

**New Jersey Highlands Council
Housing
Technical Advisory Committee
Meeting Summary
20 July 2005**

Summary:

On Wednesday, July 20, 2005, the Housing Technical Advisory Committee (TAC) held a meeting at the New Jersey Highlands Council office in Chester, New Jersey. Notice of the meeting was provided to the public on the Highlands Council's web site. The meeting was facilitated by Chris Danis of the Highlands Council staff. Highlands Council staff members present at the meeting were: Steve Balzano, Tom Borden, and Maryjude Haddock-Weiler. Technical Advisory Committee members present at the meeting included: David Kinsey, Susan Kraham, Paul Chrystie, Robert Fuller, Robin O'Hearn, Thomas Flath, Dr. Betsey Hall, Susan Zellman, and Sharon Clark.

Chris Danis began the discussion with explanations of the opportunities and mandates that the Highlands Council (the Council) has with regards to housing. She stressed that the Council has the opportunity to look at housing from a fresh, regional perspective, and to examine, learn from, and respond to today's housing trends and needs. She also pointed out that natural resources would mandate how the Council looks at the region.

Both Chris and Steve Balzano then further described and clarified aspects of the Highlands Act. Steve explained that the Regional Master Plan (RMP), which will be generated by the Council, will be a capacity analysis that puts in place standards and guidelines that will promote consistent planning at the local level, providing a framework for growth, the incentives for taking on growth, and the designation of areas appropriate for growth.

Staff members then explained that this TAC would be focusing on the following: what are the key issues confronting the Highlands Region with regard to meeting our housing needs; what are the likely consequences of a regional plan that parcels the Highlands area into areas appropriate for growth and areas not appropriate for growth; and what are some creative solutions that the Council may want to consider, which would help towns that receive growth to meet their housing needs and housing obligations.

The TAC members then offered up the following concerns, potential issues, and suggestions:

COAH Obligations Must Be Addressed

- Concerns were raised about how the requirements of the upcoming Regional Master Plan (RMP) might interact with both prior round and third round COAH obligations within the Highlands municipalities.

- TAC members provided the following comments and feedback regarding these concerns:
 - It was stressed that all prior and current COAH obligations must be met; regardless of the creative solutions fostered by the plan and that any downward adjustments to prior round COAH obligations must be offset by upward adjustments elsewhere. It was suggested that anything else would risk Constitutional challenge.
 - The adequacy of RCA amounts of \$35,000 was discussed.
 - It was stressed that a \$35,000 contribution would not be sufficient in the Highlands.
 - It was then pointed out that \$35,000 has become a de facto maximum, and that municipalities can come up with a more appropriate amount (e.g. \$50,000).
 - Any incentives for voluntary compliance with the Regional Master Plan (RMP) shouldn't conflict with COAH affordable housing obligations. Further, municipalities shouldn't be empowered to use the RMP as a shield against enforcement of prior round COAH obligations.
 - For example, RMP imposed limits on housing construction should not allow municipalities to claim COAH obligations are too burdensome.

Variety and Choice of Housing for Varied Groups

- The RMP should eliminate barriers to, and facilitate the creation of, special needs housing, variety and choice of housing types, and “middle income housing.”
 - Ways to achieve this include:
 - Identifying the variety and choice of housing needs.
 - Determine within which areas variety and choice of housing should be made possible.
 - Utilizing the power of the Council (incentives, etc.) to make it possible for variety and choice to be created within these areas.
 - The plan should clearly define terms such as “middle income housing.”
- Examine other states' land use approaches (The Cinco Ranch development in Texas separated the roll of developer and builder, and then put multiple developer chosen builders in side-by-side competition with one another).
- Address housing supply constraints – a main cause of high housing prices in NJ.
- Dispel the myth that affordable housing needs to be high-density housing.
- Perform analyses that will project how different planning strategies can have a positive effect upon property taxes, and educate municipalities about these strategies.

Regional Planning

- The Council should take advantage of its position, fostering regional planning over municipality-centered planning (a first in NJ).
 - Israel's effective use of regional planning was offered as an example.
- Utilize legislation to address the needs for low and moderate-income housing, as well as middle-income housing.
 - It was pointed out that a household income of \$120,000 could be insufficient in this housing market.

Municipalities' and Homeowners' Positions

- The fact that tax ratables generated from a \$200,000 home might be insufficient should be addressed.
- People who purchase at a moderate level home need the ability to move up to another level of housing.

Education

- Municipalities and others should be educated about current trends and realities regarding affordable housing. For example:
 - People with jobs making under \$35,000 per year, and senior citizens are two of the fastest growing population segments.
 - Many schools are overcrowded before affordable housing is built, and affordable housing creates minute student population increases, relative to those attributable to high square-footage home developments.
- Municipalities should be educated about creative and underutilized funding sources for affordable housing. For example:
 - Developer fees aren't being utilized.
 - Developer fees and RCA dollars can be piggybacked.
 - Developer fee ordinances don't exist in many municipalities.
 - Regional sharing can be utilized.

Highlands Council staff then drew the focus of the conversation away from the problems that exist, and asked for examples of innovative solutions, such as programs the staff members might not know about, which might be utilized within the RMP.

The TAC members then offered the following examples of innovative solutions and approaches:

Promote and Educate Municipalities about Innovative Affordable Housing Solutions

- Inform municipalities that affordable housing doesn't have to be high-density.
- Promote scattered site and neighborhood friendly infill (e.g. Dover development that involved three small town houses).
- Demonstrate best practices (partner with non-profit groups to accomplish this).
- Promote transitional housing and other methods that would give municipalities COAH credits, but where citizens wouldn't be conscious the housing's COAH status.
- Perform economic analyses, with regards to property taxes, to demonstrate to municipalities the benefits of different creative approaches from a tax perspective.

Zoning and Development Categories

- Despite a high commercial vacancy rate in the Highlands, commercial properties are still being approved and developed.
- Mixed-use zoning and development must be promoted.
 - Residential units should be located above commercial units.
- Municipalities should to be educated about creative zoning.
- Municipal officials need incentives to embrace creative zoning solutions.

The Council Should Provide Leadership

- The Council should investigate efforts and methods that have been effective and encourage municipalities to emulate these practices.
 - The Council should look to redevelopment efforts that have created affordable family housing and senior units in Morristown.
 - The Council should examine the grey field legislation, looking for ways to redevelop or alter dilapidated commercial uses.

Educate Municipalities and the Public Regarding COAH

- The RMP and the Council should educate municipalities and the public about what COAH housing can be, and the different forms it may take.
- Common misperceptions:
 - The public imagines COAH as 1960's era "projects" or large market-rate developments with a requisite COAH component.
 - Municipalities think they must bear the costs of constructing affordable housing.
- Realities which should be conveyed:
 - COAH housing can be scattered and anonymous.
 - Affordable housing can be built, without the municipality bearing the cost.

- COAH money shouldn't lie with municipalities, unused.
- Affordable housing should be appropriate (particularly age appropriate):
 - Seniors should have the facilities to age in place (e.g. grab bars, elevators, and appropriate stoves).
 - This needs to go beyond ADA standards.
 - It is more cost effective to have age appropriate features installed at the time of the units' initial construction.

COAH Substantive Certifications Outstanding Obligations

- The Council should be conscious of potential conflicts between municipalities' plans to meet COAH obligations and the requirements of the RMP.
 - Some sites, not yet built, which are on a municipality's Substantive Certification, might not be realistic (e.g. the site is environmentally constrained, or the municipality is limited in the number of future units they can build, under the RMP).
 - These sites can't be taken out of the substantive certification and forgotten about. Instead, other sites must take their place or alternative options may need to be identified
- Participants indicated that for the most part within the Highlands, there are only approximately 1000 outstanding first and second round affordable units that have not been built, and the majority of these are in four or five towns.
- Since COAH third round petitions are due Dec. 20, 2005, and the RMP will come out in June 2006, municipalities can submit their petitions, including a notation that the petition may have to be amended, given the upcoming RMP release. COAH may have to evaluate Highlands municipal Substantive Certification applications in conjunction with development of the RMP.
- Participants indicated that several municipalities have allowed hundreds of market rate units without an affordable component, have no defined plan to resolve this deficiency.

Other Unique Solutions

- Historic Preservation Dollars
 - Historical preservation dollars can be used to help meet needs for housing.
 - Examples can be found in Cape May county (an old store was used for mix use) and Morristown (which utilized an old fire station).
- Housing for farm workers
 - Creating housing on farms might be an affordable housing solution that also encourages young people to enter into farming.

Next Steps:

The Council staff then discussed and took suggestions for next steps, which included the following:

Other Experts Who Might Be Invited to Future TAC Meetings

- Members of the Green Building TAC
- An appraiser

Other Suggestions

- TAC members should e-mail or send a hardcopy of any databases or reports, which could be helpful during the process of creating the initial RMP.
- The Council should create a small, manageable plan, and use appendices to flesh out greater detail.

The Highlands Council would like to thank everyone who participated in this opening meeting of the Brownfields Redevelopment TAC. We greatly appreciate any follow-up comments and questions about this summary report. Please contact Chris Danis via email: chris.danis@highlands.state.nj.us. Notice of future meetings will be provided to the public on the Highlands Council website, www.highlands.state.nj.us, and via email to Committee participants.