
Committee Meeting

of

ASSEMBLY LOCAL GOVERNMENT AND HOUSING COMMITTEE

*“Testimony concerning the transfer, consolidation and reorganization of the
State Planning Commission and the Office of State Planning from the
Department of Treasury to the Department of Community Affairs”*

LOCATION: Committee Room 16
State House Annex
Trenton, New Jersey

DATE: May 4, 1998
12:30 p.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Michael J. Arnone, Chairman
Assemblyman John V. Kelly, Vice-Chairman
Assemblyman Peter J. Biondi
Assemblyman Gerald J. Luongo
Assemblyman Donald Tucker



ALSO PRESENT:

Robert H. Levin
Joyce W. Murray
*Office of Legislative Services
Committee Aides*

Gerald Ford
*Assembly Democratic
Committee Aide*

Meeting Recorded and Transcribed by
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TABLE OF CONTENTS

	<u>Page</u>
Jane M. Kenny Commissioner New Jersey Department of Community Affairs	1
James A. DiEleuterio Jr. State Treasurer New Jersey Department of the Treasury	6
John J. Haley Jr. Commissioner New Jersey Department of Transportation	7
Arthur R. Brown Jr. Secretary New Jersey Department of Agriculture	9
Susan M. Burrows Communications Director and Representing Barbara Lawrence Executive Director New Jersey Future	11
Dianne R. Brake President Middlesex Somerset Mercer Regional Council, and Chair Plan Implementation Committee and Member State Planning Commission	13
Patrick O'Keefe Executive Vice-President New Jersey Builders Association	16
William G. Dressel Jr. Executive Director New Jersey State League of Municipalities	20

TABLE OF CONTENTS (continued)

	<u>Page</u>
David K. Dech Planning Director Warren County Planning Department	24
Raymond Zabihach Director Morris County Planning Board	28
Greg Delozier State Legislative Director New Jersey Association of Realtors	30
George Hampton Vice President Urban and Community Development The University of Medicine and Dentistry of New Jersey, and President New Jersey Public Policy Research Institute	31
Candace M. Ashmun Former member State Planning Commission	34
Sally Dudley Executive Director Association of New Jersey Environmental Commissions	35
Tim Dillingham Executive Director Highlands Coalition	36
Bill Wolfe Acting Director The Sierra Club	37
Norman Weinstein Member Regional Plan Association	38
Assemblywoman Connie Myers District 23	38

TABLE OF CONTENTS (continued)

Page

APPENDIX:

Letter addressed to
Senator Donald T. DiFrancesco
from William Mathews, and

Letter addressed to
Mr. William Mathews
from Governor Christine Todd Whitman
submitted by
Raymond Zabihach

1x

Testimony and newspaper article
submitted by
Norman Weinstein

4x

lmb: 1-43

ASSEMBLYMAN MICHAEL J. ARNONE (Chairman): The meeting will come to order. This is going to be a meeting -- no vote will be taken, no decisions will be made. This is going to be a meeting that Commissioner Kenny was kind enough to attend to explain the position of the administration by executive order. The Governor would like to move the State Planning Commission in the Office of State Planning from the Treasury into DCA. The Commissioner, as I say, is kind enough to pause from her busy schedule to come. And, also, she has with her other commissioners, and she's going to explain the Governor's logic.

Commissioner Kenny, I want to thank you for coming.

COMMISSIONER JANE M. KENNY: Thank you, Mr. Chairman, and I want to say, I appreciate the opportunity to appear before this Committee today. And I also want to thank my fellow commissioners for coming, also, to talk to you today. I want to thank the members of the Committee for this opportunity to discuss with you the transfer of the State Planning Commission in the Office of State Planning from Treasury to the Department of Community Affairs.

As we all heard during the Governor's second inaugural address, the Whitman administration is committed to the State Development and Redevelopment Plan. The State Plan was adopted six years ago, but you would barely know it by looking around the state. As the Governor said in her inaugural address, "Every part of New Jersey suffers when we plan haphazardly. Sprawl eats up open space. It creates traffic jams that boggle the mind and pollute the air." Following the Governor's lead, DCA is eager to

emphasize the positive aspects of the State Plan and help municipalities understand it and use it wisely.

Sharing the Governor's vision for the future, DCA views the State Plan as a document for smart growth. Through the State Planning process, municipalities and the State map out the areas in which growth should occur. At that point, government should get out of the way and make it as easy as possible for development to proceed in these areas. Housing and commercial development are -- and will continue to be -- cornerstone industries in this state.

Similarly, the Governor's reorganization plan for DCA will maintain home rule as a bedrock principle of New Jersey. Governor Whitman and all members of her cabinet respect the autonomy of New Jersey's local governments, and we do not intend to dictate their policies. What we do intend by transferring the State Planning Commission in the Office of State Planning to DCA is to expand what DCA has been doing for the past four years -- balancing the interests of builders, municipalities, and environmentalists while making development more predictable and less costly for everyone.

DCA is a natural fit for the Office of State Planning and the State Planning Commission for several reasons. DCA's core mission is community planning, and the State Plan is a blueprint for planning. One example of DCA's focus on planning is the rehabilitation subcode we recently adopted. These rules -- the first of their kind in the country -- will decrease construction costs involving older buildings while helping builders and municipalities better

understand what the State expects. DCA will strive to make the decisions of our agencies even more predictable with the help of the State Plan.

DCA, through its divisions, has an ongoing relationship with New Jersey's 21 counties and 566 municipalities. These strong ties will make it easier to maintain an open dialogue on the issues surrounding the State Plan, such as the cross-acceptance process.

Under Governor Whitman, DCA's major focus has been urban redevelopment. As you know, the Governor's budget includes a \$400 million commitment to help revitalize urban areas plagued with buildings with tax liens. The budget also includes \$25 million to help get these projects off the ground. DCA is coordinating this program through the New Jersey Redevelopment Authority, which is also transferring to DCA under the reorganization plan we are discussing today. The State Plan emphasizes growth in urban centers to maximize fiscal resources and maintain existing infrastructure. It only makes sense to have the department that is responsible for urban revitalization to oversee the State policy document that encourages construction in our cities.

The Governor's urban policies have helped revive our cities' economies including the construction industry. In 1997, the areas in the state with the first and third most construction, as measured by its construction value, were Atlantic City and Jersey City. In Jersey City alone, 536 housing units were constructed.

In all municipalities, DCA is trying to use the State Plan to help provide more planning information up front for the benefit of residents and builders. For example, DCA will soon require local authorities, such as sewer

authorities, to explain in their applications for financing how their plans comply with the State Plan. By insisting on good planning, we can decrease infrastructure costs and reasonably forecast where development will occur.

We want smarter development, not an end to development. We are all pleased that throughout New Jersey residential development is on the rise. Since the low point of the last recession, the number of residential building permits has nearly doubled. In the last three years, 5000 new construction jobs were created. With cooperation between the State, local officials and the building industry, we can keep this pace and still maintain a commitment to affordable housing and the State Plan.

DCA is doing its part. For example, the Council on Affordable Housing and the State Planning Commission have formed a joint task force to discuss potential conflicts. And under HMFA's 1999 Low-Income Housing Tax Credit Allocation Plan, tax credits will be used only in planning areas that are a high priority according to the State Plan.

There is no need to fear the State Plan or what DCA will do with it. If you examine just one part of the State Plan -- its statewide policies for housing -- I think you would agree that it will benefit municipalities, the building industry, and all New Jersey residents. Those policies call for resolving conflicts between housing development and environmental objectives and infrastructure capacity before development applications are filed; providing a reasonable balance between residential and other land uses, different housing types and housing costs; and encouraging housing to be located near and within easy access to employment areas.

Yes, I think the State Plan is a good idea. It will benefit New Jersey for years to come by helping us protect our resources for future generations, but my support for the State Plan does not diminish DCA's neutrality regarding interest groups. Let me say emphatically that DCA does not play favorites among builders, environmentalists, and local officials. In fact, we are pro-builder, pro-environmentalist, and pro-local government. We successfully balance the interests of builders, environmentalists, and municipalities every day on such important issues as affordable housing, construction codes, and urban redevelopment. We will continue to do so with regard to the State Plan.

With the Governor's confidence and the Legislature's support, DCA will administer the State Planning agencies in a way that respects the rights of all of our constituents. We will provide the building industry with rules that are predictable and cost conscious. We will help municipalities direct development in a rational, timely manner. And we will give the State Planning Commission and the Office of State Planning the administrative and financial support they deserve.

Thank you.

ASSEMBLYMAN ARNONE: Thank you very much, Commissioner Kenny.

COMMISSIONER KENNY: Mr. Chairman.

ASSEMBLYMAN ARNONE: Then would you like to call whoever--

COMMISSIONER KENNY: Yes, the next speaker will be our Treasurer, James DiEleuterio.

TREASURER JAMES A. DIELEUTERIO JR.: Thanks, Commissioner.

Mr. Chairman, members of the Committee, I appreciate the opportunity to be here today to speak in support of the reorganization plan to move the Office of State Planning to the Department of Community Affairs.

One of the goals of the Whitman administration consistently has been to realign functions of government to where they more appropriately fit, and I believe that this is at least part of what's at work here. In that, the principal mission of the Department of Community Affairs is to guide the State's policies on community planning and redevelopment. We believe the Office of State Planning, therefore, would be better situated within the DCA. This arrangement would promote a more comprehensive view of development and land-use management issues. It would also promote better coordination of activities and programs aimed at advancing the state planning and redevelopment policies.

Because of its continuous interaction with counties and local entities, the Department of Community Affairs is better situated than the Department of the Treasury to examine and analyze local conditions which influence state planning policies. Such examination and analysis is vital to the Office of State Planning; therefore, this arrangement will improve the performance of both the Office of State Planning and the Department of Community Affairs.

The DCA presently administers numerous planning and redevelopment programs. Indeed, it is the foremost government agency for such purposes. The Office of State Planning would augment those efforts with

its particular expertise in studying and examining state planning issues. And, again, we support this move, and I thank you for the opportunity to be here.

ASSEMBLYMAN ARNONE: Thank you, Mr. Treasurer.

COMMISSIONER KENNY: Mr. Chairman, the Commissioner of the Department of Transportation, John Haley.

COMMISSIONER JOHN J. HALEY JR.: Thank you, Commissioner Kenny.

Mr. Chairman, if I may, I will add briefly a couple of points to the positions that my colleagues have underscored. No. 1, in DOT, as somebody who is responsible for implementing the State Plan along with the other departments, one of the things that we've tried to do is follow what Commissioner Kenny described as smart growth: to work in the months ahead with the developers and members of the business community to make sure that they understand exactly what's required of them to meet the charge of meeting the State Plan, as well as to balance the needs that they have with the State Plan objectives, and support the Governor's initiatives, such as urban investment.

So we are committed in DOT to using the State Plan more closely, supporting it but, at the same time, reaching out to those people in the business community that are most affected by this so that we are clear as to what we expect of them. And what we're also trying to do is to provide a number of programmatic incentives, such as increasing funding for our local aid centers, that will help people understand where we're going and where we're trying to focus development. So from a delivery standpoint, those are some of the things we're working on -- the incentive side to deliver that.

In terms of where it's placed in the governmental structure, let me underscore what my two colleagues have said. The Department of Community Affairs is simply the place that has, both by position and skill sense for the people involved -- is best suited to deliver these kind of initiatives, and effectively, throughout the state. Rather than talk in the abstract on that, I will point to one particular project where I think the tenets of the State Plan have been followed, and through the efforts of the Department of Community Affairs, there is a project that is one of the success stories in New Jersey right now.

I refer to the Hudson-Bergen Line. I would encourage you to look at the situation that is going on up there. The project is ahead of schedule and ahead of budget because of the efforts that DCA has made in dedicating staff and making sure that permits are done effectively and working with our subcontractor, 21st Century, to make sure that a critically needed transportation link is delivered. At the same time that jobs are being created, and cities are being able to-- Cities that are in the first phase of the Hudson-Bergen are benefiting from the leadership and the consistency that the DCA brings with New Jersey DOT and New Jersey Transit to that project.

So rather than underscore again the arguments that have been made by my colleagues, I will tell you there is already a proven success record for the Department of Community Affairs in helping us to deliver a key project.

So with that, Mr. Chairman, I thank you for your time.

ASSEMBLYMAN ARNONE: Thank you, Commissioner.

COMMISSIONER KENNY: Mr. Chairman, Secretary of Agriculture Art Brown is here.

ARTHUR R. BROWN JR.: Good afternoon, Chairman Arnone and Committee members. Thank you for the opportunity to come to you today to provide a statement on behalf of the Department of Agriculture regarding the transfer of the State Planning Commission and the Office of State Planning to the Department of Community Affairs.

Let me begin by saying that the State Planning Act gives particular recognition to New Jersey agriculture in that it specifically requires that the State Development and Redevelopment Plan to coordinate -- plan the activities and establish statewide policies, objectives for farmland retention and agriculture here in New Jersey. Farmers are major stakeholders in the land-use planning and implementation process. The agricultural community actively participated in the formulation of the first State Plan and continues to be engaged in the current revision process.

The State Plan supports agriculture in all planning areas and contains 20 statewide agricultural policies that identify effective approaches for achieving the goals of the Plan and the continued viability of agriculture. The No. 1 statewide policy on equity continues to be the foundation of the agricultural community support for the State Plan. This policy has extreme significance in helping to assure that the Plan implementation occurs in a balanced fashion and does not cause undue burden on our farmers. The Plan recognizes agriculture as a land-based economic sector that contributes not only to income, employment, and economic diversity, but also to the existence

of scenic vistas and open space that adds to the quality of life here in the Garden State.

The New Jersey Department of Agriculture realizes that achieving the agricultural policy objectives outlined in the Plan requires more than the Department of Agriculture's efforts alone. It necessitates the cooperation of other state agencies and local government. They, too, must consider agriculture's unique needs when developing and implementing their regulatory processes and financial programs.

Since the majority of New Jersey's land-use planning and development reviews occur at the local level, the NJDA feels that the transfer, consolidation, and reorganization of the State Planning Commission in the Office of State Planning to the Department of Community Affairs is a logical step towards integrating sound statewide planning for retaining agriculture and viable agricultural industry with local and regional planning efforts. We see this as an important opportunity for the long-term sustainability of agriculture here in the Garden State.

I thank you for your time today. Thank you.

ASSEMBLYMAN ARNONE: Mr. Brown, I would like to thank you very much. You know, when Commissioner Kenny suggested you were going to come and address -- bring greetings to the Committee, we were quite elated over that. We thought you would bring tomatoes like you did the Appropriations Committee. (laughter)

MR. BROWN: There's a lull in the harvest.

ASSEMBLYMAN ARNONE: Do you have anyone else?

COMMISSIONER KENNY: Mr. Chairman, yes. There is a representative from New Jersey Future. Barbara Lawrence had a personal issue, but there is a representative.

ASSEMBLYMAN ARNONE: Welcome.

SUSAN M. BURROWS: Hi. Thank you. I'm Sue Burrows. I'm the Communications Director for New Jersey Future, and I am representing Barbara Lawrence, our executive director, who is at a funeral this afternoon. I have a brief statement.

New Jersey Future was chartered 11 years ago with the express purpose of watchdogging the State Plan. Today's hearing presents us with a dilemma. Represented on the New Jersey Future Board of Trustees are several of the key people who served on the ad hoc committee that helped draft the State Planning Act. And, as you know, the decision to place the Office of State Planning in the Department of Treasury was well thought out by this group. Yet, I assure you that they join the rest of their colleagues on the Board in support of this statement.

The decision to place State Planning in Treasury was made well over a decade ago based on the belief that the Plan would be most influential at Treasury. The Plan is designed to influence the State's capital budget, so what better place could there be. Sadly, that has not been the case. The State Plan has been a poor cousin at Treasury -- little understood or cared about by a succession of treasurers. This is the fact. We wish it had been otherwise.

Now we are presented with a governor who has chosen to use the Plan and to move the State Planning to the Department of Community Affairs where the administration asserts the Plan will fit more snugly into the

Department's mission. As a result, the Governor apparently believes the Plan will receive more serious attention.

The real issue today is where will the Plan be most effective. Will the reorganization strengthen, weaken, or leave unchanged the ability to implement the Plan by using its vision to direct capital investments? Will the reorganization elevate, lower, or leave unchanged the stature of the Office of State Planning in their dealings with the other departments and agencies? Will the Office of State Planning and the State Planning Commission's communications with the Governor and her key staff be improved, diminished, or remain the same?

We hope the answers to these questions is improved, because we know that if we are to continue to succeed in this state economically, environmentally, and socially, we have to alter our land-use habits. The State Plan is and has been since 1992 New Jersey's best weapon in the battle to defeat sprawl -- unplanned, unmanaged growth that destroys green space as it gobbles tax dollars better spent on existing villages, suburbs, and urban areas. The State Plan envisions future growth near town centers where roads, sewers, and services already exists. It proposes we spend our tax dollars on repairing and renewing our cities and existing towns and suburbs rather than in throwing those investments away and building new. It protects farmland, forest, and open spaces for our health and that of our children.

Most citizens would say -- and have time and again in public opinion polls -- that this makes perfectly good sense. We have to stop leaving people behind and throwing away places. I don't think that these citizens care where the Office of State Planning is housed only that it is effectively and

efficiently working to solve the problems caused by misplaced development in channeling the new development so that the benefits outweigh the costs.

For the first time, we have a governor who has said she is willing to be held accountable for securing a better quality of life for us. She has received widespread praise for her inaugural address. She wants to use this Plan that the citizens of New Jersey have so laboriously created. New Jersey Future wants her to succeed, because if she does, we all do and so do our children.

We suggest that you convene this hearing again 36 months from now. It will be the spring of 2001 just before the next gubernatorial and full Legislative elections. Let's see then how the Governor did and whether the State Plan has languished or flourished in its new home. Let us see then if we've made any strides in assuring a higher quality of life for the new century. Then, let us act to ensure that wherever the Plan is housed, it is effective and fulfilled.

Thank you for your time.

ASSEMBLYMAN ARNONE: Thank you very much.

COMMISSIONER KENNY: Mr. Chairman, our last person to come before you is Dianne Brake, who is President of MSM Regional Council.

D I A N N E R. B R A K E: Thank you very much. Thank you for the opportunity to speak today about the proposal.

I am speaking today on behalf of the Middlesex Somerset Mercer Regional Council, a private, nonprofit, nonpartisan planning and advocacy organization based in Plainsboro. This year marks our 30th anniversary of promoting sound land-use planning and regional cooperation in the three

counties in which we work. I am also here in my capacity as a member of the State Planning Commission and Chair of the Commission's Plan Implementation Committee.

Before I started at MSM back in 1985, my predecessor, Sam Hamill, and several others associated with MSM were heavily involved in the development of the State Planning Act. We have been supporting state planning every since. Members of MSM recognize the importance of thinking before acting, planning before investing. We, therefore, support New Jersey's State Development and Redevelopment Plan adopted in 1992. New Jersey is only one of a handful of states in this country fortunate enough to have the leadership in the Legislature, in the counties, local government, and the private and nonprofit sector to have developed a State Plan. And we have developed it through the inclusive -- if exhausting -- bottoms-up process unique to New Jersey called cross-acceptance. It's a plan we can all live by and expect an enhancement to our quality of life in the future because of it.

But having a State Plan and acting on a State Plan are two very different things. And I am here today because I am interested now in acting on a State Plan. It is clear to me that the people who developed the State Planning Act back in 1985 had a particular reason for specifying that the Office of State Planning should be located in the Department of Treasury. Since it was expected that the State Planning Commission would ultimately be developing policies with the various State agencies, being housed in Treasury would give the Office and Commission some neutrality and influence on the other State agencies.

The first state treasurer to oversee the office, Feather O'Connor, was very active as a member of the State Planning Commission and was a champion of the Office's activities. Since that time, however, I am sorry to say that the state treasurers have not paid that much attention to the Office or the Commission or the Plan, at least not so those of us who are outside of State government could really see.

So I am here today, therefore, to express my support of the move to the Department of Community Affairs both on behalf of my organization, MSM Regional Council, and as myself, as a member of the State Planning Commission. If the move to DCA indicates a desire to re-energize state planning and to implement the Plan as we have been led to believe by the Governor and her speeches, then I have to lend my personal support and that of MSM's.

Rutgers Center for Urban Policy Research demonstrated that a significant financial benefit will accrue to the state, to local government, and to the citizens if the Plan is to be implemented. Since redevelopment will be key to that implementation, I am pleased to see that part of the Governor's reorganization plan is to move the Redevelopment Authority to DCA along with the Office of State Planning. This is an excellent package and indicates the Governor's strong interest in implementing the Plan that we in the planning community have been looking for this support. We can only ask that this move be accompanied by adequate resources to do the job well.

Certainly, Commissioner Kenny has been clear about her support for the State Plan. I have been very impressed with the contributions made by the Deputy Commissioner Steve Sasala and Assistant Commissioner Chuck

Richman on the Commission when they represent the Commissioner. They've been on my Committee. But the leadership of the Department of Community Affairs is enormously enhanced by the support of Governor Whitman. In her speeches, the Governor's made clear that she intended to leave, as part of her legacy, a state governed by a strategic State Plan. If she believes that it would be better to advance the Plan from DCA, then let's give it a chance.

I look forward to a new era that is expected to ensue from this reorganization -- an era characterized by a re-energized state planning process and a positive outlook on implementation. Support for such a new era will be needed. And you'll have mine, as a member of the State Planning Commission, and you'll have MSM's.

Thank you very much.

ASSEMBLYMAN ARNONE: Thank you.

COMMISSIONER KENNY: Thank you, Mr. Chairman.

ASSEMBLYMAN ARNONE: Okay. We have some people who want to speak in opposition to this -- the Governor's initiative. Hopefully, we can control and keep their remarks down to five minutes or so. Then maybe, if we have any time left over -- because, hopefully, we want to start our regular meeting around 2:00 -- we'll have some questions and answers.

We have Mr. O'Keefe from the New Jersey Builders Association.

PATRICK O'KEEFE: Good afternoon, Mr. Chairman. I'm Patrick O'Keefe, the Executive Vice-President, New Jersey Builders Association. On behalf of the state's building industry, I appreciate the opportunity to present our views regarding the transfer of the State Planning Commission and OSP

from Treasury, where it was located by statute, over to the Department of Community Affairs.

I would like to note at the outset, Mr. Chairman, that because we only have very terse language in the reorganization plan, the NJBA has reserved final judgment regarding the potential merits of the move.

ASSEMBLYMAN ARNONE: Mr. O'Keefe, could I just interrupt you for one moment. There's something that I have to have clarified in my own mind. I don't quite understand it myself. I don't know whether statute put it in Treasury. I thought that this Plan originally-- I thought it originally went to DCA.

MR. O'KEEFE: Well, as somebody--

ASSEMBLYMAN ARNONE: DCA then-- Yet our panel sent it to Treasury. But I don't think the statute that created the State Planning Act sent it-- Didn't they send it to--

MR. O'KEEFE: Mr. Chairman, as somebody who was intimately involved in those negotiations, I can tell you what did happen.

ASSEMBLYMAN ARNONE: Yes, what happened?

MR. O'KEEFE: We had a Division of State Regional Planning in the Department of Community Affairs, which back then had published a State Plan which was relied upon by the courts extensively. It was quite controversial. So in the passage of the State Planning Act, there are explicit amendments which eliminate that division within DCA and explicitly placed the Office of State Planning and the Commission in the Department of Treasury.

ASSEMBLYMAN ARNONE: Okay. That clarified it. Thank you.

MR. O'KEEFE: And those were very conscious on the part of the Legislature.

ASSEMBLYMAN ARNONE: Thank you. Thank you, Mr. O'Keefe. I was just a little unclear.

MR. O'KEEFE: Mr. Chairman, I think you go to one of the two points that I would like to make today. And that is, that that conscious decision on the part of the Legislature, which those from the other side have already acknowledged was a key point of negotiation, is something that shouldn't then be reversed by administrative action, but should come back to the Assembly and to the Senate for reconsideration as to whether or not the things that informed you to place the bill in -- or place the function in the Department of Treasury have been resolved in ways that would permit the goal of the State Planning Act, or the goals of it, to be met.

I won't recount that since I've already responded to your question. I will go to a second point, and that is, that there is language in the reorganization plan which ambiguously refers to the various statutory responsibilities to the Department of Community Affairs. Nowhere have we been told what those various statutory responsibilities would be. But in the summer of 1997, the DCA reported to the State Planning Commission, and I quote, "The Department is exploring the possibility of requiring municipal capital budgets to reflect the results of the State Plan's cross-acceptance process." Now, we don't know whether that's one of their various statutory

authorities and, if so, how it will be implemented when these operations are moved from Treasury to the Department of Community Affairs.

Mr. Chairman, I would say had there been prior consultation -- had there been the courtesy to contact us and say that this rewriting of the State Planning Act was under consideration, then maybe some of these concerns and some of these questions could have been resolved and not have to bring them before you and your colleagues to find out what's going on. I've heard the representative to the administration aver how they want to consult with and cooperate with the building industry, but I find that to be in stark contrast to the way in which this reorganization plan has emerged and comes before you. In the end, that lack of consultation may be the strongest single argument against this reorganization plan.

The State Planning Act contains the following in its statement of findings and declarations. The Legislature expected the Act to give rise "to a cooperate planning process that involves the full participation of State, county, and local governments, as well as other public and private sector interests." The way this reorganization plan comes before you, I think, flies in the face of that statement of the Legislature. Where the State Agency Transfer Act, Mr. Chairman, is intended to give the executive the discretion that the executive needs to operate efficiently, there's nothing in that Act or in the history of that Act that suggests that it should be used unilaterally to rewrite policies that have been adopted by the Legislature. And I think that this proposed move is tantamount to amending the State Planning Act -- given its legislative history -- and accordingly encourage you to take the steps necessary to see that the two

entities remain in the Department of Treasury until some very, very serious considerations have been resolved.

Thank you, Mr. Chairman.

ASSEMBLYMAN ARNONE: Thank you, Mr. O’Keefe. Thank you very much.

Mr. Dressel, the League of Municipalities.

WILLIAM G. DRESSEL JR.: Thank you, Mr. Chairman. I have a prepared statement. I will be using that extensively.

Mr. Chairman, thank you very much for the opportunity to address you on this matter. We are opposed to the reorganization plan, and we would like to address our position on basically two levels. First, I’d like to comment on the procedural aspect of the decision-making process related to the transfer. Then, I would like to say something about the wisdom of the transfer itself.

On the matter of procedure, we believe a policy decision with such far-reaching ramification should be debated in a public forum. The context within which this proposal has been made does not, however, provide for such a forum. Making the transfer a mere footnote in the proposed State budget effectively shields the decision making from public scrutiny. And, Mr. Chairman, if it wouldn’t be for you and your leadership to call for a public hearing, we would not be here today.

Let me make something very clear and for the public and for the press. The advocates of this reorganization plan come before you, and they say, “You’re denying the public the right to either be for or against the State Plan,” and in their instance, for the State Plan. The reorganization plan 002-

1998 was filed in March. This reorganization plan will take effect -- will become law at the end of May with no debate -- with absolutely no discussion except for the discussion that we're getting here today. I was not consulted, as representative of the 566 municipalities in this state. Pat O'Keefe, who happens to represent the development community, was not consulted.

And let me make something perfectly clear. There was a press conference earlier today, and they were talking about the unholy alliance between the League of Municipalities and the New Jersey Builders Association over this particular issue. Let me put that to rest. The development community, headed up by Pat O'Keefe, and the municipal voice that I represent, representing the municipalities across the state, are at odds over 98 percent of the initiatives that come before you; and your cochairman (*sic*) is shaking his head because he has seen us in action many, many times, and we very rarely have agreed. But we happen to agree on this because you are, by endorsing this Plan, by not putting forth a resolution to remove this as a footnote in the State budget-- A footnote in the State budget. That's how this is being done.

And what we're saying is, let's remove the footnote. Let's put an end to the reorganization plan, but let's introduce a piece of legislation, and let's have a discussion and a debate. Because it was a conscious decision -- was made by this Legislature, and I was there, back in 1986 when the State Plan came into effect. There was an amendment, and it was a deal breaker. And Jim Gilbert, the former chairman of the State Planning Commission and one of the architects of the original legislation, who was chairman and president of the planning federation, insisted that it not be in DCA, that it not be in DEP,

that it not be in any State agency because of the oversight regulatory nature of those particular agencies.

And am I concerned about that? You're darned right I'm concerned about that. And I can point to a number of issues that have been introduced over the years. There's Site Standards legislation where the Legislature agreed with the League is that-- The Legislature basically established Site Standards, but the regulations, which were promulgated by the bureaucratic arm of the Department of Community Affairs, went far beyond legislative intent. There are a number of issues where we see that things are happening in State agencies where we do not have the input and the ability to change the destiny of your intent, the legislative intent. And we're saying a neutral agency, like Treasury, is an appropriate agency for this very, very, very important function.

ASSEMBLYMAN ARNONE: Let me ask you a question.

MR. DRESSEL: Yes.

ASSEMBLYMAN ARNONE: Why is it onerous for this to be in DCA rather than have it in the Treasury? Why is it onerous? I mean, let's forget how it got there. Let's say it's there now. Why is it onerous, as compared to sitting over there in the Treasury?

MR. DRESSEL: Mr. Chairman, I would love to answer that. I would love to discuss it. I would love to be able to engage you and the Commissioner and her agency in that kind of a debate and a discussion, which has not quite frankly occurred. I can't really comment with regard to the implementation of the State Plan as it relates to what is going to happen in the Department of Community Affairs. I'd like to know where Treasury has gone

awry, where Treasury has not performed. I certainly would like to know the answer to that particular question. But again, Mr. Chairman, I was not consulted. I was not even given a copy of the reorganization plan. And how can I say to my membership that calls me up and says, "Oh, it's moving over to the Department of Community Affairs" after their involvement with a number of regulatory initiatives that they're hurting from quite frankly. So it may very well be good.

I've heard Commissioner Kenny and her Deputy, Steve Sasala, talk, and I quite frankly have all the admiration -- I trust those individuals. I think that they're very good public servants, but the Department of Community Affairs, the commissioners, the leadership of those agencies, like every other agency of State government, they rotate. They move. They're here today, they're gone tomorrow. And that is a roll of the dice. And if there is going to be a structural change in the Department of Community of Affairs as it relates to a very, very important public policy initiative like the State Plan, the State Planning Commission, by God, you owe it to your constituents, and I owe it to my constituents to make sure that's done in a public forum -- a discussion on a bill. Because it was established-- Mr. O'Keefe very correctly corrected the allegations which were being made that "Oh, it was always in DCA." No, it was, but it was an amendment. It was a conscious decision -- a legislative amendment -- to put it in Treasury for all the reasons that I noted.

ASSEMBLYMAN ARNONE: Thank you.

First of all, you mentioned about a resolution. There is a resolution. I don't know if you were aware of it. Assemblywoman Myers has a resolution.

MR. DRESSEL: I'm not aware of it. Thank you.

ASSEMBLYMAN ARNONE: There is a resolution at present -- not from the Committee -- from Assemblywoman Myers.

MR. DRESSEL: I understand.

ASSEMBLYMAN ARNONE: Okay. Anything further? (negative response)

Thank you.

MR. DRESSEL: Thank you.

ASSEMBLYMAN ARNONE: David Dech, Warren County Planning Director, Chairman of the Planning Association.

DAVID K. DECH: Good afternoon. I just want to make a statement that I'm representing the Warren County Planning Department and not the County Planning Association.

As you said, I am the Planning Director of the County of Warren. As you know, the entire state, including the County of Warren and its 22 municipalities, is involved in the cross-acceptance phase of reviewing and commenting on the State Development and Redevelopment Plan.

The Governor's recent proposal to move the State Planning Commission and the Office of State Planning from the Department of Treasury to the Department of Community Affairs has reinforced my concern of the trend of events that have taken place over the last 10 to 15 years. This trend has been the steady erosion of the rights of local communities to control land development use within their boundary. The three major phases of land development -- planning, regulation, and approval -- have been and continue to be taken away by various State agencies.

The Fair Housing Act of 1985 interceded in local planning and regulation when the Council on Affordable Housing was created in the Department of Community Affairs and affordable housing obligations were determined through a planning and regulatory process. Warren County has seen the devastating effect of meeting affordable housing obligations when a once rural township failed to meet a bureaucratic requirement to certify a housing element and fair share plan with the COAH. Failing to meet this requirement led to a COAH-mediated settlement that is now resulting in the construction of over 800 homes on prime farmland in order to meet an obligation of 70 units. This is a stiff price to pay for not meeting a technical requirement.

What does the State Plan say about housing? Many may not realize it, but the State Plan contains a policy that would allow the COAH to impose an additional and affordable housing obligation on a township if it approves a development that is inconsistent with the State Plan. Municipalities in Warren County, as well as others statewide, do not need the DCA and COAH imposing additional housing obligations into their communities. Moving the State Planning Commission to the DCA could justify codifying this policy, as well as the other policies, into the COAH's regulations. The resulting impacts could mean higher density housing in places where local communities really do not want it.

An erosion of local regulatory control came in 1993 when the Uniform Site Improvement Standards Act was passed and a Site Improvement Advisory Board was created in the DCA to develop an Improvement Code for residential development superseding local regulations. Some officials reported

during cross-acceptance discussions that the Code is inadequate and, in some cases, yielded substandard roadway and drainage construction. I understand that the Board is now developing standards for commercial sites and is seeking to extend its drainage requirements to county drainage facilities as well.

As with the housing policies, moving the State Planning Commission and the Office of State Planning to DCA could justify codifying the State Plan's design policies into the Site Improvement Code.

The erosion of local planning control may result if the State Planning Commission and the Office of State Planning are relocated to DCA. The State Plan contains many policies that can be used to regulate municipal and county planning for our cities, towns, and villages, also known as centers in the State Plan, and in the environs surrounding the centers. It is a concern that moving the State Planning Commission to the DCA will foster the adoption of state planning rules and regulations by agencies within the DCA. These rules and regulations may mandate or necessitate the implementation of the State Plan by municipal and county governments. This is objectionable for two reasons: the first is that many communities do not agree with the State Plan's policies; and second, the loss of the community's ability to plan for itself.

Local control to approve applications for land development is in jeopardy because the land-use regulatory reform bill, also known as the builders' bill, was introduced again this year. The intent of this bill is to remove from public scrutiny any discussion of proposed development and vest the authority to review and approve development with a permit review officer. This officer, licensed by the DCA, could be responsible for approving up to 150 municipal,

county, and State permits. If approved, the powers of municipal and county planning boards are diminished, as actions that deserve public input are vested with the DCA-licensed permit review officer.

It is asserted by many State officials that the move from Treasury to the Community Affairs does not change the advisory or voluntary nature of the plan. They say the relocation will make it easier to maintain an open dialogue with municipalities and counties regarding the State Plan. I have found the Office of State Planning staff responsive to local requests for assistance on state planning matters such as cross-acceptance and center designation. How will the transfer improve the dialogue that currently exists on a plan that will remain advisory? It is questionable why the move is necessary in the first place.

The State Plan contains a lot of good ideas. It also contains a lot of ideas that are very objectionable to rural areas, particularly in Warren County. Yes, we need to do better planning, but is the State Plan a panacea? No. The State Plan is a guideline, and it should remain that way.

The right of municipalities to control land development is being nibbled away quietly. The common denominator in all these State actions is the Department of Community Affairs. The Department of the Treasury should continue to be the safe caretaker inasmuch as it will retain the neutrality of State departments who have an interest in planning matters, and it will help ease our concerns of any attempt by a State agency to control local planning.

Attached you will find a resolution of the Warren County Planning Board objecting to the move. A similar resolution was passed by the Warren County Board of Chosen Freeholders on April 29.

Thank you for the opportunity to comment.

ASSEMBLYMAN ARNONE: Thank you, Mr. Dech, and I understand your wife is having a baby, and I wish you well.

MR. DECH: I have my telephone with me, too, just in case.
(laughter)

ASSEMBLYMAN ARNONE: Okay.

Morris County Planning Association; then we have someone from the Realtors -- would like to speak also.

RAYMOND ZABIHACH: Good afternoon, Chairman Arnone and members of the Committee. It's a pleasure to speak before you. My name is Raymond Zabihach, and I'm Director of the Morris County Planning Board. We, as the County Planning Board, wrote a letter of our concern to legislators in our area and asking that the legislators consider the merits of this particular change. We did get a response back from the Governor, which I will pass out later on. I'm not going to address that, but I would like to read what we had said to our legislators for you.

"It has come to the attention of the Morris County Planning Board that Governor Whitman is contemplating the transfer of the Office of State Planning from the Department of Treasury to the Department of Community Affairs. Notice was initially given by the Governor in the fiscal 1999 budget report. It is our understanding that this will be followed by a formal reorganization plan, which the Governor will present both to the Legislature

and the Secretary of State. Unless the Legislature questions this organizational change, the proposed transfer becomes authorized after 60 days.

“We are quite concerned about the consequences of the Office of State Planning residing under the administrative jurisdiction of the Department of Community Affairs. When the initial state planning enabling legislation was crafted, the issue of placement of the State Planning Office, as well as the State Planning Commission, was a major concern of the 1985 Legislature. Due to the importance and potential power of the State Planning Commission, the Office of State Planning was placed under the neutral jurisdiction of the Department of Treasury. The overriding rationale was to guarantee that State departmental commissioners, as voting members of the State Planning Commission, would be treated as equals and thereby insuring equal influence on the State Plan. This balance would surely become questionable with the proposed transfer of the Office of State Planning to the Department of Community Affairs. Our concern is whether the invisible hand of influence could manifest itself on the Office of State Planning and indirectly on the State Planning Commission through administrative departmental procedure.

“Governor Whitman has attempted on several occasions to encourage State agencies to incorporate the State Plan into their respective departmental functional plans with varying success. This proposed change will do little to further State departmental compliance, which is an important contingent on the viability of the State Plan.

“The Morris County Planning Board requests that you give this proposed reorganization plan serious consideration and not dismiss it as

merely a simple administrative action. We believe that the relocation of the Office of State Planning to the Department of Community Affairs will have a profound and a long-term consequence on planning at the local and State level.”

Thank you.

ASSEMBLYMAN ARNONE: Thank you very much.

We have Greg Delozier from the New Jersey Association of Realtors.

G R E G D E L O Z I E R: Good afternoon, Mr. Chairman. I will be extremely brief. My name is Greg Delozier. I'm State Legislative Director for the New Jersey Association of Realtors.

We do not necessarily have a problem with the State Planning Commission being placed in the Department of Community Affairs on the face of it. We found Commissioner Kenny to be very forthright in our dealings with her on other issues.

Our problem is that the State Plan has enormous implications on this state's economy. If we are going to start to reopen parts of the State Planning Act -- things that everyone agrees were done in a very conscientious manner back in 1986 -- we may have to look at some of the other aspects of the Plan. There are significant policy decisions being made based on the State Plan, in particular, the CAFR II regulations, and we are deeply concerned with how those are being initiated and the interaction between the DEP and the State Planning Office.

If we are going to do this and we are going to reorganize, let's do it, but let's do it in a comprehensive manner. Let's make sure that the Plan,

the Planning Act, and all of the adjoining cooperation between various departments is done in a very comprehensive and fair manner.

Thank you very much.

ASSEMBLYMAN ARNONE: Thank you very much. Thank you.

We have four or five more people who would like to address the Committee. We might be running out of time, because Assemblywoman Myers would like to have a few moments, also. If they would like to come up for one moment, just a minute or so just--

George Hampton, is he here? George, just give us a minute, okay, we're running out of time. It's an oversight not to call you.

GEORGE HAMPTON: I'll give you the quick view, because of the time element that we have to address today.

My name is George Hampton. I'm the Vice President of Urban and Community Development in the University of Medicine and Dentistry. I'm also the President of what's called New Jersey Public Policy Research Institute. In that regard, I do have a prepared statement, but I will respect your issues regarding time and would just like to submit that for the record. I would also like to make you aware that there are several reports that I can make reference to and have in my testimony just to show you that we, indeed, at least have had some background and research in this initiative.

This document that I hold before you (indicating report) is the University of Medicine and Dentistry's response to the state and local development plan. We, as the University of Medicine and Dentistry, were the only institution of higher education that was requested to respond to the state and local development plan. We did so, and indeed, it's proven in a variety of

ways the power and influence that this plan has and why we are so much for, incidentally, the transfer of the State Planning Office to the DCA.

I also have in front of me another document. This document is submitted by New Jersey Public Policy Research Institute, and, as its president, we provided this document in 1990. This document also discusses the state and local development plan. And in here, we discussed a variety of initiatives in terms of why the various localities and municipalities throughout the state, urban leaders, minority leaders, indeed, have chosen at that time to be concerned about the state and local development plan.

In that regard, I also wanted to show you for a second the economic impact report that's done by the University of Medicine and Dentistry. Quickly, I'd like to thank the Chairman for giving us this opportunity, and I'd like to discuss those three areas that we represent, UMDNJ and NJPPRI and to some degree, also, the Regional Plan Association because Stanley Bergen, the president of UMDNJ, serves on that board, and I respond to those needs as well.

I would like to thank the Governor for selecting Joe Maraziti to be the new State Planning chairman. And I'd like to mention, we support the transfer of the Office of State Planning to the Department of Community Affairs, because of all the initiatives that have been discussed earlier, but also, as you know, the Office of Neighborhood Empowerment, the Urban Coordinating Council, the general housing initiatives, including the faith-based initiatives for community development that has been recently proposed by the Governor.

UMDNJ is a statewide institution. We are in several localities throughout the state, primarily five are the major ones. We are in Newark, we are in Camden, we are in New Brunswick. And in those areas, through our economic impact reports, it has shown in a variety of ways a significant impact that major employers regardless of where they are-- We have 11,000 employees, and we calculate where our employees are, what kind of minority business spending we do, what kind of vendor initiatives we do, and because of that, we know the impact that state and local development can indeed have in terms of transportation, in terms of housing, in terms of employment initiatives. Because of that, we know, for example, \$270 million we place in just three counties alone -- Essex County, Middlesex County, and Camden County. So we are concerned, of course, about the state and local development plan and its initiatives.

You know that we have done things in Newark called the University Heights Initiative and things called the Science Park Initiatives. The purpose of those initiatives is to use technology transfer to create economic development for localities. So as you can see, the University is an urban building institution. It's more than just medical care.

ASSEMBLYMAN ARNONE: Right. Thank you, George.

MR. HAMPTON: And the last point I'd like to just make very quickly is the issue about NJPPRI, and then I'll be quiet. And that is, we, the New Jersey Public Policy Research Institute, is an organization of African-Americans throughout the state. In 1990, we provided this document (indicating report) regarding the state and local development plan. At that time, our concerns were as follows: One, it did not have at that time enough

urban leaders participating in the document-- And in order to respond to that, we recently had at UMDNJ a significant conference where we had 175 urban leaders come out to discuss strictly and solely the state and local development plan. And because of that we, NJPPRI, will revisit this issue this year, and we are for this transfer.

I thank you for your time and efforts. Thank you very much.

ASSEMBLYMAN ARNONE: Thank you very much, George. Thank you very much.

We have a couple more speakers, and I'd wish the next speakers try to be as brief as they possibly can. And, also, I'd like to remind the speakers this is not going to be a discussion of the State Plan as much as it is the transfer of the State Office of Planning from the Treasury, the Commission into the DCA. This is just in regard to hearings on the transfer of the two offices.

Candace Ashmun.

C A N D A C E M. A S H M U N: Thank you, Mr. Chairman. I'm a former member of the State Planning Commission, and I chaired the committee that conducted the cross-acceptance on the Plan. I would like to just speak for the people of this state. The municipalities-- The Plan is really a plan developed by the municipalities for the municipalities. It will basically protect any municipality that wishes to meet the goals of the State Planning Act, which the Legislature adopted, and will be in conformance with the Plan. Those municipalities then will find themselves protected from State agencies, from any other eccentric moves that are made against their own local planning.

I would like to say that the implementation of the Plan is my primary concern for the municipalities and citizens of the state. It's been proven by polls that that's what they want. Therefore, if this transfer will mean we will get better implementation sooner, quicker, and more efficiently, then I would support this transfer.

ASSEMBLYMAN ARNONE: Thank you very much.

Sally Dudley.

SALLY DUDLEY: Good afternoon.

ASSEMBLYMAN ARNONE: Good afternoon.

MS. DUDLEY: I'm Sally Dudley, and I'm the Executive Director of the Association of New Jersey Environmental Commissions. For more than 25 years, we have supported, trained, and helped environmental commissions and volunteers in 350 municipalities across the state protect the environment and the quality of life in their towns. We have encouraged our members to help their municipalities integrate the principles of the State Development and Redevelopment Plan into their master plans and zoning ordinances. We believe that how New Jersey uses its land is crucial to the state of our environment and our economy. And the Plan offers a practical framework for municipalities and State agencies.

ANJEC strongly supports implementation of the State Plan. And I would like to echo Ms. Ashmun and say that that's what's important -- is the State Plan implementation: getting the municipalities and the State agencies to embrace the Plan and make it a basis of their functional plans, their capital investments, and their permitting decisions. While there is a certain logic to placing that function in the Department of the Treasury, as the original

legislation did more than a decade ago, what's really important is not where the Office of State Planning is located, but that the coordination takes place. And given the commitment of the Department of Community Affairs to implementing the Plan, if they're going to do that, let's keep it there, because let's remember, that's what's important to implement the Plan.

Thank you.

ASSEMBLYMAN ARNONE: Thank you very much.

Tim Dillingham.

TIM DILLINGHAM: Thank you, Mr. Chairman. My name is Tim Dillingham. I'm the Executive Director of the Highlands Coalition. It's a group of over 80 citizens groups both local, regional, and national that are concerned about land-use issues in the northwestern part of the state. I'll be very quick.

We are supportive of the Governor's initiative simply for the reason that the builders fear, and that is, it's the first move toward making the policies that are in the State Plan a reality. I think it boils down to as simple as that. I will leave you with just two pieces -- if you could put these in the record, I would appreciate that. One is a recent article in *U.S. News and World Report*. It says, "Conservative think tanks and even institutions like the Bank of America are now sponsoring reports attacking the economic costs of continuing to convert undeveloped land into low-density track housing and strip malls." Second are indicators, which are very popular nowadays, pulled from the environmental impact statement done and associated with the State Plan. Just one number: over 20 years the savings to both the municipalities and the State of New Jersey for decreased local infrastructure, operating costs,

and reduced taxes is \$1.3 billion. I think those are very sound reasons to move forward with making this Plan as effective as possible, and I thank you for your time.

ASSEMBLYMAN ARNONE: Thank you very much.

We have two other gentlemen here -- Norman Weinstein and Bill Wolfe. Maybe both of them can come up at the same time here and just -- both can have a seat there, and one, two, just tell us what you think.

You didn't mark on your sheet whether you're in favor or you're opposed, so I'm assuming -- you're in favor?

BILL WOLFE: Sure. My name is Bill Wolfe. I'm Acting Director of The Sierra Club, the nation's oldest conservation organization. We have approximately 20,000 members in New Jersey. Sierra Club has made implementation of the State Plan its No. 1 conservation priority, as well as securing a stable source of funding for open space acquisition.

We're here today to basically pose the question of, are we moving forward in implementation of the State Plan? We're here to support the administration's initiative and very much say that now's the time to move forward. The citizens of New Jersey are fed up, frankly, with the ill effects of poor land-use decisions over time in terms of traffic congestion, rising local property taxes, poor air quality, water quality, and loss of the last remaining areas of open space in the state. We urge the Legislature to back the Governor in moving forward and implementing the State Plan.

Thank you.

ASSEMBLYMAN ARNONE: Thank you very much.

MR. WOLFE: And I offer an editorial in support of that in today's *Home News and Tribune*. Thank you.

ASSEMBLYMAN ARNONE: Mr. Weinstein.

NORMAN WEINSTEIN: Yes, Norman Weinstein. I'm here on behalf of the Regional Plan Association. As you all know, I hope the State Plan is consistent with the Regional Plan Association plans. We've had three since 1929, the most recent in 1996. We feel that it's not so important as to where the State Planning Commission lies as that we go ahead with the implementation. We do want to make the comments that we feel very comfortable with the proposal. We would feel almost equally comfortable with retention and transportation, but we must move ahead in the spirit of the Plan, and we support it all the way. I think we are very much in the spirit in the last three or four speakers here.

Thank you.

ASSEMBLYMAN ARNONE: Thank you very much, Mr. Weinstein.

We're going to hear from Assemblywoman Myers, who has a resolution.

ASSEMBLYWOMAN CONNIE MYERS: Thank you, Mr. Chairman. I appreciate your raising this issue today and allowing us to comment on the Governor's proposal.

I agree with the diagnosis of the problem with regard to why the State of New Jersey has not implemented the State Plan, which was adopted six years ago. I disagree with the remedy for the problem. The diagnosis is that the Department of Treasury has not really moved the State Plan, and the

solution of those who support this reorganization plan is that DCA will move the Plan forward.

I represent the district in this state that is and will be most heavily impacted by the State Plan. My district is 777 square miles -- all of Warren, most of Hunterdon, part of Mercer counties, and my constituents see the State Plan as the greatest hope for preserving our district and the greatest threat to our democratic way of life through which we attempt to preserve our farms and our small towns, which we cherish.

I can't understand the testimony, particularly of New Jersey Future and environmental groups, supporting the State Plan and asking for teeth and implementation, because I have read the State Plan. I don't understand how environmental groups can support a plan which states that the density for rural and environmentally sensitive areas in the State of New Jersey should be no greater than 1000 people per square mile. To put that into a context, the State of New Jersey, as a whole, has an average now of more than 1000 people per square mile. That ranges from Hudson County, which has more than 12,000 people per square mile, to Salem County, which has 188 people per square mile. And keep in mind that that's an average across the county.

In my district, the average is 250 people per square mile, but that includes some cities and some towns. So we are talking about very low densities relatively speaking for the State of New Jersey, and yet, this Plan envisions centers with populations of up to 5000 people per square mile and rural and environmentally sensitive areas with populations of up to 1000 people per square mile.

These provisions in the State Plan confirm my fears that the roots of the State Plan go back to its links with the Fair Housing Act, which was passed at the same time in 1985, and the Mount Laurel II decision which created essentially -- well, the Fair Housing Act created the Council on Affordable Housing, which was created by the Legislature in order to implement the Mount Laurel II decision. The New Jersey Supreme Court in the Mount Laurel II decision relied on the existing State Development Guide Plan to determine where affordable housing should be placed throughout the state.

As the State Plan was adopted in 1992, the Council on Affordable Housing adopted a set of regulations to implement the Mount Laurel doctrine in New Jersey. Those regulations state that “affordable housing must be placed in centers, as identified in the State Plan.” Those regulations also state that “every municipality in the State of New Jersey has an obligation to provide a fair share of the region’s need for affordable housing” -- in spite of the fact that the State Supreme Court and the Legislature in the Fair Housing Act stated that “municipalities in rural or environmentally sensitive areas would have no such obligation.”

I raised this issue because my district, as I stated before, is most heavily impacted by both of these laws, by the Council on Affordable Housing policies, and the State Plan. The State Plan is and has always been a plan to provide affordable housing. That’s why it’s called the Development and Redevelopment Plan. In the town next to me, there are no rateables, none, absolutely none, except for housing. It is mostly farmland. That town has an affordable housing obligation and the planner told the mayor “to buy a farm

and create a mixed-use center on farmland in order to provide affordable housing.” This is the kind of advice that is being given to municipalities to implement the State Plan.

By placing this agency, the State Planning Commission and the Office of State Planning, under the Commissioner of DCA, who is by statute the Chair of the Council on Affordable Housing, the links between COAH and the State Planning Commission are tightened. For the reasons that I have outlined, my district is very concerned about this particular move.

The Governor has spoken of an initiative to preserve farmland and open space in New Jersey. Everyone understands and agrees that the goals and objectives of the State Plan are good ones -- to keep property taxes stable by having development occur where infrastructure already exists and discouraging development in farmlands and environmentally sensitive areas. I submit to you that the current Plan does not meet its own goals and objectives and moving the State Planning Commission and the Office of State Planning to the DCA will only serve to exacerbate the negative influence and alliance between the Council on Affordable Housing and the Office of State Planning.

Thank you very much.

ASSEMBLYMAN ARNONE: Thank you, Assemblywoman Myers.

You know, some of the members of the Committee would like to ask a question. I don't know who they would like to ask a question to.

Who would you like to ask it to?

ASSEMBLYMAN LUONGO: Mr. Chairman, I don't have a question. I'd like to make a statement that for those of us that have served as

mayors of growing communities -- and I will have served 12 years at the end of this two years, and I've been on a Planning Board for 11 years -- I have never seen the DCA never overstep its bounds. And seemingly, whenever you give an inch, it takes a yard. And if they were so concerned about development, the residential Site Improvement Standards took away from local planning boards the right to do what we felt was best for our municipalities. I think we would be given more teeth at the local level and less control from the State level. And I think a perfect example was the idea when they were going to have this great planner -- this permit provider. He was going to make all these improvements. One person was going to oversee the communities in which we pay taxes and which we have developed.

So I just have a real concern that like the Local Board of Finance, which seemingly takes a yard when you give them a inch, the same thing applies here. If this goes to the DCA, even though the Plan has some merit-- And I do believe that we should redevelop some of the cities, because it isn't people fleeing the cities, it's the cities who have fled the people. And perhaps, that's where we need to do some of the infrastructure and redesign. But as far as the local municipalities, we've done a pretty good job. If we were given a lot more teeth, the ability to say no, and not always be overruled by the State, I think that we would have been better off.

I have no problem. I would never support this being given to the DCA. It should remain with the Treasury. If it's a good plan, it will take on its own life and will be implemented, because it has some value to it. Otherwise, I see another mandate being forced down the throats of local

municipalities and, especially, the people who in the long run suffer from all this.

Thank you, Mr. Chairman.

ASSEMBLYMAN ARNONE: Thank you.

Anyone else have any comments they would like to make or add to this meeting? (no response)

If not, I want to thank the Assemblywoman for taking the time out to come here, and I'm going to close this particular meeting.

Thank you very much, and thank the Commissioners that have stayed in the room. Thank you.

(RECORDED PORTION OF MEETING CONCLUDED)