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**New Jersey State League of Municipalities  
Pledge Form for challenge of COAH regulation**

The  pledges the amount of  
\$  to the League of Municipalities for the purposes of a legal  
challenge to set aside the proposed COAH 3rd round regulations.

We understand that no funding will be collected, until the League Executive Board  
directs the League to challenge the regulations.

**Mayor:**

Name:

Phone:

Fax:

Signature: \_\_\_\_\_

**Administrator/Manager or Clerk:**

Name:

Phone:

Fax:

Signature: \_\_\_\_\_

Before we seek to collect any contributions, League staff will contact you to verify the  
pledge and advise of any developments.

This form can be faxed to 609-695-0151, attention Shirley Cade.

Thank You.

[Click here to print this form](#)

William G. Dressel, Jr.  
Executive Director  
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[bdressel@njslm.com](mailto:bdressel@njslm.com)

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## NJ towns mobilizing against new affordable housing rule

by Brad Parks/The Star-Ledger  
Sunday June 29, 2008, 12:00 AM

Municipal governments throughout New Jersey are preparing to fight a series of new affordable-housing rules that, they say, will force steep hikes in property taxes, already the highest in the nation.

One angry committeeman said that once voters understand what lawmakers in Trenton did last week during a headlong rush to pass the state budget, there will be outrage.

"I don't think a lot of towns realize what's hit them yet," said David Sandahl, a committeeman in Hopewell Township. He is helping spearhead one of the legal challenges, and more than 100 towns have signed on.

Their discontent is focused on a 1-2 punch from state government. In the spring, new rules approved by the New Jersey Council on Affordable Housing greatly increased the amount of low-cost housing that towns are required to build. Then, on Monday, the state Senate approved a sweeping housing bill that, among other things, restricted how much money towns can collect to fulfill those obligations.

Taken in tandem, municipal officials say, the new measures will cost towns \$6 billion to \$7 billion over the next 10 years, giving them no choice but to boost taxes.

"The real irony is that in providing affordable housing in New Jersey, we're going to end up increasing property taxes, which will make housing less affordable," Sandahl said.

Assembly Speaker Joseph Roberts (D-Camden), the author of the legislation, said last week Gov. Jon Corzine assured him the bill (A500/S1783) will be signed into law.

The skirmish is the latest in New Jersey's decades-long housing wars, a tortured campaign that has pitted housing advocates and builders against wealthy suburbs.

Sen. Ray Lesniak, a prime sponsor of the bill, said towns are overreacting, and he pledged lawmakers will return in the fall to establish an affordable-housing trust fund to help pay for construction with federal dollars.

"I don't think the municipalities have anything to worry about," Lesniak (D-Union) said. "If anything, they'll have more funds. It will be a more comprehensive, one-stop shopping approach for affordable-housing dollars."

Some town officials view such promises warily.

"I don't believe him," said Clinton Township Mayor Nick Corcodilos. "I've met more mayors over the last few months who are furious, offended and insulted over this. And they should be: What the state legislators are doing is taking something that's their problem and turning it into a municipal problem."

Already, two separate efforts -- one by the State League of Municipalities that claims more than 100 participants, and another by Clinton Township that includes 20 towns -- are being organized to challenge the legality of the new rules.

**COAH'S ROLE**

New Jersey's housing wars have raged since 1975, when the state Supreme Court issued the first in a series of decisions that attacked the pattern of

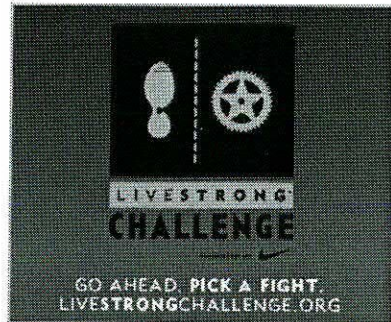
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segregated suburban development. In what became known as the Mount Laurel rulings, the court established that every town has an obligation to shoulder a fair share of the state's affordable-housing needs.

Towns first ignored the decisions, then bitterly fought them, and eventually lawmakers created a referee of sorts in the Council on Affordable Housing. For towns that drew up affordable-housing plans, COAH provided legal immunity from builders' lawsuits. The council also ushered in Regional Contribution Agreements, which allowed towns to pay cities to take on their housing obligations — at cut-rate prices that, over time, averaged \$20,000 a unit.

Supporters of the practice say the RCAs held down sprawl and pumped needed housing money into cities. Critics say it maintained a status quo of packing poor minorities into cities.

In 2005, Assembly Speaker Joe Roberts (D-Camden) announced his intention to eliminate RCAs. Along with Lesniak, he introduced the housing bill that passed Monday.

The New Jersey Regional Coalition, a collection of faith-based groups and community organizers, developed broad support for the measure, which sailed through both legislative houses with minimal debate.

A lesser-noticed provision in the bill, however, limits the fees that towns can charge commercial developers. Opponents say the provision will cost towns billions of dollars when combined with the new COAH regulations, which require one new affordable unit for every five market-rate units or 5,714 square feet of commercial space.

Under the old rules, a municipality could pay for the affordable housing by assessing fees on the developer equal to the cost of the housing.

Under A500/S1783, rules regarding costs for residential developers are unchanged. But non-residential developers could be charged only a flat fee of 2.5 percent.

"It's abundantly clear to us there is no way that a 2.5 percent fee is going to cover the cost of affordable housing that is being put on our municipalities," said William Dressel, executive director of the New Jersey League of Municipalities.

Roberts did not return calls seeking comment.

**CRUEL MATH**

Dressel and Corcodilos said a cornerstone of their lawsuits will be a long-standing provision established both in the Mount Laurel decisions and the Fair Housing Act of 1985 that exempted towns from paying for the housing themselves.

The cost usually was absorbed by builders, who either paid the fees or included some low-cost units in large-scale housing developments.

Sandahl, the Hopewell Township committeeman, said his town has approved 6 million square feet of office development not yet built.

That development will require the construction of \$160 million worth of affordable housing. But the township will be allowed to collect only \$38 million in fees, Sandahl said. That's a \$122 million shortfall in a town with an annual budget of \$20 million.

"None of the people advocating for this thing has been able to answer the question, 'Where does the money come from?' Nobody wants to do the math," Sandahl said.

Environmentalists and housing advocates have long accused towns of approving vast amounts of commercial and high-end residential development without regard for where working-class people will live. Lesniak said Sandahl's numbers don't take into account state and federal aid Hopewell Township might tap.

Still, Sandahl and others said such funds would quickly evaporate given the statewide need.

By Sandahl's math, the statewide difference between COAH requirements and funds raised by the 2.5 percent development fee will be \$5.8 billion over the next 10 years.

Philip Caton, a city planner and a special master for about 50 Superior Court cases dealing with affordable housing, puts the number at \$7.1 billion.

"I came up with these numbers as a cold bucket of water in the face so people realize the magnitude of this," said Caton, who added he still supports A500/S1783. "This is a real issue."

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