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COASTAL ZONE HOUSING ISSUES

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U.S. DEPARTMENT OF COMMERCE NOAA
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CHARLESTON, SC 29405-2413

As an initial step in the development of a coastal zone management program, the Division of State and Regional Planning is preparing a social component input for the Department of Environmental Protection for their Coastal Area Facilities Review Act (CAFRA) Environmental Inventory. This input will be in the form of issues/problems analysis papers. These papers will discuss the housing aspects of that social component. They will describe the most significant existing, developing and potential housing issues/problems from a comprehensive land use planning perspective and regional framework. Before listing and discussing housing issues/problems, it is necessary and desirable to consider housing in New Jersey.

Overview

The national goal of a "decent home and suitable living environment" for every American family and individual is applicable to New Jersey.¹ Although no statewide housing plan exists for New Jersey, housing problems and goals have been articulated from executive, legislative and judicial forums. Governor Byrne, in his Housing Address, has urged that the housing problems of New Jersey's citizens be squarely confronted.² The Legislature, through passage of many statutes, has recognized the existence of serious statewide housing problems.³ And recently, the New Jersey Supreme Court has addressed the issue of housing responsibility in a regional context.⁴ These discussions go far beyond considering the economics of housing demand vs. housing supply. This economic equation operates in a social context and has social consequences. When housing demand outstrips housing supply - as it has consistently done over the past ten (10) years - the results are not merely unmet housing

demands (an economic problem), but housing needs (a social problem). These housing needs are not some vague social condition. Consider the fact that out of 2.2 million occupied units in New Jersey in 1970, 518,000 units (nearly one out of four) were occupied by households (predominantly low- and moderate-income) housing unmet shelter needs. They include:⁵

- 50,000 + units lacking one or more plumbing facilities;
- 280,000 + units that were deteriorated or dilapidated;
- 67,000 + rental units occupied by the elderly which cost more than 25% of their fixed income; and
- 7,800 + owner and 10,000 + rental units occupied by the elderly, lacking one or more plumbing facilities.

And these figures do not include 55,000 + owner and 74,000 + renter units which were overcrowded, not to mention the thousands of disabled and handicapped persons that are estimated to be burdened by housing needs at one point or another. Besides the housing problems enumerated above, other housing needs exist, arrayed with different labels: housing variety or type (single family, renter, co-op, mobile, modular), housing accessibility or opportunity (jobs/housing factors), housing discrimination (economic/racial), housing size (large rental units, small owner units), housing costs (exclusionary zoning), housing preservation (rehabilitation/renovation) and so on. These housing needs are issues/problems that transcend pure housing economics and affect every community in the State. And the luxury of waiting until market conditions improve for these housing needs to be met no longer exists. Currently, the federal government, through its disbursement of community development revenue sharing funds, is requiring applicant jurisdictions (counties, municipalities) to prepare housing assistance plans to address many of the needs described above. These requirements include the elimination and prevention of slums and blight,

solution of urgent community development needs, housing for low- and moderate-income persons and provisions of services for low- and moderate-income persons. This has strengthened the focus on housing needs throughout the State, both from a comprehensive land use planning perspective and a regional framework. Moreover, the recent New Jersey Supreme Court decision declaring invalid exclusionary zoning tactics on the part of developing municipalities has heightened concern over housing needs. How a municipality is to assess its "fair-share of the regional burden for low- and moderate-income housing" is yet to be resolved. However, an extensive examination of unmet municipal and regional housing needs appears requisite to this process.

The CAFRA municipalities and the region of which they are part are no exception to this recent shift in focus to housing needs. Although these areas share many of the same housing needs described as existing throughout the State, nowhere in New Jersey is the contrast of housing demand vs. housing need more obvious than in the CAFRA zone. Several housing issues/problems common and unique to the CAFRA zone, constituent counties and municipalities will be identified and discussed below including: (1) housing market complexities (seasonal vs. year-round housing demand and needs, conversion of seasonal units to year-round use, volatile market conditions - available stock); (2) restricted housing choice/variety (types of units - owner, renter, mobiles); (3) senior citizens and retirement communities; (4) regional housing responsibilities (low- and moderate-income housing, minority housing, rural substandard housing problems); (5) urban housing needs (rehabilitation) and (6) housing costs (zoning/land use regulations).

1. Housing Market Complexities and Consequences

Issue -

Intensifying housing demands and housing needs in the CAFRA zone are housing market operations so complex and important that they deserve treatment as a distinct housing issue/problem. These complexities extend directly or indirectly into every housing issue discussed in this component, and their consideration as a separate issue should facilitate the housing problem analysis especially from a comprehensive land use planning perspective and regional framework. In brief, the housing market complexities operative in the CAFRA zone give special intensity to the housing demand and housing needs problems found there. Additionally, the intensity of these operations have caused housing problems not usually found elsewhere in the State.

Discussion and Analysis -

A typical discussion of a housing market would include considering such items as: the area's economy (principal economic activities, basic competition), demand factors (employment, incomes, population, households, family size), supply factors (residential construction activity, housing inventory, corrosions, demolition), current market conditions (vacancies, unsold inventory marketability, etc.), and quantitative and qualitative demand (unit numbers, prices and cents).⁶ While these considerations will not be discussed here, it is evident that interaction of these variables in a single housing market is complex. The interaction of these factors and the resultant land use planning and regional considerations related to housing demand and needs is infinitely more complex where more than one housing market is found to exist.

For example, Monmouth, Ocean, Atlantic and Cape May Counties have at least two and, in instances, three housing market situations: seasonal, year-round and special, (e.g., retirement) housing markets. Even in Cumberland County, a stable year-round housing market sometimes experiences complexity generated by a rural/urban housing dichotomy.

This housing market complexity in the CAFRA zone affects several shore communities in Monmouth, Ocean, Atlantic and Cape May Counties which share the problem of providing for both the housing demands and needs attributable to their indigenous resident population. The difficulty arises from the fact that there are intensive investment pressures to utilize what residential vacant developable or redevelopable land is available in these communities for seasonal use. These pressures are particularly significant in barrier beach communities and those mainland communities immediately adjacent to the shore. Market economics in such areas present a strong and more profitable case for developing land along seasonal lines and at higher densities than would be the situation if housing were built for year-round residents; and the existing seasonal character of land use in these municipalities offers no relief to year-round residents seeking new or better shelter. For example, while only 3.6% of all housing units in the State are seasonal/migratory units, CAFRA counties (see Table I) had percentages of their housing stock in this category well above the State average. The locations of these units are predominately in the shore communities.⁷ Housing opportunity for residents, therefore, becomes restricted in these areas and more costly. As noted in a study of housing problems in Cape May County (1972), "...not more than 1 or 2 percent of a municipality's (resort) permanent housing units are on the market at any time. Of this average housing

TABLE I

PERCENT SEASONAL UNITS IN CAFRA COUNTIES
TOTAL HOUSING STOCK

<u>CAFRA COUNTIES</u>	<u>TOTAL HOUSING UNITS</u>	<u>SEASONAL*</u>	<u>PERCENT</u>
Atlantic	73,848	6,435	8.7
Burlington	88,175	465	0.5
Cape May	52,152	25,348	48.6
Cumberland	40,005	1,151	2.9
Middlesex	171,711	148	0.1
Monmouth	149,920	7,421	4.9
Ocean	110,311	30,579	27.7
Salem	19,598	206	1.0
CAFRA Counties	705,720	71,753	10.2
New Jersey	2,388,011	85,402	3.6

*Includes Migratory Units As Well.

SOURCE: 1970 U.S. Census of Housing.

supply on the market....well over 90% (owner units) range in price from \$22,500 to \$60,000....rental units are not built for the permanent residential market.... because of the prohibitively high rentals that would have to be charged in order to make up the difference between the high rentals charged during the resort season and an annual rental rate."⁸ This problem does not seem to exist in Cumberland or Salem Counties.

Another problem growing out of the complex housing market operations existing or affecting the CAFRA zone and surrounding areas is the temporary deficits and surpluses that occur in the housing stock available for occupancy. Vacancy rates are good indicators of how effectively the housing market functions in adding new housing to the stock and in measuring the degree of mobility which people have in moving within a given sub-market or between sub-markets. Generally, a good or acceptable vacancy rate for rental housing ranges from a low of approximately 4 percent to a high of about 6 percent. Rental vacancies above 10 percent are excessive, resulting in a hardship on landlords and homeowners. At the same time, a rate of less than 3 percent means that a reasonable choice of housing units is seriously impaired. Such a vacancy rate is an indication of a very stringent housing situation, which results in a hardship for families and individuals seeking housing within the market. In terms of owner-occupied housing, the generally accepted figure for a sound vacancy rate is 1.5 percent.

In 1970, the vacancy rates in the CAFRA counties displayed some very serious lows and extreme highs (Table 2). The condition of low vacancy rates in the CAFRA counties is estimated to have persisted through the early 1970's, especially given the housing downturn of the past two years. However, it has been noted by the

TABLE 2

VACANCY RATES FOR CAFRA COUNTIES

	<u>Rental Unit Vacancy Rates</u>	<u>Owner Vacancy Rates</u>
Atlantic	10.6	1.5
Burlington	4.1	0.7
Cape May	18.1	1.8
Cumberland	5.2	1.2
Middlesex	2.5	0.5
Monmouth	5.1	1.0
Ocean	10.7	1.5
Salem	3.5	0.6
New Jersey	3.3	0.7

SOURCE: U.S. Census of Housing 1970.

County Planning Office in Ocean County that mainland year-round owner and renter developments are having serious marketability problems. Despite the advantages of this low cost housing, the market for these units has suddenly disappeared.

Many reasons have been put forward for this recent lack of marketability. The economic slowdown with its attendant constricted employment opportunities has been discussed as one factor that might have contributed to non-marketability of these units. Inflationary pressures, especially cost of energy considerations, probably have made these units less desirable from a commutation point of view. Additionally, changing in-migrant patterns from the New York region might have weakened this particular housing market in Ocean County. However, the County Planning Office has reported a fairly stable housing re-sale market. Public policy, locational decisions (e.g., transportation networks, sewerage treatment capacities, environmental resources and constraints and zoning land use regulations) also have an input for housing market operations that can create a housing surplus in one area while serious housing needs and demands exist nearby. (A detailed discussion of the special housing market represented by retirement communities is presented in Issue #3 - Senior Citizen Housing.)

Implications -

Besides intensifying housing demands and problems existing in the CAFRA zone, the complexity of housing market operations often have some consequences creating new or unique housing problems.

As local pressures for seasonal land uses result in the development of limited land resources in seasonal housing, a new pressure is created on surrounding municipalities. This pressure is the result of residents seeking year-round housing

who are unable to compete with the economic forces seeking seasonal housing. Thus, these residents must seek housing elsewhere.

When the economic forces created by the demand for year-round housing is at a competitive level with the economic forces created by the demand for seasonal housing, a new problem is created. This is the growing problem of the conversion of seasonal housing to a year-round residential use. A conversion of a seasonal to year-round use is not always a desirable occurrence since the seasonal unit is often older and not equipped with the plumbing, heating, storm windows, insulation, etc. that is normally found in a year-round unit. In Ocean County, which experienced substantial housing growth in all sectors of the market over the past decade, a decline in the total of seasonal units was noted between 1960 and 1970. In that county, the issue of conversion of seasonal to year-round units has been described as one where large numbers of seasonal dwellings (small, wood frame structures located on small lots) may soon be converted to year-round occupancy. This problem has been pointed out as predominantly occurring in the barrier beach communities. For smaller communities, their total population would increase, sharply burdening the localities' ability to provide necessary municipal services.⁹ A survey of communities in Ocean County in this regard revealed a definite trend toward seasonal conversion.

It should be recognized that the potential serious housing market imbalances exist in the future. The Monmouth, Ocean, Atlantic and Cape May CAFRA counties have experienced, and are still experiencing, development pressures that emanate from the respective metropolitan centers (New York/Philadelphia). In fact, these pressures for residential growth were so intense in Monmouth and Ocean Counties between 1970 and

1973, that 24.8% of dwelling unit construction permits authorized in the State were attributed to municipalities in these two counties alone (Table 3). And while a good portion of housing activity is related to seasonal/retirement development, it should be noted that in some areas, especially in Monmouth County, a strong employment base has generated indigenous resident housing demands.

Research Recommendations -

It is difficult to enumerate the extent of the problem of the conversion of seasonal housing since the data to measure it do not exist. Only superficial inferences can be gathered from U.S. Census of Housing data, which is already six years old. However, at least in two coastal counties (Ocean and Cape May), a distinct housing problem has been identified as directly related to the seasonal vs. year-round housing contrast: problems associated with the conversion of seasonal to year-round housing units.¹⁰ Both in Ocean and Cape May Counties, for example, little reported information is recorded regularly as a means to monitor this problem. It could best be described as a developing problem common to Ocean, Cape May and perhaps part of Atlantic County. Given the persistent pressure for retirement housing in many CAFRA counties, the potential for a rapid escalation of this problem of conversion of units from a seasonal to year-round use, exists as a real problem for local officials. And, as has been pointed out by the Atlantic County Planning Office, that county has the capacity to house nearly 500,000 persons, if all its seasonal units were converted to year-round use.

The Department of Labor and Industry, Division of Planning and Research (which collects annual building permit data), should be made aware of the need for data by which seasonal to year-round conversions can at least be estimated.

TABLE 3

GROWTH OF HOUSING BY BUILDING PERMITS
 AUTHORIZED IN THE CAFRA COUNTIES

	<u>Total Units Authorized</u>				<u>Total 1970-73</u>	<u>Percent of CAFRA Total</u>	<u>Percent of State Total</u>
	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>			
Atlantic	2,452	2,360	2,221	2,625	9,648	8.7	4.5
Burlington	3,741	4,769	5,489	4,084	18,083	16.2	8.4
Cape May	1,209	1,932	3,297	2,250	8,688	7.8	4.0
Cumberland	1,389	1,640	1,125	799	4,953	4.4	2.3
Middlesex	1,830	3,630	4,706	2,574	12,740	11.4	5.9
Monmouth	3,275	5,085	5,443	5,385	19,189	17.2	8.9
Ocean	5,739	9,846	11,553	7,205	34,343	30.8	15.9
Salem	299	1,756	713	908	3,676	3.3	1.7
CAFRA	19,934	31,019	34,547	25,830	111,330	-	51.6
New Jersey	39,897	58,040	65,539	52,145	215,621	-	-

SOURCE: Residential Construction Authorized by Building Permits,
 Annual Reports 1970-73, prepared by the New Jersey
 Department of Labor and Industry.

On the issue of housing availability, no data source other than the U.S. Census of Housing (dicennial) exists that measures housing surpluses or deficits. Since this problem of market volatility seems confined, at the present, to parts of Ocean County, no in-depth analysis is recommended. However, data gaps exist in other counties. Research is required to determine if the problem is in fact a localized issue in Ocean County only.

2. Restricted Housing Variety/Choice

Issue -

The lack of reasonable housing choice for existing and prospective residents is a significant housing issue in every county within the CAFRA zone. While these deficiencies can, in part, be attributed to market forces, other considerations such as land use regulations, prove just as important. Despite the slowdown on population growth and a decline in household size, households are still forming at increasing rates. These smaller sized households are the basic units of housing demand and require smaller units.

Discussion and Analysis -

In Monmouth County, there has been identified the need for small single-family owner units to accommodate the surge expected in population of the 20-34 year olds and those 55 years old or older.¹¹ In Cape May County, the need for small single-family housing for retired or soon-to-retire new residents has been noted.¹² In Ocean County, the housing needs of young married and singles "trying to build equity which they often cannot afford and/or do not need the space afforded by a 3 or 4 bedroom, single-family home" has been cited as an existing housing problem.¹³ In Cumberland, Monmouth, and Cape May Counties, the need for increased production of rental housing has been identified. While the use variance procedures account for the building of such units, conventional zoning for such dwellings is often lacking. Again in some shore communities, this problem is compounded by seasonal development pressures. Even where zoning restrictions do allow construction of multi-family housing, bedroom restrictions, which limit the size of such units, often limit housing choice for those large families who may choose to rent an apartment.

A developing and potential housing issue noted in several CAFRA counties was that of determining the use of the mobile home as an option for residential land use. This issue arises primarily in the mainland and western portions of counties having CAFRA boundaries where mobile homes are used as an alternative to conventional forms of owner and rental housing units. This problem has been recognized as important in Cumberland County, not only in rural areas, but in urban locations as well.¹⁴ In Cumberland County and in the rural areas of Atlantic County, the lack of municipal services to accompany this type of development has been described as a problem.¹⁵ The households normally taking advantage of this type of shelter include lower income families, senior citizens, on fixed incomes, and rural households who need reasonably priced housing in relation to their income.

Implications -

If the existence of restricted housing choice is allowed to continue, then some serious housing conditions will be sustained and generated in the CAFRA zone. Overcrowded housing will continue to affect large families who need and seek an adequately sized unit. Young singles and elderly persons will be forced either to relocate where greater housing choice exists or remain in units that do not or will not meet their needs. For the elderly, restricted housing choice forces them to hold on to units they own but may not be able to maintain and in some instances afford, given a limited income with the increasing cost of home ownership, there is evident a need for an adequate multi-family rental housing stock to keep housing costs within the range of low- and moderate-income households. Land use regulations unresponsive to their situation will only aggravate or increase an already serious housing problems.

While the problems accompanying mobile home development are not widespread, they do pose serious considerations since, in the future, the more rapid depreciation of this type of housing will create new housing problems of its own.

Research Recommendation -

Unfortunately, there are no on-going information systems that monitor the need for small single-family housing units, rental units and mobile homes for CAFRA municipalities. The most reliable source of measuring outstanding needs regarding housing choice are county housing studies which address this issue. While many of these studies do not numerically differentiate among the types of housing that should be provided at the municipal level, they do estimate or project the aggregate housing needs (e.g., Monmouth 22,600 units - 1985, Cape May 3,200 units - 1980) that are expected to occur in the County. These figures provide at least a base upon which some inferential estimates can be made covering housing needs in terms of both type and variety and has only estimated existing (1970) low- and moderate-income housing needs. For an in-depth analysis of this issue of housing choice, a more uniform data base and methodology are needed. To pursue such an analysis, substantial primary research would be necessary to reveal conclusive results at the municipal level. Again, existing county studies do provide some indication of housing needs in this regard, even if the data is outdated.

3. Senior Citizen Housing

Issue -

Although the housing needs and demands of senior citizens have been generally described previously, their shelter problems are very distinct and deserve separate consideration. This is especially true in the CAFRA zone where elderly residents and migrant retirees find it an increasingly attractive place to live. The issue here is two-fold. First, in virtually every CAFRA municipality there exists housing needs for resident elderly households. At the same time, a second consideration surfaces: there are substantial numbers of elderly persons, mostly retirees, who have migrated or wish to migrate to the coastal zone, who generate their own housing demands. Identifying and meeting the shelter needs and demands of these two groups - residents and non-residents is an immediate problem and challenge. Attendant to this issue is the secondary aspect of the impact of retirement communities from and on the CAFRA zone and its elderly population.

Discussion and Analysis -

For the resident elderly population in the CAFRA zone, housing needs are the primary concern. There were several counties in the CAFRA zone which had a higher percentage of persons 60 years of age or older than the Statewide average of 14.1% in 1970 (see Table 4). Even within CAFRA counties having less than this average, particular municipalities had higher-than-average senior citizen populations - Cumberland (Bridgeton, Commercial, Down, Greenwich, Hopewell and Millville), Monmouth (Allenhurst, Asbury Park, Neptune Township and Red Bank) and Salem (Elsinboro, Mannington Township and Salem City).

TABLE 4

TOTAL POPULATION 60 YEARS OLD AND OVER
IN CAFRA COUNTIES

County	Total Population	Total 60 and Over	Percent 60 and Over	Percent 60 and over of CAFRA Total	Percent 60 and over of State Total
Atlantic	175,043	38,039	21.7	14.1	3.8
Burlington	323,132	27,851	8.6	10.3	2.7
Cape May	59,554	15,878	26.7	5.9	1.6
Cumberland	121,374	17,295	14.2	6.4	1.7
Middlesex	583,813	55,851	9.6	20.6	5.5
Morrmouth	461,849	62,309	13.5	23.0	6.2
Ocean	208,470	45,121	21.6	16.7	4.5
Salem	60,346	8,258	13.7	3.1	0.8
CAFRA	1,993,358	270,602	13.6	-	26.8
New Jersey	7,171,112	1,011,034	14.1	-	-

SOURCE: "Housing Data for 65+ Population", (Population Based on 1970 Census.)
State of New Jersey, Department of Community Affairs, Division on Aging,
January, 1973.

Given the substantial proportion of resident elderly persons, their housing problems become even more important. The housing needs of the resident elderly center primarily on their limited income. For example, while in 1970 9.8% of all households in New Jersey had incomes at or below the poverty level,¹⁶ over 18.0% of persons 65 years of age or older fell into this category.¹⁷ This lack of income accelerates the difficulty of elderly persons to compete in the housing market. In fact, in many of the CAFRA counties, these statewide senior citizen poverty rates were exceeded (see Table 5). Certain municipalities in the CAFRA counties experience much greater rates of elderly poverty as shown in Table 6. This relationship between the incidence of low income and housing problems cannot be overemphasized for the elderly. For example, a housing analysis prepared for Atlantic County states that there is a high correlation (97.2%) between the incidence of deteriorated/dilapidated housing and low income households.¹⁸ Based on 1970 Census of Housing information, the New Jersey Division on Aging estimates that in 1970, at least 10% of elderly persons throughout the State experience some type of housing need, e.g., deterioration, dilapidation, overcrowding, financial housing needs, etc.

Mentioned in the overview to "Coastal Zone Housing Issues" was the fact that 67,000 (13%) of elderly households in the State paid 25% or more of their income for rent. This has long been considered a financial burden for renters. In fact, the U.S. Department of Housing and Urban Development has used this benchmark of financial housing burden in setting regulations for many of pre-existing housing assistance programs. Public housing authorization also employ this cut-off point in establishing the rent schedule for housing developments. No such bench mark

TABLE 5

POVERTY STATUS OF ELDERLY
65 YEARS OR OLDER
IN CAFRA COUNTIES

County	Total Population 65 and Over	Population 65 and Over Below Poverty	Percent Below Poverty
Atlantic	28,318	6,428	22.7
Burlington	19,279	2,947	15.3
Cape May	11,832	2,665	22.5
Cumberland	12,107	2,983	24.6
Middlesex	37,363	6,385	17.1
Monmouth	44,919	8,396	18.7
Ocean	32,920	5,176	15.7
Salem	5,607	1,373	24.5
CAFRA	192,345	36,353	18.9
New Jersey	696,989	125,824	18.1

SOURCE: Poverty and Other Income Statistics for the Elderly, New Jersey
Department of Community Affairs, Division on Aging, January, 1973.

TABLE 6

POVERTY STATUS OF POPULATION
65 YEARS OR OLDER
FOR SELECTED CAFRA MUNICIPALITIES

County and Municipality	Total Population 65 and Over	Population 65 and Over Below Poverty	Percent Below Poverty
ATLANTIC:			
Atlantic City	11,855	3,291	27.8
Egg Harbor Twp.	1,003	270	26.9
Galloway Twp.	852	241	28.3
Hamilton Twp.	815	235	28.8
BURLINGTON:			
Burlington City	1,375	320	23.4
Mount Holly Twp.	1,023	191	18.7
CAPE MAY:			
Cape May City	734	158	21.5
Middle Twp.	1,443	342	23.7
CUMBERLAND:			
Bridgeton City	2,086	470	22.5
Millville City	2,256	629	27.9
MIDDLESEX:			
Carteret Boro	1,710	379	22.2
Highland Pk.	1,536	335	21.8
MONMOUTH:			
Asbury Park	3,290	1,024	31.1
Belmar Boro	1,102	256	23.2
OCEAN:			
Jackson Twp.	1,338	373	27.9
Point Pleasant Beach	971	227	23.4
SALEM:			
Salem City	828	289	34.9
Upper Penns Neck	629	169	26.9

SOURCE: Poverty and Other Income Statistics for the Elderly,
New Jersey Department of Community Affairs, Division
on Aging, January, 1973.

is definitely established for homeowners. When the limited income of elderly households is weighed, the financial burden criteria become all the more relevant, - especially when the increases in social and medical case services for older citizens are taken into account. In Monmouth and Atlantic Counties, 26.6% and 20.6% respectively, of elderly renter households were considered to be financially burdened.

While the housing needs described so far relate to the income of elderly households, problems do extend into the area of physical housing needs (e.g., units which lack plumbing facilities, dilapidated and deteriorated units). For the CAFRA counties of Atlantic, Cape May, Cumberland, Monmouth, Ocean and Salem, the Division on Aging estimates minimal housing needs to affect some 18,690 senior citizens.¹⁹

Since senior citizens householders are typically small, a modest size unit requiring minimal maintenance and reasonable expense (no more than 25% of gross income) is often appropriate. Many senior citizen households have only one person. Reaffirming this need and the statistics presented above is the fact that within the CAFRA counties, in 1973, some 3,244 elderly persons were on waiting lists for publicly assisted housing - and the waiting period can be as long as five years in some instances.²⁰ Moreover, many elderly households who own their homes have difficulty maintaining the unit, not only for financial reasons, but also for health reasons.

Particular elderly housing problems mentioned in existing housing studies in CAFRA counties included: Cape May - need for subsidized units and converting large single-family homes into two-unit structures by elderly occupants; Salem - availability of used housing for senior citizens: Cumberland - maintenance of

units occupied by elderly and problems of development by renewal; Monmouth - provision of reasonably priced housing for future growth of elderly population; Ocean - low cost housing for senior citizens.

For the non-resident elderly population wishing to migrate (or who have recently migrated to) the CAFRA zone, housing demands are the primary concern. This issue should be viewed as distinct from the housing needs of resident elderly population. The CAFRA zone has experienced some intense development pressures from non-resident elderly wishing to move to the area. This is evidenced in the rapid retirement community development experienced by many CAFRA counties, particularly Ocean. The housing demands occasioned by non-resident senior citizens is truly regional or metropolitan in scope. Retirees from the New York/Philadelphia Metropolitan regions have been migrating in great numbers to CAFRA counties over the past decade, especially in Ocean, Monmouth and Atlantic Counties. Because there is an economic demand for units from this segment of the population, the private sector has channeled much of its efforts into this type of market. While retirement communities have proliferated, the needs of resident elderly are often assumed to be met. This is not entirely so as witnessed by the waiting-lists for publicly assisted housing mentioned previously.

Together, the housing needs and demands of residents and non-resident senior citizens alike have interacted to create a secondary or indirectly related problem: accommodating, through the social service and medical service structure of CAFRA counties, the growing elderly population. The rapid growth of retirement communities in CAFRA areas has put a substantial burden upon local and regional services and facilities, especially those related to health needs. In some locations, serious shortages of health personnel, medical facilities and health services makes sudden retirement development a problem for all sectors of the population.

Implications -

The implications of not successfully addressing housing needs and demands generated by the elderly population (and the services they demand) in the CAFRA zone are clear. Development pressures will ensure that both the housing needs of residents will become obscured and those problems attendant to retirement community development will be inefficiently met. Whether or not the future development can be successfully channeled to meet the needs of the resident elderly before the demands of non-resident elderly is an important policy question. If this pattern of rapid retirement growth is to proceed, then very likely the housing needs of resident senior citizens is bound to intensify.

In the same view, if housing choice and costs are not increased for the resident elderly population, serious future housing problems will be encountered. Approaches via the private sector are needed. While some municipalities in the CAFRA zone have had active housing assistance programs (e.g., in Cumberland, Cape May Counties), these problems of adequately housing the elderly outstrip available resources. Again, if allowed to continue, these conditions could accelerate the resident/non-resident senior citizens contrast, and intensify their housing and service needs.

Research Recommendation -

The Senior Citizen housing issue in the CAFRA zone should receive in-depth analyses. A substantial body of statistics making such research possible (at least at the county level) is available from the Division on Aging, New Jersey Department of Community Affairs. It appears that only minimal primary data collection would be necessary to provide a better understanding of the housing problems of the elderly in this area. Some statistical data at the municipal level is already available.

4. Regional Housing Responsibility

Issue -

There is a need to provide the opportunity for housing access to all residents at all income levels throughout the state, as well as the counties within the CAFRA zone. The concept of "regional fair share" of housing must be adopted by the municipalities within the CAFRA counties and implemented.

Discussion and Analysis -

The CAFRA counties had a shortage of approximately 141,600 units according to State estimates based on 1970 U.S. Census data.²¹ This shortage is based upon present inadequacies and is represented by low- and moderate-income households which are not served adequately by the existing housing supply. These inadequacies include both physical and financial needs, but is exclusive of vacancy deficiencies and job/housing imbalances.

The New Jersey Supreme Court has, in a recent ruling, generally referred to as the Mount Laurel Decision, held that a "developing municipality" cannot exclude families of low income from living in the community. Such municipalities must provide a means by which housing for all income levels can be built. Many communities in the CAFRA counties may fall into this category of "developing" municipalities. New Jersey's housing stock expanded by 389,071 units between 1960 and 1970, and eight counties accounted for percentages of the total State growth above 5 percent (see Table 7). Of these, four are CAFRA counties. Seven counties in New Jersey experienced population growth in excess of 5 percent of the State total growth of 1,101,382 persons between 1960 and 1970. Four of the seven

TABLE 7

NEW JERSEY HOUSING UNIT GROWTH BY COUNTY

<u>County</u>	<u>Net Increase in Housing Units</u>	<u>Percent of Housing Unit Increase of Total State-Increase</u>
	<u>1960-1970</u>	
*Atlantic	9,247	2.4%
Bergen	46,996	12.1
*Burlington	28,049	7.2
Camden	24,088	6.2
*Cape May	5,775	1.5
*Cumberland	4,708	1.2
Essex	11,783	3.0
Gloucester	9,655	2.5
Hudson	9,949	2.6
Hunterdon	4,238	1.1
Mercer	16,953	4.3
*Middlesex	46,364	11.9
*Monmouth	34,301	8.8
Morris	33,705	8.7
*Ocean	38,654	9.9
Passaic	18,376	4.7
*Salem	390	0.1
Somerset	15,987	4.1
Sussex	6,120	1.6
Union	20,150	5.2
Warren	3,583	0.9
STATE TOTAL	389,071	100.0%

*CAFRA Counties

SOURCE: U.S. Census of Housing 1960-1970.

counties are in the CAFRA counties (see Table 8). The CAFRA counties which experienced housing unit and population growth in excess of 5 percent include: Burlington, Middlesex, Monmouth and Ocean.

The concept of a regional approach to housing has been around for more than a decade. However, it has only received serious consideration and attention over the last few years. The idea of regional housing includes many concepts, the first of which is the concept of the region itself.

If, as was stated in the Mount Laurel decision, the municipal responsibility for housing goes beyond its own boundaries and includes the needs of the region of which it is a part, what is the region? How is it defined? How does it change? What regional needs must the municipality meet? Is it the "felt" need, the desire to live in the community because it is a better place to live? Is it the need to provide housing within the community for workers who live outside?

This brings up the issue of "fair share." In defining fair share, there is a number of approaches which can be used. Within the CAFRA counties, fair share may be allocated on the basis of equal share, which would redistribute low income housing from the older urban centers where it currently exists to surrounding municipalities. Fair share in the CAFRA counties may be based on need since a need for housing exists throughout the region. The suitability of an area to accommodate housing is another consideration to allocating housing in the CAFRA counties. Many of the municipalities are facing severe service problems. Bridgeton, for example, is facing a water problem which will prevent the development of new units. The New Jersey Department of Environmental Protection has closed down many municipalities in the region to future development due to a lack of sewer facility capacities. Finally, the lack of adequate natural energy supplies (gas, etc.) has also limited growth in the region.

TABLE 8

NEW JERSEY POPULATION GROWTH, 1960-1970

County	Population		Net Growth 1960-1970	Percent Change 1960-1970	Percent of State Growth 1960-1970
	1960	1970			
Atlantic	160,880	175,043	14,163	8.8%	1.3%
Bergen	780,255	898,012	117,757	15.9	10.6
*Burlington	224,499	323,132	98,633	43.9	9.0
Camden	392,035	456,291	64,256	16.4	5.8
*Cape May	48,555	59,554	10,999	22.6	1.0
Cumberland	106,840	121,374	14,524	13.6	1.3
Essex	923,545	929,986	6,441	0.7	0.6
*Gloucester	134,840	172,681	37,841	28.8	3.4
Hudson	610,734	609,266	-1,468	-0.2	-0.1
Hunterdon	54,107	69,718	15,611	28.8	1.4
Mercer	266,392	303,968	37,576	14.1	3.4
Middlesex	433,856	583,813	149,957	34.5	13.6
*Monmouth	334,401	459,379	124,978	37.4	11.4
Morris	261,620	383,454	121,834	46.6	11.1
*Ocean	108,241	208,470	100,229	92.6	9.1
Passaic	406,618	460,782	54,164	13.3	4.9
Salem	58,711	60,346	1,635	2.8	0.2
Somerset	143,913	198,372	54,459	37.8	4.9
Sussex	49,255	77,528	28,273	57.4	2.5
Union	504,255	543,116	38,861	7.7	3.5
Warren	63,220	73,879	10,659	16.9	0.9
STATE TOTAL	6,066,782	7,168,164	1,101,382	18.2%	100%

*CAFRA Counties

SOURCE: U.S. Census of Housing, 1960-1970.

The issue of present and prospective housing need must also be addressed in considering regional housing responsibility. Thus, not only must current need of residents be reviewed, but the needs of those people which can be expected to live in the community as well. One of the best measures of prospective needs is the expected employment growth translated into jobs by wage level and thus into worker demand by income.

Implications -

Should the municipalities of the CAFRA region resist adopting a regional allocation of their own design, it can be expected that they will be forced to accept a court mandate when taken to court by developers. Each municipality could be affected in a different manner. Thus, the treatment for some may be very unfair in comparison to others. A regional plan based on acceptable criteria would be fairer and more equitable. In the long run, a court mandate may not be in the best interest of the region as a whole.

Research Recommendations -

There is, however, a considerable need for additional information in this area. The concept of "region" as it affects the CAFRA counties requires further investigation. Is the housing region all of CAFRA? Are there smaller housing regions within CAFRA? Do the sub-housing markets include areas outside of the CAFRA counties?

The question of infrastructure requires full review. What areas are without development potential and why? What resources are available to change this situation? What other criteria should be considered beyond sewers and water in a ruling of unsuitability for development?

How serious is the lack of fuel supplies? The extent of the shortage and its effect on CAFRA requires further study. What areas are affected most? Does the shortage prevent housing, commercial or industrial growth or all three?

The estimates of prospective housing need are based on a very flimsy foundation. Local zoning ordinances which call for industrial development are very often the result of "over planning" or "fiscal" zoning to block housing development. Further study is needed to provide more accurate job projections on which to base future housing need.

Finally, the question of what is a developing municipality must be answered. It is important to note that the allocation implementation mechanism for a developing municipality will be different from that of a non-developing municipality. It is important that some rational criteria be developed for the identification of such municipalities.

5. Housing Needs

Issue -

The need for a program of rehabilitation of housing units in urban centers in the CAFRA counties requires immediate attention. This need for rehabilitation includes minor as well as major improvements. The areas in need in urban centers are in some cases concentrated neighborhoods. In other urban centers, however, there is no single concentration, but the need for rehabilitation is scattered throughout the city.

Discussion and Analysis -

The CAFRA counties account for approximately 93,100 physically substandard units according to State estimates. Thus, the CAFRA counties account for over 27 percent of the total physically substandard units in the State of New Jersey (see Table 9).

Within the CAFRA counties, the bulk of both the population and housing are located within the older urban centers. Table 10 shows the concentration of housing and population of the older urban centers of the CAFRA counties. The older established urban centers account for a minimum of 20 percent of both housing and population in the CAFRA counties.

Not only is the bulk of the housing stock located within the older urban centers, but the bulk of the low-income households is similarly located (see Table 11). Such families are those least able to pay the costs of maintenance for their units; however, they are the most likely to live in such units.

HOUSING NEEDS IN NEW JERSEY

STATEWIDE TOTALS COUNTY	PHYSICAL HOUSING NEED				FINANCIAL HOUSING NEED			TOTAL HOUSING NEED		
	Deteriorated 1	Dilapidated 2	Lacking Plumbing 3	Total 4	Low Income 5	Moderate Income 6	Total 7	Gross Need (Cols. 4&7)	Overlap (.38 of Col. 7)	Net Housing Need
* ATLANTIC	7,143	3,517	1,613	12,273	9,247	1,044	10,291	22,564	3,912	18,562
BERGEN	16,125	8,033	3,074	27,232	18,839	7,015	25,854	53,086	9,825	43,261
* BURLINGTON	6,475	3,189	1,191	10,855	4,841	1,534	6,375	17,230	2,416	14,814
CAMDEN	11,801	5,814	1,973	19,588	11,605	2,437	14,042	33,630	5,337	28,293
* CAPE MAY	2,742	1,352	461	4,555	1,661	227	1,888	6,443	719	5,724
* CUMBERLAND	4,521	2,228	1,824	8,573	3,727	484	4,211	12,784	1,599	11,185
ESSEX	30,615	17,527	9,845	57,987	58,507	12,138	70,645	128,632	26,845	101,787
GLOUCESTER	4,430	2,184	1,135	7,749	2,796	519	3,315	11,064	1,262	9,802
HUDSON	24,482	11,062	10,870	46,414	38,702	5,575	44,277	90,691	16,825	73,866
HUNTERDON	1,383	683	654	2,720	1,090	277	1,367	4,087	518	3,569
MERCER	7,652	3,663	1,732	13,452	9,504	1,944	11,528	24,980	4,379	20,601
* MIDDLESEX	12,080	5,209	2,731	20,020	11,689	3,611	15,300	35,320	5,813	29,507
* MONMOUTH	12,210	5,411	2,861	20,482	12,793	3,656	16,449	36,931	6,252	30,679
MORRIS	5,653	2,934	1,707	10,294	5,203	2,645	7,848	18,142	2,933	15,209
* OCEAN	7,736	3,805	1,090	12,631	4,337	1,212	5,549	18,180	1,509	16,671
PASSAIC	14,709	7,109	3,202	25,020	19,104	3,966	23,070	48,090	8,767	39,323
* SALEM	1,769	871	1,070	3,710	1,371	114	1,485	5,195	566	4,629
SOMERSET	2,939	1,618	834	5,391	2,927	1,107	4,034	9,425	1,534	7,891
SUSSEX	1,752	861	815	3,428	1,104	378	1,482	4,910	563	4,347
UNION	12,026	6,520	2,560	21,106	14,944	4,652	19,596	40,702	7,445	33,257
WARREN	2,117	1,040	1,041	4,198	1,565	244	1,809	6,007	687	5,320
STATE TOTALS	180,560	94,835	52,283	337,678	235,636	54,779	290,415	628,093	109,706	518,387

* CAFRA COUNTIES

TABLE 10

CONCENTRATION OF HOUSING AND POPULATION
IN URBAN CENTERS OF CAFRA COUNTIES

<u>COUNTY & MUNICIPALITY</u>	<u>% of Total County Population</u>	<u>% of Total County Housing</u>
ATLANTIC:		
Atlantic City	27.3	33.7
Margate City	6.0	6.4
Pleasantville	7.9	7.3
Ventnor City	5.9	6.3
Total	<u>47.1</u>	<u>53.7</u>
CAPE MAY:		
Cape May City	7.4	6.5
Ocean City	17.8	20.2
Wildwood	6.9	7.3
Total	<u>32.1</u>	<u>34.0</u>
CUMBERLAND:		
Bridgeton	16.8	19.0
Millville	17.6	18.8
Vineland	39.0	37.8
Total	<u>73.4</u>	<u>75.6</u>
MONMOUTH:		
Asbury Park	3.6	4.9
Eatontown	3.2	2.8
Freehold Boro	2.3	2.4
Long Branch	6.9	8.1
Neptune	6.0	6.3
Ocean	4.0	3.9
Hazlet	4.8	3.8
Red Bank	2.7	3.6
Total	<u>33.5</u>	<u>35.8</u>
OCEAN:		
Lakewood	12.1	11.8
Point Pleasant Boro	7.7	7.3
Total	<u>19.8</u>	<u>19.1</u>
SALEM:		
Pennsville	22.0	22.2
Salem City	12.7	13.5
Total	<u>34.7</u>	<u>35.7</u>

SOURCE: U.S. Bureau of Census, Census of Population and Census of Housing, 1970.

TABLE 11

CONCENTRATION OF LOW INCOME POPULATION
IN URBAN CENTERS OF CAFRA COUNTIES

<u>COUNTY & MUNICIPALITY</u>	<u>% Population Below \$6,000</u>	<u>% Population Below \$9,000</u>
ATLANTIC:		
Atlantic City	40.2	36.1
Margate City	4.1	4.1
Pleasantville	8.8	8.6
Ventnor City	6.1	5.5
Total	<u>55.1</u>	<u>58.4</u>
CAPE MAY:		
Cape May City	6.0	6.3
Ocean City	16.0	16.6
Wildwood	9.1	8.1
Total	<u>31.1</u>	<u>31.0</u>
CUMBERLAND:		
Bridgeton	20.7	19.1
Millville	16.1	17.0
Vineland	37.0	37.4
Total	<u>73.8</u>	<u>73.5</u>
MONMOUTH:		
Asbury Park	8.7	8.0
Eatontown	3.6	3.7
Freehold Boro	2.5	2.5
Long Branch	11.7	11.2
Neptune	8.3	7.4
Ocean	2.3	2.8
Hazlet	2.9	3.0
Red Bank	4.3	3.9
Total	<u>44.0</u>	<u>42.5</u>
OCEAN:		
Lakewood	15.4	14.6
Point Pleasant	7.1	7.6
Total	<u>22.5</u>	<u>27.2</u>
SALEM:		
Pennsville	15.9	14.8
Total	<u>18.0</u>	<u>15.9</u>
	<u>33.9</u>	<u>30.7</u>

SOURCE: U.S. Bureau of the Census, Census of Population, 1970, P4M-75.

Not only are young, low and moderate income families concentrated in the region's cities, but the pressure to return to some of the core cities by elderly families wishing to retire is increasing within the region. The resident elderly wish to return to the older urban centers because of the availability of existing facilities and services. Urban centers, such as Asbury Park, Red Bank, Bridgeton and Atlantic City, offer the elderly the opportunity to live independently. This added pressure to return to urban centers where few new units are being built makes the need for rehabilitation of existing units all the more demanding.

Twelve cities (see Table 12) within the CAFRA boundaries are eligible to receive funding under the Housing and Community Development Act of 1974 for local activities in housing and community services and facilities. This Act has consolidated several previously existing categorical programs for community development into a new single program of community development block grants from the federal government to the local governments. While none is a major center with a population above 50,000, many stand out as the old urban fun spots of a bygone era. Such statements as "the Playground of Presidents" and "summer place for the rich of New York and Philadelphia" no longer hold true for these older cities.

Four of the twelve had a population based on the 1970 U.S. Census of less than 10,000 people. Although the twelve cities do not represent the largest population centers of the State, and in a few cases their county, they do represent in most cases the largest urbanized areas in the region. With this in mind, it is safe to assume that the problems they face are in fact a common problem for all urban centers in the CAFRA region not getting Community Development funds.

TABLE 12

CITIES WITHIN CAFRA COUNTIES RECEIVING
HOUSING AND COMMUNITY DEVELOPMENT FUNDS

<u>Municipality</u>	<u>Total Grant</u>	<u>Total Population</u>
Atlantic City	\$3,358,000	47,859
Pleasantville	325,000	13,778
Asbury Park	297,000	16,533
Long Branch	145,000	31,774
Ocean Port	606,000	7,503
Bridgeton	283,000	20,435
Millville	78,000	21,366
Vineland	1,519,000	47,399
Cape May	140,000	4,392
Lakewood	23,000	25,223
Sea Isle City	13,000	1,712
Wildwood	323,000	4,110
Middletown	140,000	54,023

SOURCE: N.J. Division of State and Regional Planning.

With the exception of Bridgeton and Sea Isle City, all of the twelve cities indicated a need for rehabilitation of housing in their applications for funding under the Housing and Community Development Act. The need for rehabilitation in these cities is the result of a number of causes. The concentration of substandard units with their blighting influence on the neighborhood in which they are located is a major factor noted by all cities. Such units need only minor improvements in many cases. In other cases, the rehabilitation required may be substantial. However, the work required may be beyond the financial means of the low income occupants. Thus, if the family living in such substandard units is unable to pay the cost of maintenance or increase rentals, maintenance may be lacking.

While the ten cities indicating need for rehabilitation all support a loan and grant program, they also indicate a need for code enforcement to find substandard units and insure that action will be taken. Linked with this enforcement program is a need indicated by several cities for an emergency home repair fund. Such a fund would make it possible to do work which must be done immediately to a housing unit without the delay of the rehabilitation program.

Although the need for rehabilitation is a problem within the CAFRA region, it may transcend the scope of any future management program. This problem, however, must be considered in developing any long term management program, so as to ensure that any policy decisions which are made do not contribute to a further deterioration of this situation.

The effects which blighted buildings have on their surrounding neighborhoods have been well documented and need no further explanation at this time. The problem becomes more noted when it is not one of concentration, but of blighted buildings scattered throughout the city. Most of the twelve municipalities face this problem at the present time.

Implications -

The failure to address the problem of rehabilitation of housing in the CAFRA region will result in further decline of the region's urban centers. It is estimated that the State of New Jersey fell approximately 518,400 housing units short of the number needed in 1970. The new unit construction industry is producing only 11,000 low and moderate income units a year during peak production. Given this crisis, the failure to redevelop existing housing units in a state of decline, the resulting loss of housing will have many effects. First, it will force many households to live in substandard units at standards well below acceptable health and welfare levels. It will also increase the incidence of overcrowding of existing standard units, which will in turn result in the deterioration of those dwellings.

Families with the economic means may leave the urban center. This loss of buying power has a very negative effect on existing commercial establishments in the region. This negative effect may also force commercial and industrial ratables out of the urban centers, thus completing a chain of events leading to the further decline of the urban centers in the CAFRA region.

Research Recommendation -

Further information regarding the extent and location of physically substandard residential units within the CAFRA zone is necessary. Areas and neighborhoods in need of major rehabilitation should be delineated. Such an effort, however, would require substantial primary research at the municipal level.

6. Housing Costs

Issue -

The housing crisis in the State of New Jersey has resulted in a situation in which many households cannot afford the housing units currently being produced for purchase or rental. Hardest hit by the spiraling cost of housing are families of low and moderate income. The construction industry, due to institutional regulations (zoning ordinances and building codes), is unable to build reasonably priced housing units at the present time.

Discussion and Analysis -

The availability of owner and rental units within the means of a young, newly established family and the elderly family on a fixed income is far from adequate in the region. At the present time, it is not economically feasible, given current costs, for the private construction industry to produce a new unit which can be offered at rates low enough for the average household in the area. There is a number of factors, which when combined, works against the construction of affordable rental and owner construction units which are within the reach of all income groups.

Municipal zoning practices influence the cost of housing in a number of ways. The exclusion of multiple dwellings in some areas of the CAFRA region excludes a type of housing which can often be constructed at prices in the low and moderate cost range. The use of zoning to exclude multi-family housing was shown in a study done by the New Jersey Department of Community Affairs completed in 1972.²²

This study reviewed the land use policies of sixteen counties, four of which are CAFRA counties. Table 13 displays the data on the availability of land presented by this study.

While it appears that most of the developable land is zoned for residential use, the true effect of zoning is made visible when the residential zoning is reviewed more closely in Table 14. Only a small percentage of the land available for residential use has been zoned for multi-family units. Such zoning restrictions not only limit the number of multi-family units being constructed, but indirectly increase the cost of the little land which is available for such units.

Another factor which adds to the cost of new housing is minimum lot size requirements. Because community service costs, in particular education, are dependent upon the local property tax, fiscal considerations are among the major reasons for instituting large lot or fiscal zoning. Fiscal zoning is used for the purpose of maximizing per unit revenues and minimizing total costs. Such zoning practices also have the effect of creating an artificially induced shortage of land, which in turn raises the price per building lot.²³

The size of the lot also influences the size, and thereby the price of the house which is built on it. Zoning ordinances which require that housing be built to high, often excessive standards in terms of floor area, often increase the cost of housing. Such requirements operate to prohibit smaller, and therefore less costly homes and also serve to discriminate against families who do not prefer or may not require large homes.

In addition to setting minimum lot size requirements, zoning ordinances also specify minimum lot frontage requirements. Assessments for site improvements, such as storm and sanitary sewers, streets, curbs and sidewalks, are calculated on the basis of the width of the lot. Thus, the wider the required frontage, the higher the cost for site improvements.

TABLE 13

ZONING OF NET LAND SUPPLY SELECTED CAFRA COUNTIES

<u>County</u>	<u>Residential</u>		<u>Commercial</u>		<u>Industrial</u>	
	<u>Acres</u>	<u>(%)</u>	<u>Acres</u>	<u>(%)</u>	<u>Acres</u>	<u>(%)</u>
Burlington	211,243	83.4	12,505	5.0	29,548	11.6
Middlesex	56,784	54.7	3,704	3.6	43,287	41.7
Monmouth	154,923	81.5	10,854	5.7	24,204	12.8
Ocean	155,839	84.4	5,144	2.8	23,633	12.8

SOURCE: Division of State and Regional Planning, New Jersey Department of Community Affairs, Land Use Regulation: The Residential Land Supply, 1972, p. 6A.

TABLE 14

ZONING OF THE RESIDENTIAL LAND SUPPLY SELECTED CAFRA COUNTIES

<u>County</u>	<u>Single Family</u>		<u>Multi-Family</u>		<u>Mobile Homes</u>	
	<u>Acres</u>	<u>(%)</u>	<u>Acres</u>	<u>(%)</u>	<u>Acres</u>	<u>(%)</u>
Burlington	197,464	93.5	13,497	6.4	282	0.1
Middlesex	56,477	99.5	307	0.5	0	0.0
Monmouth	154,290	99.6	633	0.4	0	0.0
Ocean	144,888	93.0	10,951	7.0	0	0.0

SOURCE: Division of State and Regional Planning, New Jersey Department of Community Affairs, Land Use Regulation: The Residential Land Supply, 1972, p. 10A.

Local building codes is another factor which has a cost increasing effect on housing. Building codes which regulate the use of specific materials in the construction of housing often require materials that are above what is necessary to protect the health and safety of the occupants. Requirements that certain building materials be used removes the flexibility of the builder to hold down costs by substituting less costly materials. For example, specifications for plumbing codes, which require that only copper pipes be used in spite of the availability of other materials, result in increased costs of construction.

Another consideration which increases the overall cost of housing is the actual cost of purchasing the unit. Along with the high cost of mortgages, its availability must also be considered. Housing mortgages must compete with other investment possibilities for available funds from lending institutions. Faced with usury limits in New Jersey, investors (banks, etc.) find it possible to get a higher interest rate or other types of loans, thereby getting a higher profit. Add to this the fact that other types of investments are more short term in nature than housing mortgages, and the options are clear. Money is drawn off into other investments. Funds that are available may be obtained only at the highest interest rates possible. It is recognized, however, that while the high costs of mortgages are a serious problem, its solution may be beyond the scope of a coastal zone management program.

Implications -

Unless some attempt is made to slow the spiraling cost of housing, many low income families will be forced out of the housing market in the CAFRA region. Young couples will be unable to find housing within their means in the area in which they

grew up and wish to continue living. Elderly families with fixed incomes will be forced out completely.

This will force many families into overcrowded living situations, often in substandard units. The industrial and commercial development of the region may be halted due to a lack of labor. With low income families forced out of the market, only firms of a research or laboratory nature which employ highly skilled and paid labor will be able to find workers to meet their needs. Secondly, local commercial establishments will suffer from the loss of small purchasers.

Finally, the environmental impact on the region may be very negative as a result of increasing housing costs. Forced out of the region by housing, but still within economic limits to commute into job centers in the region, many low income families may opt to do so. The air pollution resulting, added to that of shoppers going to large shopping centers which survive due to their size, may destroy many of the goals of the CAFRA region.

The recently passed State Uniform Construction Code Act may help to alleviate the problems of obsolete and unnecessary construction regulations which tend to increase construction costs unnecessarily or retard the use of new materials, products or methods of construction.

While the cost of new housing is well beyond the reach of low and moderate income groups, it must be noted that the cost of new housing is relatively less expensive when compared with costs throughout the rest of the State. Any future policies or programs which may lower the cost of housing for families within the coastal zone may also induce further in-migration from areas outside the CAFRA region.

Research Recommendations -

The issue of large lot zoning, high frontage requirements and excessive floor area requirements demand further investigation. It would be useful to examine the market and feasibility of a return to "no frills" housing, e.g., smaller size homes and small lots.

Also, an in-depth review of mortgage funds available in the CAFRA counties is needed. Some counties, such as Ocean and Monmouth, have received a relatively high percentage of funds from the State Mortgage Finance Agency. Little is known, however, about the availability of funds for the bulk of the CAFRA counties.

FOOTNOTES

- 1 Housing Act of 1968.
- 2 Address of Governor Brendan T. Byrne at the New Jersey Conference on Housing, Trenton, New Jersey, October 9, 1974.
- 3 For example, it authorized the creation of the New Jersey Housing Finance Agency, the New Jersey Mortgage Finance Agency and has repeatedly passed numerous housing assistance/funding bills.
- 4 Township of Mount Laurel vs. Southern Burlington County N.A.A.C.P.
- 5 These statistics are taken from a partial text of a statement by Commissioner of the Department of Community Affairs, Patricia Q. Sheehan, at the Subcommittee Hearing of the New Jersey Capitol Needs Commission, February 20, 1975, Newark, New Jersey.
- 6 FHA Techniques of Housing Market Analysis.
- 7 U.S. Census of Housing HC 1970, (1) B22 New Jersey Occupancy and Utilization Characteristics.
- 8 Herbert H. Smith Associates, Housing in Cape May County, New Jersey, 1972, p. 4.
- 9 Gross Associates, Ocean County Master Plan Report #10, Housing Resource and Need Analysis, pp. 36-39, and oral communication with Mr. Thomas Thomas, Director, Ocean County Planning Department; and oral communication with Mr. Woodrow, former Director, Ocean County Planning Department.
- 10 Ibid., p. 36.
- 11 Monmouth County Planning Board, Housing 1971, August, 1971; oral communication with Mr. Robert Halsey, Director, Monmouth County Planning Board and U.S. Census of Housing HC(1) 32.
- 12 Herbert H. Smith Associates, op.cit., p. 4.
- 13 Gross Associates, op.cit., p. 42.
- 14 Cumberland County Planning Board, Housing Study and Program, November, 1971, pp. 27-30.
- 15 Ibid. and oral communication with Mr. John Gideonse, Director, Atlantic County Planning Board.

16 U.S. Bureau of the Census, Census of Population, 1970 General Social and Economic Characteristics PC (1) 32 New Jersey, p. 243.

17 These and the poverty statistics for the elderly that follow are taken from a statistical report, Division on Aging, New Jersey Department of Community Affairs, "Poverty and Other Income Statistics for the Elderly."

18 Atlantic County Planning Board, Initial Housing Element, 1969, pp. iii,

19 Division on Aging, op.cit., col. 5.

20 Ibid., col. 9.

21 Division of State and Regional Planning, New Jersey Department of Community Affairs, An Analysis of Low and Moderate Income Housing Need in New Jersey, 1974.

22 Division of State and Regional Planning, New Jersey Department of Community Affairs, Land Use Regulation: The Residential Land Use Supply, 1972, pp. 9-13.

23 Ibid., pp. 14-15.

