

CA

South Brunswick

12-29-83

Janet E. LaBella's response to Joseph J. Benedet's inquiry on the appropriate price range for townhomes to qualify as moderate income housing.

pgs: 2

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ANCDH

National Committee Against Discrimination in Housing

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December 29, 1983

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Joseph J. Benedict, Esq.
Benedict and Altman
247 Livingston Avenue
New Brunswick, N.J. 08901

Re: Urban League of Greater
New Brunswick v. Borough
of Carteret

Dear Mr. Benedict:

Your letter of December 19, 1983 requested our advice concerning whether townhouses priced in the \$68,000 - \$72,000 range would qualify under Mt. Laurel II as moderate income housing. It appears extremely unlikely that housing in that price range would qualify.

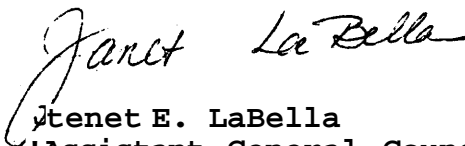
Appendix A of Alan Mallach's report sets forth affordability standards for low and moderate income housing under Mt. Laurel II. As defined in the Mt. Laurel II decision, moderate income families are those earning between 50% and 80% of the median income of the area, with adjustments for smaller and larger families. The moderate income ceiling for a family of four in Middlesex County is \$26,000. Mr. Mallach describes on pages A2 - A3 of his report the method for determining the sales price of units affordable to low and moderate income families. Using Cranbury's property tax rate, the purchase price of a unit by a moderate income family of four would be approximately \$49,310, assuming a 12% interest rate, (p. A6). This is substantially less than the sales prices you proposed. The figures would be somewhat different when South Brunswick's tax rate is used, but it is unlikely that the adjustment would be substantial enough to permit the unit to qualify as Mt. Laurel II moderate income housing.

Joseph J. Benedict
December 29, 1983
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In addition, in order to qualify as moderate income housing, a unit would have to be occupied by a moderate income family. Resale controls would also be necessary to ensure that the units continued to be affordable to moderate income households.

I hope this information is helpful. Please feel free to contact me if you have any questions.

Sincerely,

Handwritten signature of Janet LaBella in cursive script.

Janet E. LaBella
Assistant General Counsel