

U.L. v. Carter

Feb 10, 1984

S. Brunswick

Letter from Benedict w/ Summary Report
attached

Pgs. 6

CA000565F

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February 10, 1984

The Honorable Eugene Serpentelli
Ocean County Court House
Toms River, NJ 08753

Re: Urban League, et al. vs. Carteret, et al.

Dear Judge Serpentelli:

Enclosed please find a copy of the Summary Report,
South Brunswick Township's Fair Share Allocation to 1990,
prepared by David H. Engel, South Brunswick Township's
Director of Planning.

Cordially,

BENEDICT AND ALTMAN

By *Joseph J. Benedict dm*
Joseph J. Benedict

JJB:dm
Enclosure
cc: All Counsel

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JUDGE SERPENTELLI'S CHAMBERS

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SUMMARY REPORT
SOUTH BRUNSWICK TOWNSHIP'S
FAIR SHARE ALLOCATION
TO 1990

Prepared By -

David H. Engel, P.P., A.I.C.P.

PARTIAL ANSWER TO PLAINTIFF'S INTERROGATORIES - THE URBAN LEAGUE OF GREATER NEW BRUNSWICK ET ALS. VS. MAYOR AND COUNCIL OF THE BOROUGH OF CARTERET ET ALS.: SOUTH BRUNSWICK TOWNSHIP

INTRODUCTION

In November of 1983, the South Brunswick Township Committee requested that the Township's Planning Department prepare the responses to interrogatories for the above captioned litigation. The following information are the answers for the Mount Laurel obligation section, questions 1 through 4.

Question #1 - Definition of Region:

It is the Township's contention that South Brunswick is located in the ~~Middlesex, Somerset, Hunterdon and Warren~~ primary metropolitan statistical area, as delineated in and described by the Rutgers University Center for Urban Policy Research report entitled "Mount Laurel II Challenge and Delivery of Low Cost Housing". The PMSA region reflects current demographic trends relative to journey to work patterns and the deemphasis of a strong urban center. The Township believes that there are many advantages to the PMSA delineation, some of which are responsible data availability, readily recognized by the U. S. Bureau of the Census and the U. S. Department of Housing and Urban Development, and PMSA better reflects the actual economics of New Jersey.

The PMSA census data is on a county by county basis, which allows for more accurate population projection analysis, whereas other types of regional definitions rely on municipal specific data bases, which have been found to be inaccurate. The methodology for delineating this region can be found in the Center of Urban Policy Research study.

Question #2 - Regional Unmet Need:

The Township relies on the Center of Urban Policy Research report to define and quantify the total unmet present need for the region. The unmet need for the PMSA region was calculated on the basis of existing substandard housing, defined as housing constructed prior to 1940, housing which lacks plumbing, or overcrowded housing. Further, in the definition of present unmet need, income was also the criterion, utilizing the PMSA's median income and defining the current Mount Laurel population as 80% and under median for households. The following table highlights the present unmet need for the Middlesex, Somerset, Hunterdon and Warren PMSA:

MIDDLESEX, SOMERSET, HUNTERDON, WARREN PMSA - PRESENT UNMET NEED

| <u>SIZE OF HOUSEHOLD (PERSONS)</u> | <u>LOW INCOME</u> | <u>MODERATE INCOME</u> | <u>TOTAL</u> |
|------------------------------------|-------------------|------------------------|--------------|
| 1 - 2 | 3,120 | 1,440 | 4,560 |
| 3 - 4 | 1,320 | 920 | 2,240 |
| 5 + | 840 | 880 | 1,720 |
| Total | 5,280 | 3,240 | 8,520 |

SOURCE: U. S. Bureau of the Census
Calculations By: Rutgers University, Center for Urban Policy Research

The Township also relies on the Rutgers report to facilitate the total prospective unmet need for 1990 for safe and decent housing affordable by low and moderate income families. The basis for the total prospective need calculations is based on population projections for 1990 done by the Center of Urban Policy Research and the extrapolation of the low and moderate income family component of that population, based on the 50% to 80% of median income being the limits of low and moderate income respectively. The following chart delineated the unmet 1990 prospective need for the Middlesex, Somerset, Hunterdon and Warren PSMA:

MIDDLESEX, SOMERSET, HUNTERDON, WARRAN PMSA - PROSPECTIVE NEED - 1990

| | <u>Households</u> |
|-------------------|-------------------|
| Low Income | 13,229 |
| Moderate Income | <u>8,773</u> |
| Total Prospective | 22,002 |

Source: U. S. Bureau of the Census
Calculations by: Rutgers University, Center for Urban Policy Research

Question #3 - South Brunswick's Unmet Present and Prospective Regional
Fair Share Allocation:

It is the Township's position that its total present and prospective need to 1990 is 1,163 units, broken down in the following manner:

SOUTH BRUNSWICK TOWNSHIP'S UNMET PRESENT AND 1990 PROSPECTIVE FAIR
SHARE ALLOCATION

| | <u>Households</u> |
|-----------------------------|-------------------|
| Indigenous Need | 168 |
| Present Unmet Regional Need | 278 |
| Prospective Need - 1990 | <u>717</u> |
| Total Need | 1,163 |

Source: South Brunswick Township Department of Planning and Development

The Township professional staff's present unmet regional fair share and prospective need fair share is based on the following fair share formula:

Percent of Substandard Housing (Lack of Plumbing & Overcrowding) + Percent of Housing Increase (1970-1980) + Percent of Equalized Property Valuation - 1933 + Percent Increase in Covered Employment (1972-1982) + Percent Vacant Land in SDGP Growth Area ÷ 5 = Township Fair Share Level.

The variables in the Township formula were selected to provide a balance which relates to the Township's local advantage for assuming low and moderate housing, as well as economic and physical land suitability. Over the last several years, the Township has instituted a Community Development Block Grant Program to repair and rehabilitate substandard housing. Because of

the Township's affirmative efforts in removing blighted and substandard housing, the percent of substandard housing was used as a component of the Township's fair share allocation on the basis of equity, due to the Township's progressive indigenous housing programs.

The following table provides the information data used as a basis of developing the Township's fair share allocation:

| Jurisdiction | Substandard & Overcrowded ¹ | Housing Increase 1970-80 ¹ | Equalized Property Value -1983 ² | Covered Employment Increase 1972-8 ³ |
|-----------------|--|---------------------------------------|---|---|
| Warren Co. | 1,092 | 6,178 | \$1,997,555,928 | 1,725 |
| Hunterdon Co. | 848 | 7,689 | \$3,056,227,009 | 5,779 |
| Somerset Co. | 1,770 | 11,425 | \$7,511,380,370 | 24,634 |
| Middlesex Co. | 8,600 | 31,684 | \$17,613,707,009 | 54,723 |
| South Brunswick | 168 | 1,723 | \$ 730,259,147 | 5,417 |
| PMSA | 12,310 | 56,976 | \$30,178,870,316 | 86,861 |
| Ratios | .014 | .030 | .024 | .062 |

¹ U.S. Bureau of the Census

² County Boards of Taxation - 1983 Tax List

³ N.J. Dept. of Labor and Industry

Prepared by: South Brunswick Department of Planning and Development

Question #10 - Rental and Sales Prices Affordable to Low and Moderate Income Households in South Brunswick:

It is the Township's position that the maximum affordable rent for low income renters in South Brunswick would be \$409 per month, including utilities. Moderate income household rentals would be capped at \$654 per month, including utilities. Sales housing for low and moderate income households in South Brunswick are capped at \$30,154 for low income families and \$48,247 for moderate income families. The definition of low and moderate income families is based on the March 1, 1983 U. S. Dept. of Housing and Urban Development New Brunswick, Perth Amboy, Sayreville SMSA median income figure of \$32,700, where moderate for a family of four is \$26,160 and low income for a family of four is \$16,350. The following are the worksheets for rental and sales housing for low and moderate income households in the Township, assuming a 12½% interest rate, which is the prevailing rate for mortgage financing:

LOW & MODERATE INCOME AFFORDABLE RENTAL HOUSING LIMITS

| | Annual Income ¹ | | Multiplier ² | Annual Rental ³ | Monthly Rental ³ |
|----------|----------------------------|---|-------------------------|----------------------------|-----------------------------|
| Moderate | \$26,100 | x | .3 | \$7,848 | \$654 |
| Low | \$16,350 | x | .3 | \$4,905 | \$409 |

¹ 50% & 80% of U.S. Dept. H.U.D.

² Industry Accepted Multiplier

³ Includes Utilities: \$554/mo. without utilities
\$309/mo. without utilities

LOW & MODERATE INCOME AFFORDABLE SALES HOUSING LIMITS

| <u>Interest</u> <u>Rate - Mortgage</u> | Mtge. Payment | Prop. Taxes | Insurance | Condo Dues | Total |
|---|---------------|-------------|-----------|------------|--------|
| 12% | .11109 | .01754 | .004 | .015 | .14763 |
| 13% | .11947 | .01754 | .004 | .015 | .15601 |
| 12% | .11528 | .01754 | .004 | .015 | .15182 |

Source: Allan Mallach - Expert on Mount Laurel Issues, December 1983

Low Income Household - Assuming Family of 4 and 12% Mortgage Financing:

$$\frac{(.28)\$16,350}{.15182} = \$30,154$$

Moderate Income Household - Assuming Family of 4 and 12% Mortgage Financing:

$$\frac{(.28)\$26,160}{.15182} = \$48,247$$

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