reason for the 2 difference? 3 THE WITNESS: Okay, your Honor, I have 4 my notes here. 5 THE COURT: Okay. 6 THE WITNESS: Mr. Caton comes up with a 7 projected present need within his region of 8 32,718 for the year 1990. 9 THE COURT: Has anybody found that page? 10 I'm looking for it. 11 THE WITNESS: It's Page 20 -- it's Page 12 2 -- or 1. 13 MR. TROMBADORE: Page 1. 14 THE WITNESS: It's Page 1. 15 MR. COLEY: In the Mahwah report then, 16 right? 17 MR. TROMBADORE: You're looking at the 18 Mahwah report? 19 THE WITNESS: No. Branchburg report. 20 That's the nine county. 21 MR. MOSKOWITZ: Page 333 -- Page 133. THE WITNESS: Page 1, it's the regional 22 need for lower income housing, 3, 1990, as 23 follows: Present need low income 23,557. 24 Moderate income, 9,161; total, 32,718. 25

THE COURT: That's not the excess, is it?

MR. MOSKOWITZ: Total -- on Page 33,

your Honor, is where he summarizes it for...

THE COURT: Here it is, reallocation,

137 units. See it? 15 percent? So he agrees

with you. Pretty much.

THE WITNESS: It's nice to know, your Honor, thank you.

what page, 33? He says, reallocation, 15
percent. That's the -- that's basically the
Newark core area and those areas generating the
excess, and he comes up with a number of 137,
even though he's used a -- a different identification number. And so while there's a
difference between your low of 72, you have
113 as your high. So you're somewhere in the
90's as an average, and he's 137.

MR. TROMBADORE: For Branchburg.

THE COURT: For Branchburg. Yes.

MR. TROMBADORE: Yes.

THE COURT: What I was getting at is how significant the difference in methodology in terms of identifying the excess will impact upon that number. That doesn't apparently

impact --

THE WITNESS: I don't think it would, your Honor. We did run the numbers a number of different ways. I have a number here based upon his approach for total indigenous and present need of 229 for Warren Township.

THE COURT: Well, that 229 is present.

THE WITNESS: And indigenous.

THE COURT: It's not the -- yeah, but it's not the surplus.

THE WITNESS: Okay.

THE COURT: He -- he -- well, surplus may be in that 229. 137 is the surplus portion of it -- of the 229, I assume.

THE WITNESS: I apologize to the Court for being a little --

THE COURT: Well, no.

THE WITNESS: It's a little difficult for me to explain his methodology entirely.

THE COURT: This whole process of

putting this math together in such a short time.

I think all three consultants here are to be

commended for it. And these questions were not
anticipated, as well. So don't worry about it.

How much longer will we be with Mr.

need region.

Coppola? I -- I've got to be in Forsgate to chair a meeting at 5:30. So...

MR. MURRAY: We would have to get through the witness on the new region and the

present need region and the new prospective

Do you want to go into that now, or do you -- would you like to start tomorrow on that?

THE COURT: It might be best to give him

some time. Start on that tomorrow.

I take it that his testimony will be the longest of the three consultants, since he's laid the groundwork. Is there going to be any difficulty in completing them, as long as I keep my mouth shut, to some extent?

MR. TROMBADORE: I would hope, your Honor, we could complete their testimony tomorrow.

THE COURT: And get to the stipulations with respect to the remedy.

MR. TROMBADORE: That's correct.

THE COURT: All right. Judge Skillman has been inquiring, so I just want to fill him in.

MR. JACOBS: By that I take it that if

we act expeditiously with respect to the experts, they will be released for Monday, is that correct?

THE COURT: Oh, sure. And we may all be released for Monday.

MR. JACOBS: Right.

THE COURT: Now, in terms of timing,

I have a motion for a new trial that's going
to take me five minutes at 9 o'clock, and
they've been told to be here promptly at 9.

So right after that.

MR. JACOBS: I can, I take it, if it takes you five minutes --

THE COURT: The motion has been decided. Okay, gentlemen, thank you.

MR. JACOBS: Thank you, your Honor.

THE COURT: If you'd like to leave all of your material here, we'll leave the exhibits in place and if you want them to be locked up, we'll put them in the jury room.

(Court adjourned in this matter at 4:10 p.m.)

٠.

## $\underline{C} \ \underline{E} \ \underline{R} \ \underline{T} \ \underline{I} \ \underline{F} \ \underline{I} \ \underline{C} \ \underline{A} \ \underline{T} \ \underline{E}$

I certify the foregoing to be a true and accurate transcript of proceedings in the above-entitled cause.

DAYETTE J. ZAMPOLIN, C.S.R.

DATE: January 10, 1984