

UL v CA

Plainsboro

9/18/84

Additions to the ordinance revisions  
for Twp. of Plainsboro  
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telkio

pgs 5

Technical clarifications to the 11/9/84  
above ordinance revisions.

pgs 2

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THE STATE UNIVERSITY OF NEW JERSEY  
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September 18, 1984

Joseph L. Stonaker, Esq.  
Stonaker & Stonaker  
PO Box 570

Princeton, New Jersey 08540

Re: Urban League v. Carteret, et al., IF C 4122-73

Dear Mr. Stonaker:

We have reviewed the ordinance revisions for the Township of Plainsboro and we are in general agreement as to the provisions which are proposed.

There are, however, a few minor additions which we believe should be included:

" Page 1, definition of "Regional Median Income"

It has been our experience that the regional median income as specified in the proposed ordinance closely approximates 94% of the PMSA (Primary Metropolitan Statistical Area). Accordingly, an additional sentence that: "For ease of calculation, 'Regional Median Income' shall mean 94% of the PMSA in which Plainsboro is located" would provide an easier means of ascertaining the regional median income.

- Page 1, definition of "family"

It is assumed that the general ordinances of the Township of Plainsboro define "family" and that definition includes single person households. If not, we would request that the general definition make clear that a family includes a single person.

" Page 2, § 2.2a

While it is in all probability implicit that the Agency will create rules and regulations with respect to the initial sale and rental, we believe this should be specifically enunciated and suggest the words "initial sale and rental" be added after the word restrict and before the word resale in the last clause of § 2.2a.

- Page 3, § 2.3a

The references to "state and federal subsidy programs" should be clarified to reflect that only subsidy programs designed or earmarked to assist low and moderate income families as these terms are understood in

the context of Mt. Laurel II are to be considered. Some subsidy programs assist others not in these categories (i.e., 125% of median income) and, of course, these subsidy programs would not foster the goals of Mt. Laurel II. The specific language which will provide the requisite clarification, I leave to your discretion.

- Page 4, § 2.3b

With respect to maximum sales price, an additional provision relating to Adjustable Rate Mortgages (ARMs) is necessary given the increased use of this type of financing. I am enclosing a copy of the language which has been included in the drafts of the ordinances of South Plainfield and South Brunswick for your review. (Page A, attached.)

- Page 4

It is further suggested that procedures for the Affordable Housing Agency regarding maximum sale and rental charges be established. I am also enclosing language set forth in the draft ordinances of other municipalities for your consideration. (Pages B-1 and B-2, attached.)

If you have any questions with respect to any aspects of the foregoing, please do not hesitate to contact me.

Very truly yours,

Barbara J. Williams

ends

If the developer proposes that an adjustable rate mortgage (ARM) be used to calculate the monthly interest rate payment, the initial interest rate of that mortgage shall be used only if the maximum annual average increase does not exceed one-half of one percent (0.5%). Otherwise, a rate which is the average of the initial interest rate and the highest possible rate in effect after three years shall be used.

(c) Prior to final approval of any development subject to these provisions, the Affordable Housing Agency shall determine the maximum sales prices by unit size for the low and moderate income units in the development and shall so notify the developer. These prices shall remain in effect for a period of one year or until all of the low and moderate income units have been sold, whichever occurs first. The developer may request a modification of the maximum sales prices at any time by applying to the Affordable Housing Agency for recalculation of these prices based on changes in any of the factors used to calculate these prices.

(d) Prior to the resale of any low or moderate income unit, the Affordable Housing Agency shall determine the maximum sales price for that unit in accordance with a formula developed by the Agency which takes into account increases in a generally accepted price or income index, reasonable improvements to the property as determined by the Agency, and reasonable out-of-pocket costs of the sale as determined by the Agency, and which, to the extent feasible, ensures that the sales price will be consistent with the affordability standards set forth in subsections (a) and (b) above.

If the cost of all utilities, including heat, hot water, cooking fuel, and electricity, is not included in the monthly rental charge, an estimated monthly charge for those utilities not included in the rent shall be calculated for each unit size. This estimated charge shall be subtracted from the maximum gross rent to determine the maximum rental charge that may be imposed for each low and moderate income unit.

(d) Once the maximum rental charges have been determined for a development subject to the provisions of this Section, such charges shall not be increased without the prior written approval of the Affordable Housing Agency. The Agency shall establish appropriate criteria and procedures for allowing periodic rental charge increases consistent with the affordability standards set forth in subsections (a) and (b) above. No more than one rental charge increase shall be allowed for any unit or group of units within any twelve (12) month period.

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November 9, 1984

Martin Indik, Esq.  
Stonaker & Stonaker  
PO Box 570  
Princeton, N.J. 08540

Res Urban League v. Garteret  
          Civ C 4122-73          

Dear Mr. Indiks

Pursuant to our conversation yesterday,, I would like to confirm the technical clarifications that we agreed should be made to the Plainsboro ordinance.

P. 3 - Sec. 2.3(a) Low and Moderate Income

The first and fourth paragraphs of this section are fine as they are.

The second paragraph should read: "A low income family is a family with income less than 50% of the regional median income with adjustments for family size. When a State or Federal subsidy and/or guarantee program to assist low or moderate income families is involved, the income levels established for that program shall prevail, provided that said income levels shall not exceed the greater of the PMSA or regional median income levels."

The third paragraph should read: "A moderate income family is a family with income less than 80% of regional median income with adjustments for family size. When a State or Federal subsidy and/or guarantee program to assist low or moderate income families is involved, the income levels established for that program shall prevail, provided that said income levels shall not exceed the greater of the PMSA or regional median income levels."

P. 5 - Sec. 2.3e

The first sentence of the second paragraph in this section should begin: "If the cost of all utilities as herein defined," instead of itemizing the covered utilities.

P. 6 - Sec. 2.3h

Paragraph 2 of this section should read: "Exception to these restrictions may be provided for in the case of foreclosure and resale by the Tenant after foreclosure, and also to conform to the control period fixed by any State or Federal subsidy and/or guarantee program," etc.

P. 4-5 - Sec. 2.3d

This section should read: "Prior to the-resale of any low or moderate income unit, the Affordable Housing Agency shall determine the maximum sales price for that unit in accordance with a formula developed by the Agency which takes into account increases in agency accepted price or income index, reasonable improvements to the property as determined by the Agency," etc.

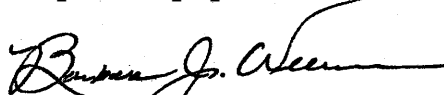
P. 6 - Sec. 2.4 Requirement to File for Determination

The sections in the parentheses should read: "Renters must be requalified at least every three years. In the event that a renter's income exceeds the applicable low or moderate income standards, the renter shall pay 30% of his annual income for rent up to the market rent."

If you have any questions with regard to any aspect of the foregoing, please contact me.

Thanks.

Very truly yours,

  
BARBARA J. WILLIAMS

cc/Bruce Gelber, Esq.  
John Payne, Esq.