

TO: CITY OF CAMDEN PLANNING BOARD  
FROM: OLGA POMAR, DAVID PODELL AND DAVID RAMMLER, SOUTH  
JERSEY LEGAL SERVICES  
RE: CRAMER HILL REDEVELOPMENT STUDY AND REDEVELOPMENT  
PLAN  
DATE: MAY 11, 2004

South Jersey Legal Services (SJLS) is submitting these comments regarding the proposed Cramer Hill Study Area Determination of Need Study (“Study”) and the Cramer Hill Study Area Redevelopment Plan (“Plan”) on behalf of the Ablett Village Resident Council, Centennial Village Tenants Action Council, and the Bonafide Residents and Businesses of Cramer Hill, as well as individuals residing in the Cramer Hill neighborhood who have sought advice and counsel from SJLS.

## I. INTRODUCTION

The comment period should be extended because the City has not provided adequate opportunity for all interested persons to review the Study and Plan.,

The comment period should be extended because the City has not made copies of the Cramer Hill Redevelopment Study and Plan available in advance of the public hearing. SJLS has been attempting to obtain copies of these documents since the day they were filed with the Planning Board on April 19, 2004. Initially, the City officials stated that the documents were available for review in City Hall, but that no copies would be provided. On April 27th, a representative of the City, Mr. John Fuentes, informed community residents at a meeting that the City had decided to provide copies upon request. The following day, SJLS delivered a written request for a copy of both the Study and Plan to the municipal clerk, as instructed by the City planning department. One week later, SJLS attorneys were informed that a copy of the Plan, but not the Study, was available for purchase. On May 7<sup>th</sup>, SJLS was informed that copies were still not available for purchase. SJLS was finally able to purchase copies of the Study and Plan on May 10<sup>th</sup>, one day before the hearing.

The New Jersey Public Records Act, N.J.S.A. 47:1A-1 et seq. as amended, requires that a custodian of a public record “permit the record to be inspected, examined and copied”. N.J.S.A. 47:1A-5(a). Although the City did make the documents available for inspection, the failure to allow copying not only violated the Act, but has made it difficult for residents and their technical and legal experts to offer objections and supporting evidence concerning the proposed designation of Cramer Hill as an area in need of redevelopment, a right expressly provided to them pursuant to the New Jersey Local Redevelopment and Housing Law (“LRHL”), N.J.S.A. 40A:12A-6(b)(4). A thorough analysis of Study, and certainly obtaining independent expert evaluation, is impossible if one is required to review lengthy documents, totalling over 200 pages, without being able to obtain copies. In addition, many persons in Cramer Hill are Spanish-speaking, with limited English language proficiency,<sup>1</sup> but the documents are available only in English. It is especially hard for them to study the documents and obtain translations if they

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<sup>1</sup> See census data on language isolation attached as an exhibit.

cannot take copies of the documents with them. For this reason, the Planning Board should make copies of both documents available, and continue the hearing until all interested parties have been able to purchase copies and thoroughly review the documents.

Cramer Hill Residents' serious concerns regarding the designation of the redevelopment area and the proposals set forth in the Plan have not been addressed.

Residents of Cramer Hill have raised significant concerns regarding the redevelopment initiative for Cramer Hill which have not been addressed by the City. The principal issues are as follows:

- 1) The conditions in Cramer Hill do not warrant a finding of blight; the designation of the entire two census tracts as a redevelopment area, allowing widespread use of eminent domain, is not supported by the findings of the Study, is not based upon solid evidence, and is excessive and unnecessary;
- 2) Implementation of the Plan, which calls for acquisition and demolition of at least 700 homes, would result in the loss of valuable affordable housing units and the forced displacement of many Cramer Hill residents, causing them severe hardship,
- 3) The Plan proposes drastic changes to the social and economic fabric of the neighborhood, including a significant increase in population and undesirable land uses, it is not feasible, and therefore does not address the needs of Cramer Hill and Camden City residents
- 4) The designation of the entire Cramer Hill neighborhood as an area in need of redevelopment and adoption of the proposed redevelopment Plan is contrary to the general welfare and to the interests of both Cramer Hill and Camden City residents.

For these reasons, as discussed in detail below, the Planning Board should not recommend that Cramer Hill be designated as an area in need of redevelopment, nor recommend adoption of the proposed Plan.

## II. THERE IS NO BASIS FOR DESIGNATION OF THE ENTIRE CRAMER HILL NEIGHBORHOOD AS AN AREA IN NEED OF REDEVELOPMENT

There is no evidence to support that the Cramer Hill community is in such a deteriorated and unsafe condition that it warrants designation as what was formerly known as a “blighted area”, now renamed as “an area in need of redevelopment”. The LRHL imposes specific and stringent criteria for determining that an area is in need of redevelopment.<sup>2</sup> Cramer Hill, as a neighborhood, does not meet these criteria. As recognized in the Plan, Cramer Hill is a stable, diverse community

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<sup>2</sup> Among the criteria are: the generality of buildings are substandard, unsafe, unsanitary, dilapidated, or obsolescent, of otherwise conducive to unwholesome living or working conditions; there are abandoned commercial or industrial sites and/or City-owned buildings that are not likely to otherwise be developed; there are buildings that are substandard, unsafe, or unfit for living or working because of dilapidation, overcrowding, faulty design, deleterious land use, or other factors; there is a growing or total lack of proper utilization of areas because of ownership status; or there areas greater than 5 acres where buildings that have been destroyed by fire or other casualty which resulted in the area being materially depreciated . N.J.S.A. 40A:12A-5.

with significant assets. These include parks and open space, varied and mostly sound housing stock, proximity to transportation arteries and systems, and local amenities. Cramer Hill is the only neighborhood in Camden with areas zoned as “Residential 1-A, requiring single family homes on larger lots than found elsewhere in the City. The result is that Cramer Hill contains a large residential area that is almost suburban in appearance, with well-maintained exteriors, large yards, and lower density per acre than is found elsewhere in Camden. Cramer Hill also has strong neighborhood institutions, such as non-profit agencies, churches, and community organizations, and many thriving small businesses.

The Plan states that Cramer Hill meets the requirements for an area in need of redevelopment based upon the following three statutory criteria:

(b) The discontinuance of the use of buildings previously used for commercial, manufacturing, or industrial purposes; the abandonment of such buildings; or the same being allowed to fall into so great a state of disrepair as to be untenable;

e) A growing lack or total lack of proper utilization of areas caused by the condition of the title, diverse ownership of the real property therein, or other conditions, resulting in a stagnant or not fully productive condition of land potentially useful and valuable for contributing to or serving the public health, safety, and welfare;

(g) In any municipality in which an enterprise zone has been designated pursuant to the “New Jersey Urban Enterprise Zones Act,” P.L. 1983, c. 303 (C.52:27H-60 et seq.) the execution of the actions prescribed in that act for the adoption by the municipality and approval by the New Jersey Urban Enterprise Zone Authority of the zone development plan for the area of the enterprise zone shall be considered sufficient for the determination that the area is in need of redevelopment pursuant to sections 5 and 6 of P.L. 1992, c. 79 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax exemptions within the enterprise zone district pursuant to the provisions of P.L. 1991, c. 431 (C. 40A:20-1 et seq.) or the adoption of a tax abatement and exemption ordinance pursuant to the provisions of P.L. 1991, c. 441 (C40A:21-1 et. seq.). The municipality shall not utilize any other redevelopment powers within the urban enterprise zone unless the municipal governing body and planning board have also taken the actions and fulfilled the requirements prescribed in P.L. 1992, c. 79 (C.41A:21A-1 et al.) for determining that the area is in need of redevelopment or an area in need of rehabilitation and the municipal governing body has adopted a redevelopment plan ordinance including the area of the enterprise zone. N.J.S.A. 40A:12A-5.

With respect to criterion (b), while Cramer Hill may contain a few industrial sites which have been abandoned or are otherwise in disrepair, almost 70% of the parcels in the neighborhood, as the City has recognized in the Study and Plan, are residential. The existence of some former industrial buildings and brownfields sites along the Delaware River does not justify declaration of the entire two census tracts as blighted, as the Study contends. Nor does it support the plans by the City to acquire by eminent domain up to 1,200 occupied residential properties and up to 40 active businesses.

Criterion (e) of the statute is also not satisfied, because most of the land in Cramer Hill is being actively utilized for residential and commercial uses. The Study determined that 84% of homes are in fair condition, and only 7% are in poor condition. Most significantly, only 152 out of 2,635 residential properties, or 6%, are vacant.<sup>3</sup> There are only 761 vacant lots in the entire area, and the overall vacancy rate, although not insignificant, is below 20%. The Plan also states that the population of Cramer Hill has remained stable, with virtually no population loss in the last decade. There is also a good deal of commercial and industrial activity in Cramer Hill, including the River Road commercial corridor. Most properties in Cramer Hill, therefore, are in “productive condition” and are being properly utilized. To the extent that there are parcels of unproductive land, such as the Harrison Avenue landfill, that fact does not support a declaration of blight for the entire community.

Finally, the Plan erroneously concludes that designation as an Urban Enterprise Zone automatically qualifies it as a redevelopment area, contrary to the explicit language of N.J.S.A. 40A:12A-5(g). This section is expressly limited only to the granting of tax abatements, so that a UEZ designation does not, in of itself, also support a redevelopment area designation.

Instead of proceeding with the designation of the entire community as a redevelopment area, the City could target discrete sections within Cramer Hill that may meet the statutory requirements. The City could also designate portions of the neighborhood or even the entire neighborhood as an “area in need of rehabilitation” pursuant to N.J.S.A. 40A:12A-14. That designation would enable the City to carry out a program of rehabilitation, as it would for an area in need of redevelopment, but would not require meeting the more stringent criteria of Section 40A:12A-5, and would not authorize the use of eminent domain. Designating the entire community as a redevelopment area, however is unjustified and unsupported by the evidence.

The City’s process of designating virtually every census tract in the entire city as an area in need of redevelopment is similarly an excessive and unjustified application of the redevelopment powers, and these same issues are likely to be raised by residents of each neighborhood.

## II. THE PLAN CALLS FOR THE DESTRUCTION OF GREATLY NEEDED AFFORDABLE HOUSING UNITS AND WOULD CAUSE SEVERE HARDSHIP FOR DISPLACED RESIDENTS.

A. There is a severe shortage of affordable housing in New Jersey and in this region

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<sup>3</sup> Similarly, the Census Data shows a vacancy rate of close to 9%.

New Jersey has some of the highest housing costs of any state in the nation. In 2003, the fair market rent in New Jersey for a two-bedroom unit was \$1,026.<sup>4</sup> In Camden County, it was \$892. The median price for a single family house in the state was \$254,000 and the median monthly costs for houses that had mortgages was \$1,560, while in Camden County that monthly cost was \$1,252. Other expenses, such as child care and health care, are also expensive in this region. A study using 2002 cost data determined that a three-person household living in Camden County that receives no subsidies and pays cash for all expenses needs to earn at least \$16.52 an hour, or \$34,898 per year, just to make ends meet.<sup>5</sup> Not surprisingly, 75.6% of very low-income homeowners and 70% of renters in Camden County are forced to pay over 30% of their income as rent, and close to half pay over 50%.<sup>6</sup>

Disabled persons in Camden County have great difficulty securing housing. An SSI recipient receiving \$583 per month can afford a monthly rent of only \$175, making any unsubsidized units in today's market unavailable.

These figures illustrate the difficulty faced by low-income wage earners, seniors on fixed income, disabled persons, and other low-income households of finding decent, affordable housing in this County and State. Because these families cannot afford market prices, their best option for affordable housing is the very limited stock of subsidized, affordable units in the region.

- B. The Plan proposes acquisition and demolition of the 306 public housing units in Ablett Village, displacing at least 300 households and greatly diminishing the stock of housing units available to very low-income, disabled, and senior households.

Public housing units are a valuable housing resource for the families in Camden that have the greatest need. The public housing and Section 8 programs are the only programs that can provide affordable homes for persons with incomes below 30% of median income, as unlike other affordable housing programs, there is no minimum income eligibility and the family's rental contribution is based upon the family's income. The Camden Housing Authority has already reduced the number of units available for very low-income family housing throughout the City in the last ten years. In 1998, the six family developments included approximately sixteen hundred eighty-eight (1688) units. Through the demolition and partial rebuilding of Chelten Terrace and the demolition of Westfield Acres and construction of the replacement Baldwin's Run, that number has been reduced to about eleven hundred eighteen (1118). If current plans for future construction at Chelten Terrace and the demolition and rebuilding of Roosevelt Manor and Branch Village occur, that number will be reduced to about eleven hundred seventy-seven (1177) homes. If the demolition of Ablett Village were to take place, the Housing Authority would be left with eight hundred seventy-one (871) units (a loss of eight hundred seventeen (817) homes), and its overall housing stock would be reduced by almost 50%.

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<sup>4</sup> See Out of Reach 2003 and accompanying attachments to these comments that spell out this data and provide the sources for it.

<sup>5</sup> See excerpts from The Real Cost of Living in 2002: The Self-Sufficiency Standard for New Jersey, attached as an exhibit.

<sup>6</sup> See Out of Reach 2003 report, attached.

The CHA cannot serve even a fraction of those in need of the housing in this region. The waiting list is opened only once a year for a few days, at which time it is quickly filled. At present there are 373 persons on the waiting list for public housing family units.

At the same time, the U.S. Department of Housing and Urban Development's ("HUD's) budget for public housing is shrinking, and HUD is not developing new subsidy programs in its place that would assist very low-income households.<sup>7</sup>

Ablett Village is habitable and almost fully occupied. While some improvements may be needed, it is not so deteriorated that it could not be rehabbed. The CHA has invested modernization funds in the properties, and that money would be wasted if the units were destroyed. Furthermore, the Plan may be unfeasible, as it ignores the need for HUD approval for demolition.

- C. The Plan also proposes acquisition and demolition of the 200 Section 8 project-based housing units in Centennial Village, displacing at least 200 additional households and further diminishing the stock of housing units available to very low-income, disabled, and senior households.

Centennial Village is also a valuable resource for lower-income, disabled, senior households. As in public housing, Section 8 residents pay rent in an amount based upon their income. The housing is therefore available to the lowest-income families in the region. A significant number of residents at Centennial Village are elderly or disabled. Many other residents are working families earning minimum wage or similarly low wages. The units at Centennial Village are in good condition and reasonably attractive.

The Section 8 program is also being cut back. HUD has not offering any funds for new project-based Section 8 housing for over a decade. There is not even adequate funding for portable Section 8 vouchers.<sup>8</sup> There is a great need for Section 8 subsidies, however. In Camden, there are 1,174 households on the Section 8 voucher waiting list. Centennial Village and other project-based Section 8 developments are filled to capacity. There are an additional 1110 household on the Housing Authority's project-based waiting list. Families that depend on Section 8 housing subsidies therefore face the same predicament as public housing residents, as described above.

As with Ablett Village, HUD must approve the demolition of this housing development, and the Plan may therefore be impossible to implement.

- D. The Plan also proposes acquisition and demolition of up to 700 additional homes, a significant number of which are likely to be owned by lower-income households, seniors, and disabled persons

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<sup>7</sup> HUD's funding for the elderly shrank from \$3,490 million in 2003 to \$2,276 million in 2005, a decrease of 34.8%. The Section 8 program was decreased by 5.2%. The public housing capital fund was reduced from \$3,472 million to \$2,819, or 18.9%.

<sup>8</sup> See New York Times editorial of May 10, 2004, attached

Implementing the redevelopment Plan requires extensive use of the drastic powers of eminent domain. In addition to the tenants living at Ablett and Centennial Villages, up to 700 more families would be displaced through condemnation.<sup>9</sup> This number does not factor in the 64 families that will be displaced through school construction. As described below, the demographics of the neighborhood make clear that most of these families are very low-income. It is also likely that a significant number of the households outside of Ablett and Centennial Village that will be displaced are homeowners, as approximately 50% of residents in Cramer Hill as a whole are homeowners.

Furthermore, although City officials have stated that the City will not take properties not included in the acquisition list, the City is putting all property owners at risk of losing their homes by proposing to designate the entire Cramer Hill neighborhood as a redevelopment area. If the designation is made, more properties can be added to the list by a simple ordinance amendment. If the City's intent is to exercise eminent domain only in particular sections of the neighborhood, it should designate only those sections as redevelopment areas, and designate the remainder of the neighborhood as an area in need of rehabilitation.

- E. The 1,200 families who would lose their homes through the redevelopment process would experience severe hardship

If families in Cramer Hill lose their homes through condemnation they will experience radical changes to their way of life and severe hardship. Long-time residents would lose their ties with neighbors, including family and friends. Their immediate community would be destroyed and their way of life disrupted.

The situation is made more dire because of the income status of most Cramer Hill residents. While the Area Median Income (AMI) in New Jersey, at \$74,156 and in Camden County, \$68,200, are fairly high, in Cramer Hill's two census tracts, median household incomes among renters were \$15,337 and \$24,316, and among household owners in Cramer Hill, median household incomes were \$31,444 and \$36,042. While in New Jersey the poverty rate is only 8.5%, and in Camden County it is only 10.4%, the rate is 36.3%, and includes a total number of 3,634. Most Cramer Hill residents are therefore very low-income (50% of AMI) or extremely low-income (30% of AMI), as defined by HUD regulations.

In Camden County, an extremely low-income household, earning \$20,460, can afford a monthly rent of only \$512. In Cramer Hill, according to the U.S. Census, the median monthly contract rent is only \$413, making it affordable to live even for extremely low-income households. In contrast, according to the Census, the median monthly rents for New Jersey and Camden County

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<sup>9</sup> According to the Plan, a total of 465 occupied residences will be acquired, and an additional 142 properties may be required. These numbers include the units in Ablett and Centennial Villages; it is impossible to ascertain from the Plan how many of the properties to be acquired are part of the two developments. However, the Plan further states that there will be a need to relocate a total of up to 1200 households, and it can assumed that 500 of those households are residents of Ablett or Centennial Village.

are much higher--\$672 and \$554 respectively--out of range for extremely low-income households.

The residents of Ablett Village and Centennial Village, most of whom are extremely low-income, will find it extremely difficult to find replacement rental housing because of the shortage of affordable housing in this region. These families cannot afford unsubsidized rental units because of the high housing costs in this region, as discussed above. There is not enough available public housing or Section 8 units either in Camden City or elsewhere in the surrounding area. Even if all the tenants were able to get portable Section 8 vouchers, they would have difficulty in finding apartments that meet HUD occupancy standards and are affordable. The communities surrounding Camden, such as Pennsauken, Haddonfield, Collingswood, and Cherry Hill, have very little available rental housing. Many former Camden residents who have Section 8 vouchers have found apartments in Lindenwold, and those apartment complexes in Lindenwold are now also slated for demolition because of proposed redevelopment plans.

Homeowners in Cramer Hill would be especially hurt by the forcible taking of their homes. Cramer Hill residents were able to take advantage of the low housing prices in Camden City and purchase their properties for an affordable price. According to recent census data, the median price of an owner-occupied home in Cramer Hill is only \$42,900, compared to \$111,200 for Camden County and \$167,900--more than double and triple the price for Cramer Hill.

Further, some very low-income residents are able to afford to stay in their current properties because they have either paid off their mortgage or have very low monthly payments, but would not qualify for a new mortgage. Census data demonstrates that in Cramer Hill, median monthly costs for homeowners without mortgages are only \$274 and with mortgages only \$673. These costs are considerably lower than in Camden County--\$509 without mortgages and \$1,252 with mortgages--and New Jersey--\$567 without mortgages and \$1,560 with mortgages.

Given current housing prices, these residents will not be able to afford a replacement home in today's housing market. Even the relocation benefits that residents are entitled to would not close the gap between what a family is likely to receive to compensate them for the fair market value of their property and what a comparable replacement unit would cost. The situation is complicated further if the family has a substantial mortgage on their property, any tax arrears, judgment liens, or even poor credit that would disqualify the family from obtaining a new mortgage. As a result, many residents who now own their home are likely to become renters if they lose that home through this proposed redevelopment process. And because of the price of rental housing, these residents, as well as displaced tenants, would be likely to face great difficulty in securing affordable, safe and decent housing and risk living in over-crowded and substandard conditions and paying excessive housing costs.

- F. The implementation of the Plan is also likely to cause displacement of even more current residents by making housing costs unaffordable in Cramer Hill

Not only those residents who anticipate losing their homes through eminent domain are concerned about the effects of this redevelopment initiative on their homes and their ability to remain in their community. All homeowners in Cramer Hill fear a rapid and dramatic rise in

property taxes if this Plan is put into effect. The most vulnerable families, such as seniors and disabled and families surviving in low-wage jobs, would be put at risk of losing their homes through tax foreclosure.<sup>10</sup> The anticipated rise in property values would also be likely to cause increase in market rents. As this in turn would increase the need for affordable rental housing, additional units of affordable housing should be incorporated into Plan.

G. The Plan does not ensure adequate short-term or long-term replacement housing that is affordable to current Cramer Hill residents.

This Plan does not address the need for affordable housing or offer residents the right to remain in the Cramer Hill neighborhood. When residents raised their concerns about displacement and relocation, City officials made very specific commitments regarding the creation of replacement units. These promises were not incorporated into Plan, however. Furthermore, the City has not demonstrated that it is feasible to fulfill these promises.

The promise was made that no housing would be acquired and demolished until new replacement units were built. In contrast, the Plan does not mention that the new units will be built prior to acquisition. The City also promised that there would be one for one replacement of lost housing units. The Plan only provides that “up to 1200 units” will be constructed, and does not guarantee these will be subsidized or otherwise affordable housing units. The City further committed that residents will be moved directly from their home to a replacement unit, so that they would not be forced to leave the neighborhood. The Plan, however, states that residents can be temporarily relocated out of the neighborhood. The Plan also provides that replacement units are to “afford residents opportunity to remain in or return to neighborhood”; it does not guarantee that units will be affordable to current residents, that the residents will be given first right to secure these units, or that residents will be qualified without being subject to new screening and eligibility requirements.

In addition, the Plan does not identify sources of funding appropriate for replacing public housing units, Section 8 units, or homes that are owned by seniors, disabled, or very low-income homeowners. As previously discussed, the Section 8 project-based funding was phased out in the 1980’s and replaced by the “portable voucher” program. The voucher system provides housing subsidies to a participant to enable the participant to rent an apartment of his or her choosing, but it does not fund construction or rehabilitation of housing units. The HOPE VI program was the only HUD grant program to pay for construction of new public housing units, and it is also being defunded.

The housing programs identified in the Plan as sources of funding for the replacement units are the Economic Recovery Board fund, NJ Housing and Mortgage Finance Agency programs, including Low Income Housing Tax Credits and “Market Oriented Neighborhood Investment”, Balanced Housing, U.S. HOME funding, and the Federal Home Loan Bank. There are several serious problems with relying on these sources for replacing the housing units that would be lost in Cramer Hill.

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<sup>10</sup> If the Plan were to be implemented, there is a need to create special tax protection for current residents.

First, these are all limited pots of money, and funding for them is highly competitive. For the Low Income Tax Credit program, for example, which is now the largest federal subsidy for the development and rehabilitation of affordable housing, there is very stiff competition for the subsidy. Funding is allocated among the states based upon their population, and in 2002 the NJ HMFA had only a total of \$15 million to distribute throughout the state.<sup>11</sup> According to the Council on Affordable Housing, only 24,000 affordable homes have been built since 1985.<sup>12</sup>

Second, the populations that these programs primarily serve are considerably higher income than those served by the public housing and Section 8 programs and many of the current residents of Cramer Hill. For the Tax Credit program, either 20% of the units must be available to renters whose incomes are no more than 50% of AMI or less, or 40% of the units must be available to renters whose incomes are no more than 60% of AMI. That would mean that if 100 units were constructed, only 20 would be affordable to households that earn \$34,000, or 40 units affordable to persons \$40,920. There is no requirement to provide any housing affordable to families who earn below \$34,000, which constitutes the majority of Cramer Hill households. Similarly, the Balanced Housing program requires that all units be affordable to moderate-income households earning 80% of AMI (\$55,040 for a family of four) and that half of the units be affordable to low-income households, earning 50% of AMI.<sup>13</sup>

Third, to provide housing that is affordable for Ablett and Centennial Village residents, the City would need to not only secure funding for construction, but also ensure that the housing subsidies for the units were still available to the owner of the units. It is unknown at this time whether that would be possible.

Fourth, many of these programs, such as Balanced Housing and the Tax Credit program, restrict use of the homes as low-income housing only for a specific period of time, which can be as short as 10 years, so they do not provide a reliable long-term source of affordable housing.<sup>14</sup>

It is apparent, therefore, that even if it would be theoretically possible to use some of these funding streams for rebuilding the public housing and Section 8 units and other houses lost through demolition, it is not feasible that the City would be able to secure sufficient funding to pay for acquisition, demolition, relocation benefits, and new construction of 1,200 units of housing in today's funding environment. Demolition alone is likely to cost at least \$1 million, and building 1,200 new units would cost close to \$168 million.<sup>15</sup> And this expenditure is especially

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<sup>11</sup> See In re Tax Credit Credit Application of Pennrose Props., Inc. 346 N.J.Super. 479 (App. Div. 2002); Ballard, Profiting from Poverty: The Competition Between For-Profit and Nonprofit Developers For Low-Income Housing Tax Credits, 55 Hastings L.J. 211 (2003).

<sup>12</sup> See LSNJ Report, The Critical Shortage of Affordable Housing in NJ, attached.

<sup>13</sup> See COAH tables determining eligibility for housing programs attached as an exhibit, Low Income Tax Credit statute, 26 U.S.C.A. §42(g)(1), and Balanced Housing Program Regulations, N.J.A.C. 5:43-1 and FF.

<sup>14</sup> See cites in footnote above.

<sup>15</sup> These numbers assume construction costs of \$140,000 per unit, which is close to the \$148,000 per unit estimated cost for the Chelton Terrace Tax Credit project. Similarly, the cost of building

hard to justify because this enormous cost to the public would not result in the creation of desperately needed new affordable units, but merely maintenance of the status quo.

It is evident, therefore, that the affordable homes in Cramer Hill are too valuable a resource to lose. The City should be developing a plan to preserve and rehabilitate homes, where necessary, rather than calling for large-scale demolition and displacement.

H. The Plan does not meet the requirements of the LRHL with regard to relocation

The LRHL requires that a redevelopment plan contain “adequate provision for the temporary and permanent relocation, as necessary, of the residents” and “an estimate of the extent to which decent, safe and sanitary units affordable to displaced residents will be available to them in the existing local housing market. N.J.S.A. 40A:12A-7(a)(3). The Plan does not satisfy this requirement, as it does not adequately address the issue of relocation. It provides no estimates as to the extent to which appropriate units are available, does not recognize the severe shortage of affordable housing in the region, and does not guarantee that replacement units that are affordable to current residents will be built.

III. OTHER ELEMENTS OF THE PLAN ALSO DO NOT FOLLOW SOUND PLANNING PRINCIPLES, DO NOT MEET THE NEEDS OF CRAMER HILL AND CITY RESIDENTS, AND ARE NOT IN THE PUBLIC INTEREST

A. The Plan lacks sufficient detail regarding the proposed land uses

The final version of the redevelopment Plan now before the Planning Board contains few specifics about the proposed land uses other than the housing element, but instead merely rezones the neighborhood to allow for certain uses. The background and history of this redevelopment initiative, and a comparison of the Plan proposals and the Cramer Hill Redevelopment Project Proposal submitted by Cherokee Camden make clear that the true intent of the City is to make possible the development proposed by this developer. The Plan should provide more detail as to what is specifically planned for the community so that residents can evaluate the proposals. For purposes of these comments, it is assumed that the Plan incorporates the basic concepts set forth in the Cherokee Proposal and earlier drafts of the City’s redevelopment plan.

B. The proposals for the Waterfront, Retail and New Residential Development do not meet the needs of Cramer Hill and Camden City residents and do not represent sound planning.

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72 rental units in Baldwin's Run alone cost almost \$15 million (Phase 3). Phase 3 relied on \$3.6 million from NJ DCA's Balanced Housing Program, \$1.44 million in HOPE VI funds, and \$8.8 million in equity investment. The partnership had to apply for the balance from the Federal Home Loan Bank of New York. The Housing Authority committed to a \$150 per unit per month operating subsidy.

Although the final version of the redevelopment Plan now before the Planning Board does not expressly limit use of the Harrison Avenue landfill and the surrounding properties as a golf course, the City has presented drafts of the plan and City representatives have made statements to the effect that it intends to create a golf course on that site. Residents have clearly expressed that they do not support use of this valuable land as a golf course. A public golf course will be burden on taxpayers, as it is likely to require acquisition and maintenance costs. There are also serious environmental issues involved, including whether the minimal clean-up standards required for a golf course are sufficient to ensure that groundwater and the Delaware River are not eventually contaminated and that residents are adequately protected from exposure to toxins. Furthermore, maintenance of a golf course generally requires use of herbicides and pesticides and as such is not an environmentally friendly use. The Plan could also be unfeasible because the level of contamination has not been determined and the developer may have difficulty in obtaining waterfront development permits. The Plan also does not ensure public access to entire waterfront as promised by city officials or the protection of environmentally sensitive areas along waterways.

Residents have also raised concerns that the proposed Plan would result in too drastic a change to the character of the neighborhood. The proposed new zoning would eliminate the Residential 1-A Zone which now applies to most of the residential core of Cramer Hill. Residential 1-A zoning restricts usage to single-family homes, requires large lots of 3000 square feet, and maintains low density at 14.5 homes per acre. The proposed Neighborhood Residential Zone, in contrast, which would extend over the area now under the Residential 1-A Zone, allows multi-family dwellings and apartment complexes and allows up to 100 housing units per acre. The appearance and character of the community would be greatly changed over time if this zoning were put into effect.

Consistent with the new zoning, the Plan calls for doubling the population of Cramer Hill through new residential construction. That cannot be done without considering the increased needs for schools, other services, and the effects on traffic and parking. The new housing would also disturb the balance between homeowners and tenants, greatly reducing the proportion of homeowners and destabilizing the community. The new homes and commercial centers proposed by the Plan would create the wealthy enclaves that residents have objected to. The new retail centers could create competition and hurt the viability of local businesses.

B. Some of the Plan's proposals are unfeasible and prohibitively costly

Certain elements of the Plan appear economically unfeasible because it is not clear how such major initiative would be financed. While the Plan states that private investment will be available, it gives little indication of how a private developer would be able to recoup its investment or make a profit on some of the initiatives. To make the development possible, a major expenditure of public funds would also be required, such as for a public golf course and construction of a new road, as well as for the costly property acquisition, relocation, demolition, and site preparation that would be needed.

C. The Cramer Hill Plan is not consistent with the City's Master Plan, nor with earlier neighborhood planning initiatives

Although the Plan states that it is consistent with the FutureCamden Master Plan, it deviates very significantly from that document. Neither the Master Plan, nor the Cramer Hill Tomorrow Plan call for any demolition of homes and relocation of residents, much less the large-scale demolition called for by the new Plan. The Master Plan calls for creation or rehabilitation of close to 1,300 units, which would not lead to the dramatic increase in Cramer Hill's population proposed in the new Plan. The new Plan would also increase the amount of new commercial space, relocate more businesses, and require more investment in transit and highway improvements than the Master Plan. The Plan also creates completely new zoning designations not recognized under Camden's current Zoning Ordinance.

IV. DESIGNATION OF CRAMER HILL AS AN AREA IN NEED OF REDEVELOPMENT AND ADOPTION OF THIS REDEVELOPMENT PLAN WOULD BE UNREASONABLE, ARBITRARY AND CAPRICIOUS, CONTRARY TO THE GENERAL WELFARE, INCONSISTENT WITH THE PURPOSES OF THE LRHL, RESULT IN DISCRIMINATORY EFFECTS UPON CRAMER HILL RESIDENTS, AND CONTRAVENE THE INTERESTS OF CRAMER HILL AND CAMDEN CITY RESIDENTS

While the LRHL gives a municipality broad powers to conduct redevelopment that is in the public interest, these powers are tempered by constitutional mandates, civil rights laws, other statutory restrictions, as well as the requirements set forth in the LRHL itself. The Plan proposed for Cramer Hill is violative of these requirements, and its adoption would therefore be unreasonable, arbitrary and capricious.

The New Jersey State Constitution, Art. I, par. 1 requires that all police power enactments conform to the requirements of substantive due process and equal protection of the laws, and must promote public health, safety, morals, or the general welfare. Our legislature and courts have repeatedly articulated a strong public policy of ensuring the availability of affordable housing as being necessary for the general welfare. The Mount Laurel case<sup>16</sup> established as a constitutional imperative that municipalities exercising their zoning power, for example, must do so consistent with general welfare of all citizens of the state and not exclude lower-income residents from within their borders. Similarly, a municipality exercising its powers under the LRHL must make proper provision for affordable housing.

The Cramer Hill designation and the proposed Plan are inconsistent with that requirement because the widespread use of eminent domain, resulting in the forcible taking and demolition of affordable homes, the displacement of residents from their community, and the failure to ensure the creation of replacement units that are truly affordable to persons with all ranges of income, including very low-income current residents, is contrary to the general welfare.

This Plan does not comply with the LRHL for the same reasons. The LRHL's purposes are to "advance community interests" in ways that "will be most conducive to the social and economic

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<sup>16</sup> Southern Burlington County NAACP v. Mt. Laurel Township, 67 N.J. 151 (1975) (Mount Laurel I),

improvement of the state and its municipalities.” N.J.S.A. 40A:12A-2. The Cramer Hill Plan is directly contrary to the strong policy of ensuring availability of affordable housing throughout the state and preventing unnecessary displacement and possible homelessness. As discussed above, the project would create significant hardship to Cramer Hill residents, and especially to lower income households, and will greatly decrease the supply of affordable housing. Implementation of the Plan would increase overcrowding, excessive housing cost burdens, residence by low and very low-income families in substandard units, and homelessness. Other aspects of the Plan also do not advance community interests as they promote undesirable land uses, would hurt local businesses, require exorbitant expenditures of public funds, and are not environmentally sound. Because the Plan fails to provide for the housing and other needs of residents in the neighborhood, the City and the region, it is against the public interest.

Implementation of the Plan would also cause the greatest hardship on the predominately African-American and Hispanic residents of Cramer Hill, as they are the majority of the residents who are likely to lose their homes and be forced out of the neighborhood, while a more predominately white and affluent population would be likely to benefit from the creation of market rate units and other amenities proposed in the Plan. As a result, the designation and the Plan could potentially have a discriminatory effect upon current Cramer Hill residents.

V. RESIDENTS REQUEST THAT THE CITY OFFICIALS SLOW THE PROCESS, NOT DESIGNATE THE CRAMER HILL NEIGHBORHOOD AS AN AREA IN NEED OF REDEVELOPMENT, AND WORK WITH RESIDENTS TO DEVELOP AN ALTERNATIVE PROPOSAL FOR REVITALIZING THE COMMUNITY

Cramer Hill is a viable and strong community with many valuable assets. Many of its residents are committed to staying in the neighborhood and making it an even better place to work and live. This Plan threatens to destroy their community. The resident associations represented by SJLS are asking the Planning Board to reject the proposals currently before it. They request that City officials instead work with them to develop an alternative proposal that improves upon the neighborhood and is responsive to the needs of the people of Cramer Hill and Camden City, building upon prior planning efforts such as the Cramer Hill Tomorrow and the FutureCamden Master Plan.