

# New law strengthens

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BY ARNOLD COHEN

Hopewell Township committeeman David Sandahl, in his op-ed "Affordable housing -- another N.J. fiscal crisis?" (June 12), on the reforms to the state housing law, omits some key factors from his alarming projections of property-tax hikes to pay for future affordable housing -- factors that make such projections much less alarming.

Mr. Sandahl, also a member of the township's planning board, fears that eliminating regional contribution agreements and capping commercial construction fees at 2.5 percent -- which the housing reform bill recently passed by the state Legislature does -- will leave Hopewell Township and all the towns of New Jersey unable to pay for the amount of affordable housing Gov. Jon Corzine says we need unless, Mr. Sandahl declares, the burden falls on the taxpayer.

The councilman uses fuzzy math to make his point. He says the 2.5 percent commercial fee is insufficient to cover the cost of affordable housing required by commercial growth. But the standardized commercial fee makes up only one facet of how a town can afford affordable housing. The councilman ignores the other factors.

One of those factors is growth itself. The number of affordable units a town is obliged to build is not dependent on how many total units the governor thinks New Jersey needs, as Mr. Sandahl implies. A town's responsibility for affordable housing depends solely on how much the town grows. New residential construction triggers a 20 percent obligation for affordable units, leaving 80 percent at market rate. On the commercial side, 16 new jobs trigger an obligation of one affordable unit.

Mr. Sandahl says the commercial growth obligation saps funds, but says nothing of revenues from new ratables that would lessen the residential tax burden. For example, Hopewell has recently become headquarters for Merrill Lynch -- 1.7 million square feet of office space on 450 acres. There are affordable-housing obligations attached to such growth, as there should be. There are also increased tax revenues, market-rate residential growth and ancillary economic growth for the township. Mr. Sandahl omits these economic benefits, including approximately \$7.5 million in annual property taxes.

He also ignores what would happen to growth in New Jersey if towns were allowed to go on charging businesses whatever developer fees they can negotiate. A predictable 2.5 percent commercial fee is helpful to economic development. Moreover, to have the fee go directly to towns that comply with Council on Affordable Housing (COAH) rules is an incentive for towns to plan for comprehensive smart growth -- growth that factors in market-rate and affordable housing, as well as commerce, transportation, education, labor, quality of life and the environment.

Another key factor missing from the committeeman's logic is municipal planning. For the past decade, COAH's rules were in regulatory limbo, although it remained clear that the state constitutional right to affordable housing was not being revoked. Meanwhile, Hopewell Township and the state were growing. How is it that municipal planners did not see some sort of affordable-housing obligation coming their way? Municipalities certainly had plenty of warning, as well as the means to plan for their fair share.

Hopewell has met its obligations for previous COAH rounds -- those assigned prior to 1999. Yet, in doing so, the township has not produced any affordable family rental units, which are precisely the places most needed in a growing town for its lower-income working families. Hopewell has not planned well enough to meet the demands of its own growth.

The township could rezone an area for higher density, attracting developers willing to supply the 20 percent affordable component for the opportunity of building more market-rate units, costing residents nothing. Hopewell Township could work with nonprofit developers, using commercial developer fees as seed money to leverage state and federal housing funds for affordable developments. While there is not as much state and federal money as there should be, there is some. Hopewell could use a part of that money to provide incentives for homeowners to create accessory apartments or to help low-income owners and landlords of low-income tenants to fix code violations and improve their properties.

Hopewell Township is growing because large businesses are moving in. Not everyone employed by large businesses is highly paid. Also, hand-in-glove with large business enterprises come smaller business enterprises -- service industries of every stripe, with predominantly low-paying jobs.

Where does Mr. Sandahl think the people of low and moderate income who work in Hopewell should live? He says he agrees that the state should provide "sound, affordable housing for low- and moderate-income households." He says "affordable living places for police officers, teachers, firefighters, growing families and senior citizens are essential to every community." But he stops there, omitting people of lower paying jobs. Unfortunately, Mr. Sandahl does not recognize that low-income workers -- dispatchers, school bus drivers, librarians, health aides, etc. -- are also essential to the community. The new law requires that Hopewell provide local housing opportunities for these working people, now that the town has grown, and whenever it chooses to grow in the future.

The state Legislature, by passing the bill, and Gov. Corzine, by signing it -- which he will do Thursday -- are standing up for low- and moderate-income families. If Mr. Sandahl were truly for "sound, affordable housing," as he claims, he'd be supporting the new law, not bashing it.

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