

MAYORS FAX ADVISORY



New Jersey State League
of Municipalities



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William G. Dressel, Jr., EXECUTIVE DIRECTOR ■ Michael J. Darcy, CAE, ASSISTANT EXECUTIVE DIRECTOR

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MAR 10 2008

OFFICE OF THE MAYOR &
BUSINESS ADMINISTRATION

March 10, 2008

COAH 3rd ROUND REGULATIONS

Re: COAH 3rd Round Regulations



Dear Mayor:

As you know, the League has conducted several regional meetings, to brief the membership on the newly proposed COAH regulations, discuss with municipal representatives the problems they have found with the proposal, and the areas in which the League should seek change.

Currently we have three more such meetings scheduled:

Wednesday, March 12
Borough of Glassboro
Municipal Building
2nd Level Courtroom
1 South Main Street
Glassboro, NJ 08028
10:00 AM—12 Noon

Wednesday, March 12
City Hall, 3rd Floor
861 Asbury Avenue
Ocean City, NJ 08226
(www.ocnj.us)
2:00 PM – 4:00 PM

Wednesday, March 19
Hardwick Township Hall
40 Spring Valley Road
Hardwick, NJ 07825
6:30 – 8:30 PM

There is plenty of seating for each of these remaining meetings, but if you would like to attend we do ask that RSVP to the contact information listed below.

We would like to report back to you what we have heard so far, and couple with it our COAH Committee's analysis of the proposed regulations. Municipalities across the State have expressed their concerns that the regulations, and the methodology, are unreasonable, will negatively impact the economy of the State, and will impose substantial burdens on the property taxpayer in contravention of the Fair Housing Act, which prohibits COAH from forcing municipalities "to raise or expend municipal revenues in order to provide low and moderate income housing." N.J.S.A. 52:27D-311(d).

These impacts are created by dramatically increasing the growth share obligations, making compliance mechanisms more restrictive, and increasing the cost of those compliance mechanisms without a commensurate funding source to cover the increase. In many municipalities, the projected obligation has quadrupled as a result of more aggressive ratios and development projections, resulting in a doubling of the statewide affordable housing need. Based upon the subsidy needed to create an affordable housing unit, as determined in the regulations, together with the statewide need established, the total cost of satisfying the proposed program is nearly \$19 billion. The financial obligation to satisfy the need is being placed solely on builders and municipal property taxpayers.

Legislative Services
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Of greatest concern to our members, in no particular order of importance, are:

- the statewide need numbers being established for municipal compliance which drive unsustainable growth share ratios;
- the errors in projected growth at the municipal level combined with a requirement to use that number as a minimum;
- the issues presented by a lack of demolition credits resulting in obligations being created without growth in housing or jobs;
- the imposition of a retroactive obligation without a means to satisfy that obligation;
- the economic imbalance built into the compliance mechanisms.

Our Committee has drafted extensive comments on the proposed regulations, identifying issues that require change, which will serve as the basis of our comments to the agency. We hope to have those comments finalized and available to you by the end of the week.

Formal comments on the regulations (which are available online at: <http://www.nj.gov/dca/coah/dec07proposal.shtml>) are due by **March 22, 2008**. In the meanwhile, questions and comments can be directed to the agency phone or by mail. If you provide any written comments to the agency, we would recommend copying such comments to the Commissioner of the

Department of Community Affairs
Council on Affordable Housing (COAH)
101 S. Broad St., PO Box 813
Trenton, NJ 08625-0813.
(609) 292-3000

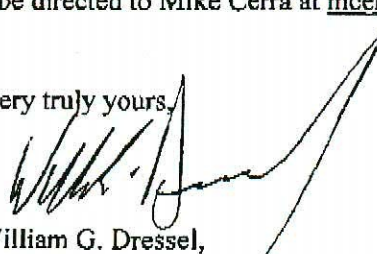
The Honorable Joseph Doria, Commissioner
Department of Community Affairs
101 S. Broad St., PO Box 800
Trenton, NJ 08625-0800
(609) 292-6420

We would also ask that you copy the League on any such correspondence and your formal comments. We are aware of several local efforts in which a group of towns are signing on to joint letters outlining their concerns and opposition to the regulations. We strongly encourage such efforts, and we further encourage every municipality to review these regulations and submit comments.

It is anticipated the agency will adopt the substance of these regulations on June 2; failure to do so could very well result in a Court-appointed special master. Once adopted, it is anticipated that there will be more than one challenge to set aside the regulations.

For more information, please see our Dear Mayor letters of December 18, January 3, January 15 and January 30. Questions on this correspondence can be directed to Mike Cerra at mcerra@njslom.com or at (609) 695-3481 x120.

Very truly yours,



William G. Dressel,
Executive Director