

CA - New Brunswick

Nov. 1983

Fair share allocation report,
prepared by Carla Lerman

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FAIR SHARE ALLOCATION REPORT

URBAN LEAGUE OF GREATER NEW BRUNSWICK, et al.

v.

BOROUGH OF CARTERET, et al

No. C-4122-73

Prepared for

Honorable Eugene D. Serpentelli, J.S.C.
Superior Court of New Jersey
Ocean County Court House
Toms River, N.J. 08753

Carla L. Lerman, P.P.

November 1983

CA002558F

Table of Contents

	<u>Page</u>
Summary	1
Introduction	4
Defining the Region	8
Determining Present Need: Defining the Needs Group	19
Measuring Present Need	22
Allocation of Present Need: The Fair Share	24
Defining Prospective Need: Population Projection	29
Household Size Projection	31
Household Income Projection	32
Determining Prospective Housing Need	33
Determining Fair Share Allocation	34
Bibliography	
Appendix: Tables 1 - 13	

List of Tables

Table

- 1 Employed County Residents by Place of Work,
by County, 1980
- 2 Condition of Occupied Housing Units, by County, 1980
- 3 Occupied and Vacant Housing, by Tenure, by County,
1980
- 4 Covered Employment Growth, by County, 1972-1981
- 5 Commercial and Industrial Ratables, by County, 1970
and 1980
- 6 Open Developable Land in Growth Areas, by County
- 7 Present Indigenous Need, by Municipality, 1980
- 8 Total Population by County, 1950-1980 and Projected
to 1990
- 9 Trends in Household Size, by County, 1970-1980
- 10 Commercial and Industrial Ratables, 1970-1980,
by Municipality, Middlesex County
- 11 Covered Employment Growth, by Municipality, 1972-1981,
Middlesex County
- 12 Open Developable Land in Growth Areas, by Municipality
- 13 Median Family Income, By Low and Moderate Limits,
By SMSA and County, 1983

SUMMARY

Report for Urban League of Greater New Brunswick v. Carteret
Referring to Municipalities of Cranbury, East Brunswick
Monroe, Piscataway, Plainsboro, South Brunswick and South
Plainfield, prepared for Honorable Eugene D. Serpentelli.

Definition of Region

The region for purposes of Mount Laurel II is

- Greater Metropolitan Region of 13 northern counties, subdivided into two subregions, South Metro and North Metro, for purposes of housing allocations.
- South Metro is the housing region, consisting of Middlesex, Union, Mercer, Somerset, Monmouth and Hunterdon.
- The Core Area of the Greater Metropolitan Region is the City of Newark and Hudson County.

Determining Present Need

The present need figure is based on existing deficiencies, plus additional vacancies needed in the entire Greater Metropolitan Region.

The present need in this region is 107,848; the distribution is 69% low income and 31% moderate income.

Fair Share Allocation of Present Need

No municipality will be expected to provide for a greater level of present need than is found in its own subregion. The allocation of this "excess" need, from the Greater Metropolitan Region to the subregions, South Metro and North Metro, is as follows:

The total regional present need is 5.7% of total occupied housing units. The Core Area's need in excess of 5.7% is 22,057 units.

In addition to their indigenous present need, this amount of need will be allocated to the subregions based on economic growth, 1970-1980, and vacant developable land, as follows:

North Metro: 9,485 housing units

South Metro: 12,572 housing units

The present indigenous need in each municipality, plus the share of excess need required to bring their level of need to that of the subregion, results in the following total present need allocation of housing units:

Cranbury	73
East Brunswick	638
Monroe	329
Piscataway	701
Plainsboro	174
South Brunswick	310
South Plainfield	355

Determine Prospective Need

Based on a population projection of 2,383,700 people in South Metro by 1990, and an average household size of 2.69, the prospective additional lower income housing need, for 1990, is 57,100 housing units.

Fair Share Allocation of Prospective Need

A fair share formula, based on each municipality's share of South Metro's employment and commercial/industrial ratable growth and its share of vacant developable land in growth areas, results in the following allocation of additional lower income housing units by 1990. The following figures include 2.5% additional units for an adequate vacancy rate.

<u>Municipality</u>	<u>No. of Additional Lower Income Housing Units</u>
Cranbury	514
East Brunswick	685
Monroe	440
Piscataway	2,912
Plainsboro	314
South Brunswick	1,370
South Plainfield	1,427

A complete summary page for each of these municipalities is included at the end of this report.

INTRODUCTION

In 1971, in *Oakwood at Madison v. Township of Madison*, the New Jersey Trial Court hearing this case ruled that regional housing needs must be considered in local zoning and therefore that the general welfare does not stop at municipal boundaries. This ruling started a series of increasingly complex decisions regarding the use of the zoning power and the responsibilities that accompany that power.

Essentially in *Oakwood at Madison* (in 1971, 1975 and 1977) and in the ensuing *Mount Laurel I* (1975), the Court said that all developing municipalities in the region have a responsibility to provide, through their zoning power, realistic opportunities for the construction of housing for low and moderate income people. The amount of housing would be based on a fair share of the region's present and prospective needs.

Mount Laurel I did not specify answers to the question of how to define a developing municipality, or how to define a region. Two years later in *Oakwood at Madison* the Supreme Court defined "region" in concept, but raised other questions regarding the extent of precision required in computing the fair share. In this case the Court also introduced the idea of "least cost" housing which might be a substitute for lower income housing, if a municipality made affirmative efforts to provide lower income housing but could not succeed. In an effort to make the *Mount Laurel* doctrine workable, all of these questions have been addressed in *Mount Laurel II*. This deci-

sion, which included the disposal of six related cases in the same opinion, sets forth clearly the nature of the municipal obligation to use its zoning power and its land use regulations in a way that provides a realistic opportunity for the construction of low and moderate income housing.

The major points of the Mount Laurel II decision that relate to this report are:

- 1) A municipality's responsibilities for lower income housing include meeting its share of regional needs not just needs within its boundaries.
(slip opinion at 72)

- 2) Definitions for the purpose of meeting the Mount Laurel obligation will be as follows:
Present need is the need based on deficiencies in the housing supply for lower income persons presently living in the municipality and the region.
Prospective need is the housing needs projected to a reasonable future point for those lower income persons expected to be living in the municipality and region.
Lower income housing will refer to housing affordable to families earning less than 80 percent of the median income for the region; "low income" means less than 50 percent of the median and "moderate income" means between 50 and 80 percent of the median.

- 3) All municipalities have the responsibility to meet their indigenous present need, except those which

already have a disproportionately large share of housing need in which case all the municipalities in the region may share this housing need.

slip opinion at 26

- 4) Specific numbers of housing units that will make up a municipality's fair share must be determined for present and prospective need; the proportion of low and moderate income housing units that will be included in the fair share must reflect the regional as well as municipal make-up.

slip opinion at 28

- 5) The definition of region, which will provide the basis for determining regional need, will not be restrictive; this would be more detrimental to the objectives of the Mount Laurel doctrine than an inadequate fair share formula.

slip opinion at 88

- 6) The State Development Guide Plan will serve as the conceptual basis for directing the location of the development of low and moderate income housing in any municipality to those areas defined as "growth areas."

slip opinion at 73

This report is in response to the Court's directive in the case of Urban League of Greater New Brunswick et al., v. Borough of Carteret. It relates to seven municipalities:

Cranbury
East Brunswick
Monroe
Piscataway

Plainsboro
South Brunswick
South Plainfield

In order to comply with the Court's directive, this report will:

- define the region of which the seven municipalities are a part
- determine the present need in the seven municipalities and the region
- develop a formula for allocating to each municipality its fair share of present housing need.
- determine the prospective need in the region for low and moderate income housing
- develop a formula for allocating to each municipality its fair share of the prospective low and moderate housing need.

DEFINING THE REGION

In the three most widely cited zoning and land use decisions in the past decade, (Mount Laurel I, 1975, Oakwood at Madison v. Township of Madison, 1971, 1975 and 1977, and Mount Laurel II, 1983), the New Jersey Supreme Court has ruled affirmatively regarding the obligation of municipalities to facilitate, through their land use regulations, the development of their fair share of housing for lower income people. Exactly how to determine what is the fair share of any particular municipality has been addressed in principle in all of these decisions, although not with specific direction for appropriate methodology. All the opinions seem to agree that "fair share of what" must be the first question answered, before the concept of what makes a "fair share" can be addressed. Therefore, defining the region that is most appropriate for use in enforcing the Mount Laurel doctrine is the first step, and probably most important step, in any such analysis. The Court, in quoting from 72 N.J. at 541,

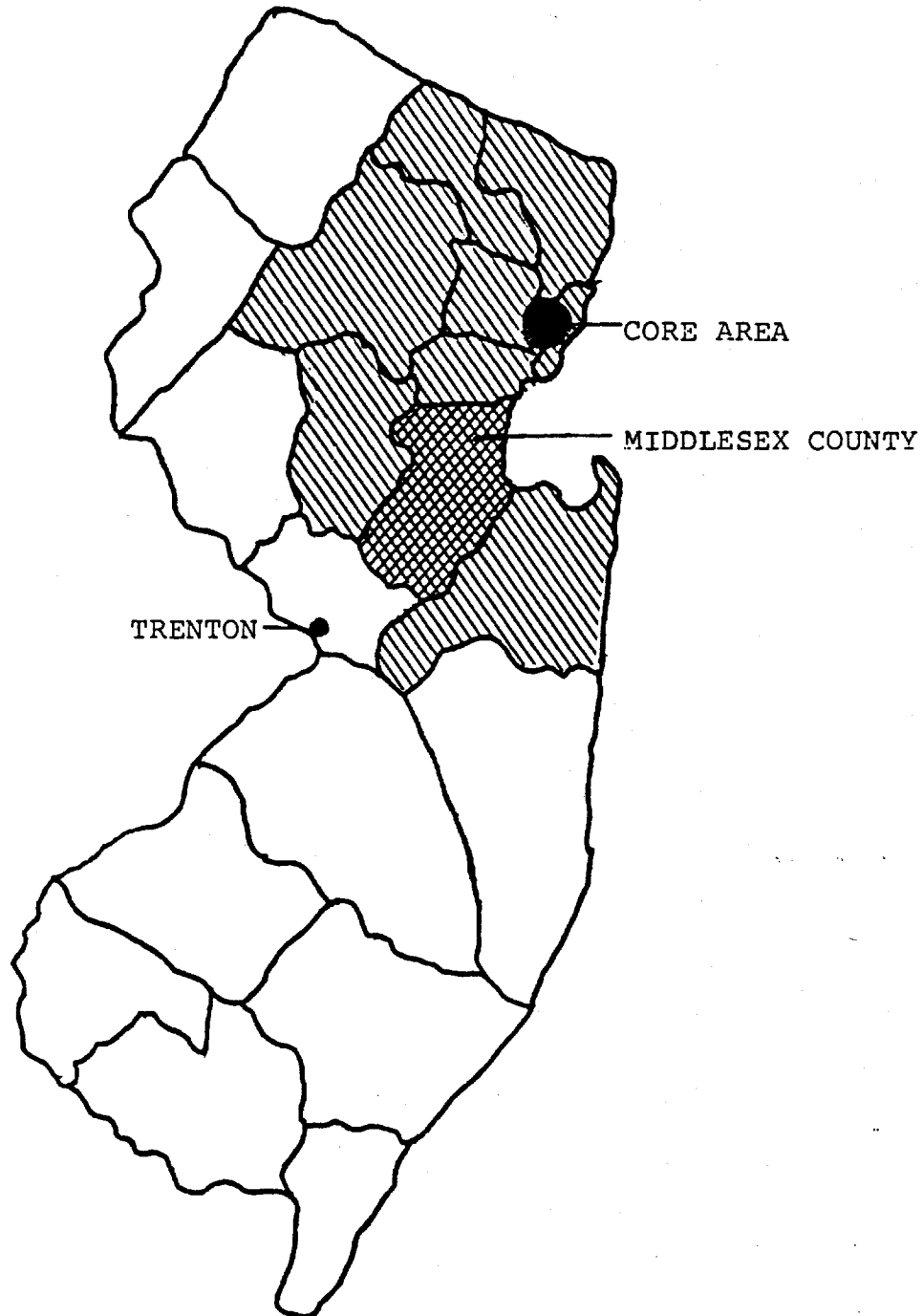
"...noted that the determination of region was more important in achieving the goals of Mount Laurel than the fair share allocation itself..."
(slip opinion at 88)

New York Metropolitan Region (See Map 1)

When addressing the Mount Laurel obligation of the municipality in the northeastern part of New Jersey, the broadest of the popular concepts of region would be the New York Metropolitan region, as defined by the Tri-State Regional Planning Commission.¹

¹Tri-State Regional Planning Commission, New Jersey, New York, Connecticut. Regional Development Guide, 1977 - 2000.

TRI-STATE METROPOLITAN REGION



REGIONAL DEVELOPMENT GUIDE, 1977-2000. TRI-STATE REGIONAL
PLANNING COMMISSION. CONNECTICUT. NEW JERSEY. NEW YORK.
CARLA L. LERMAN

This region, oriented to the intense development of New York City, with the adjacent urban areas of Newark, Jersey City, Stamford and Bridgeport, (Connecticut), includes nine New Jersey counties which form a classic series of concentric rings around the intensely developed core. The court has specifically advised that housing regions for Mount Laurel purposes be confined within the state borders (slip opinion at 81, citing 67 NJ at 189-901). That portion of the core which is in New Jersey is the Hudson County and Eastern Essex County development, the core of an extensive transportation network of railroads, bus lines and major highways feeding from the entire northern half of New Jersey and the Philadelphia metropolitan area, through to New York City and beyond.

Although there has been a significant decline in employment in Hudson County and the City of Newark during the past decade, accompanied by a population loss, this area is still one which serves as an employment center for certain specialized types of employment. In 1980 the number of commuters into this core area still exceeded the number of commuters out by approximately 17%.² As the location of the concentration of oldest development, Hudson County and the City of Newark also are the

²For example, Newark has declined from providing 8.9% of New Jersey's total private sector covered employment in 1970 to providing 4.9% in 1981; and Hudson County, which provided 10% of this employment in 1970, provided only 6.9% in 1981. However, Newark is still a state center for finance, insurance and real estate and 10% of those jobs in the state are located in that city. Similarly, Hudson County is the location of 19% of the jobs in transportation in the state and Newark is the site of 11.6% of jobs in transportation in the state. Although Hudson County has lost significant manufacturing employment, as has the entire state of New Jersey, that county still provides 8.7% of the jobs in manufacturing in the state.

areas with the highest residential density, the lowest median family incomes, the highest concentration of minorities, and the highest percentage of existing housing need. The next ring from this core consists of the older suburban areas which are relatively densely developed and have within them smaller urban concentrations which exhibit to a lesser extent housing problems similar to the central core. This next ring of development is comprised of southern Bergen and Passaic counties, Essex County, Union County, and northern Middlesex County. The outer ring of this portion of the New York metropolitan area, northern Bergen and Passaic, Morris, Somerset, southern Middlesex and Monmouth, are characterized by significant amounts of new suburban growth, mixed with agricultural and open lands.

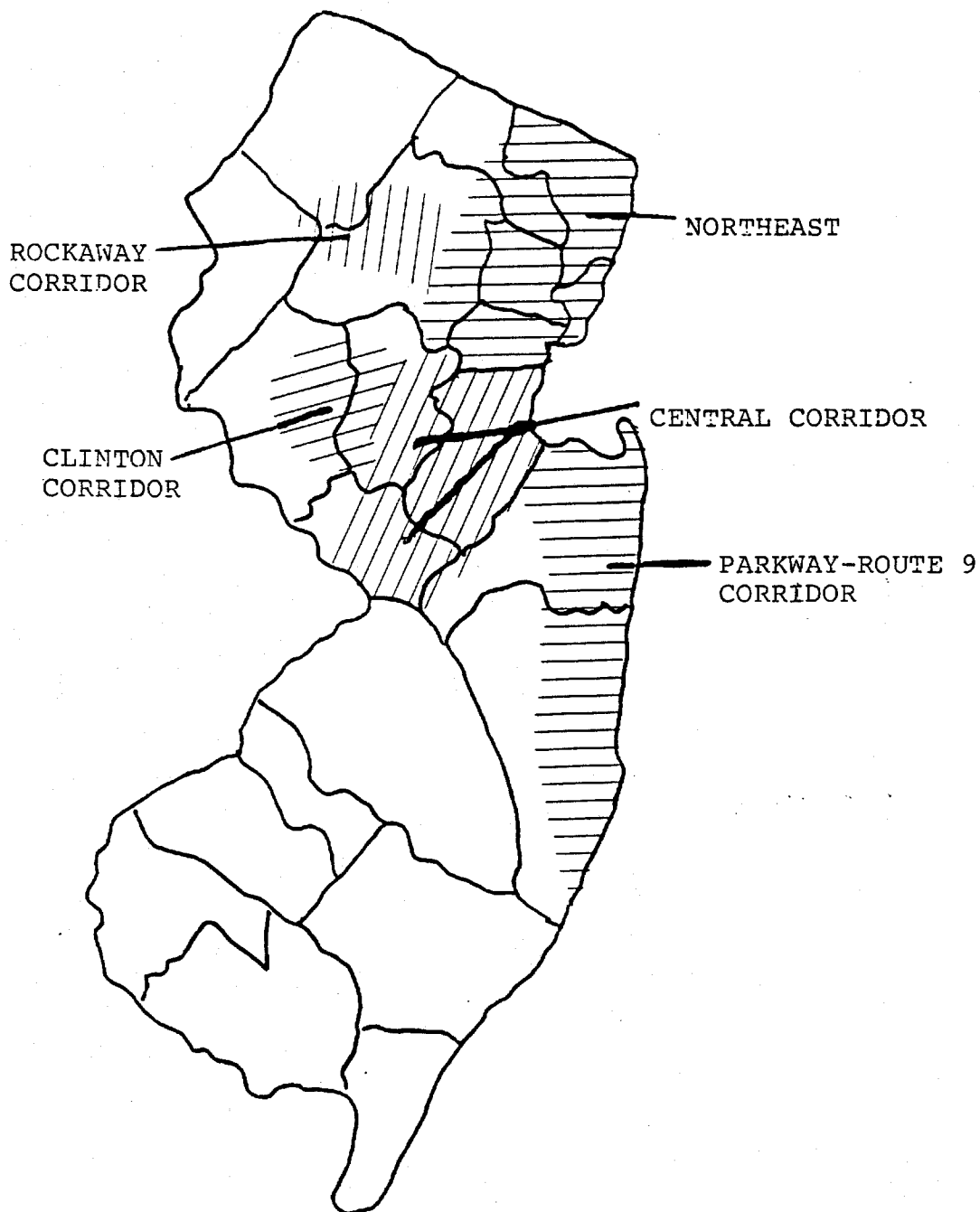
This entire region is appropriate in terms of planning for development, economic growth, transportation, and public facilities and utilities for the entire New York-focused metropolitan area. Within this region, however, there are subregions for specific purposes. In some places this involves shopping and marketing regions, and in some places it might involve sewer or utility districts. It is reasonable that appropriate housing subregions might be established within the greater metropolitan area.

"Growth Corridor" Regions (See Map 2)

In 1978, the Department of Community Affairs, when proposing growth areas for the State Development Guide Plan, suggested a concept of growth corridors.³ These corridors were located ad-

³State Development Guide Plan. New Jersey Department of Community Affairs, May, 1978, p. 47-72.

GROWTH "CORRIDOR" REGIONS



STATE DEVELOPMENT GUIDE PLAN. N.J. DEPT. OF COMMUNITY AFFAIRS.
DIVISION OF STATE AND REGIONAL PLANNING. MAY 1980.

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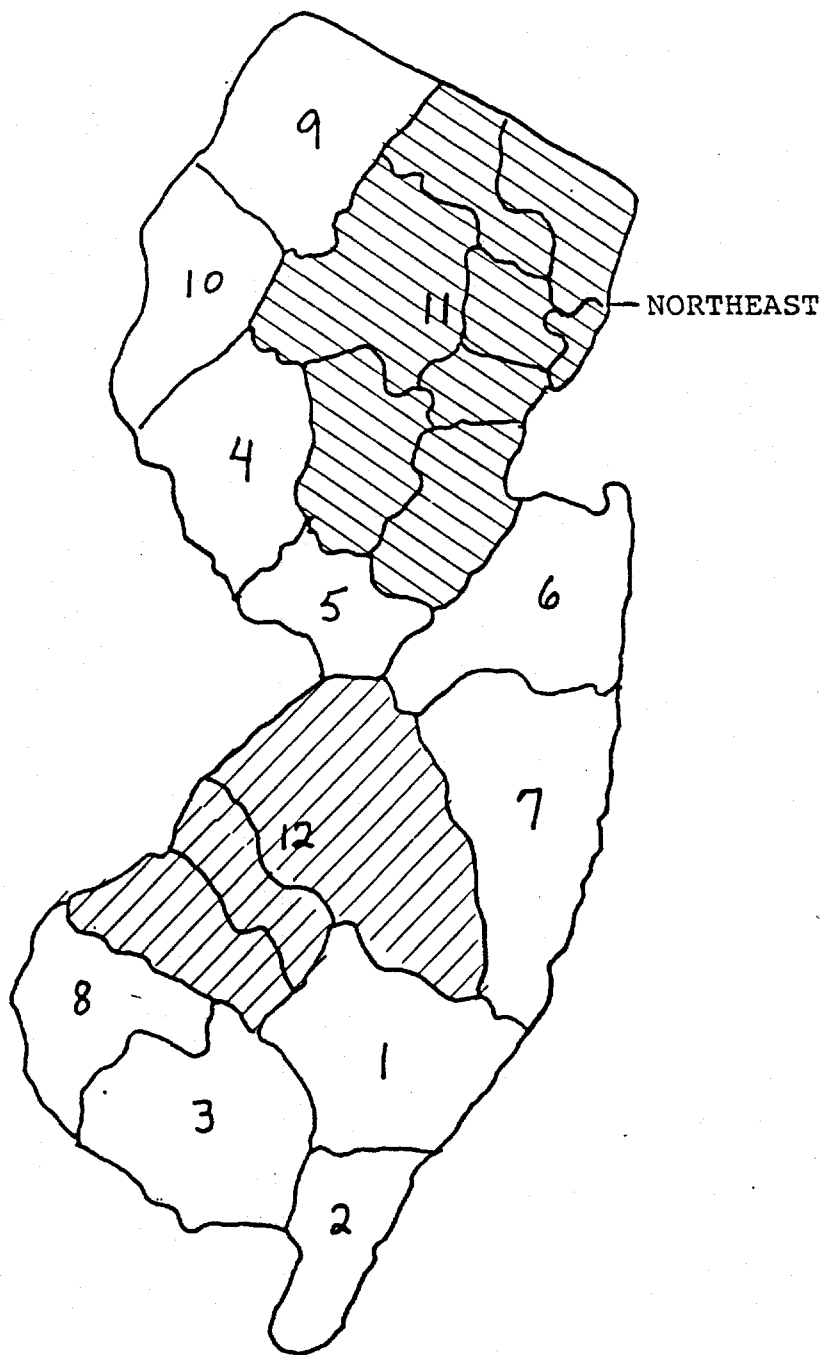
adjacent to major population or employment centers and were served by major rail or highway facilities. They were areas with sufficient water and sewer service in which growth would not impinge on large concentrations of agricultural land or environmentally sensitive land. For the purpose of these growth corridors, the State Development Guide Plan sees the metropolitan area growing outward from the core as a function of transportation and developable land. This creates several corridors which overlap with the Tri-State Regional Planning Commission definition of region. For example, the Central Corridor in the State Development Guide Plan includes Mercer, Middlesex and Somerset counties, while the Clinton Corridor includes Hunterdon and Somerset counties. The Rockaway corridor indicates growth westward from I-287. The Northeast Area includes the metropolitan core of Essex and Hudson as well as Passaic, Bergen, Union and eastern Morris County. These corridors or areas for growth suggest a strengthening and a continuation of patterns that have already started, where further public investment will not present a problem in terms of use and efficiency, and where access is readily available from housing to jobs.

Housing Allocation Report Regions (See Map 3)

A different set of regions was developed in the Department of Community Affairs Housing Allocation Report for New Jersey which was promulgated in May of 1978.⁴ These regions were more closely related to the housing concerns expressed by the Mount

⁴A Revised Statewide Housing Allocation Report for New Jersey. New Jersey Division of State and Regional Planning, May, 1978, pp. 8-12.

HOUSING ALLOCATION REGIONS



A REVISED HOUSING ALLOCATION REPORT. N.J. DIVISION OF STATE AND REGIONAL PLANNING. MAY, 1978.

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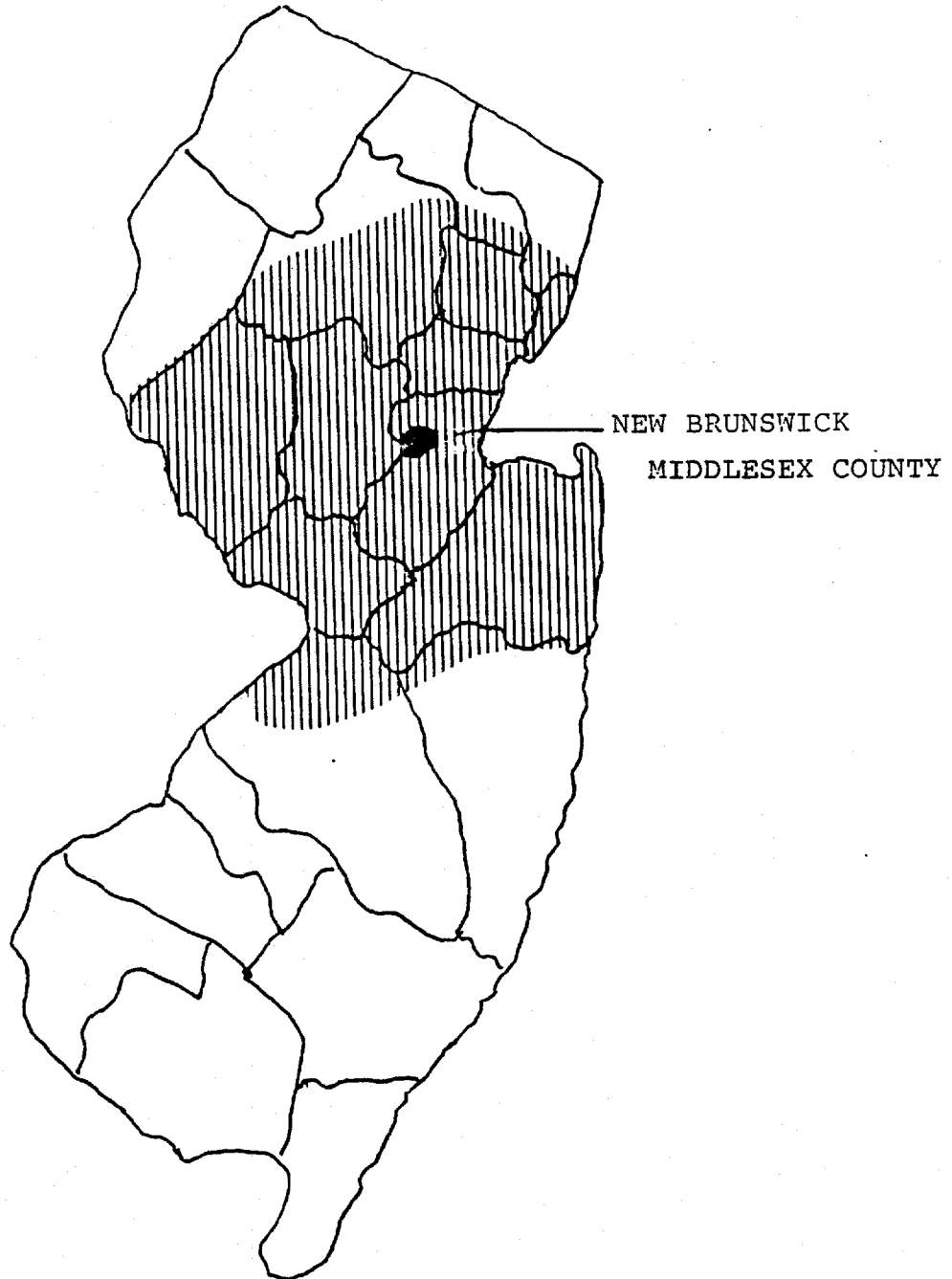
Laurel decisions. In order to include need and resources in the same region, the state was divided into two metropolitan clusters of counties and ten individual county regions. The Northeast region designated by the Housing Allocation Report includes eight of the nine counties of the Tri-State metropolitan region, but does not include several of the counties in the corridors described in the State Development Guide Plan.

"Commutershed" Regions (See Map 4)

Yet another concept of region which has been discussed at some length in relation to the Mount Laurel doctrine⁵ is the region based on commuting time from the point of residence to the job. This region becomes one which is measured from a particular central point and is generally done in time periods of 30 or 45 minutes, which is assumed to be the acceptable upper limits for time to commute to work. By definition, this type of region is quite specific to a particular location. For the purpose of the Mount Laurel philosophy and directives, if this were to be the sole basis for designating the housing region, it would mean that in Middlesex County alone several different housing regions would have to be defined from the northern limit of the county to the southern limit of the county.

⁵American Planning Association's Amicus Curiae brief, New Jersey Supreme Court, American Planning Association, New Jersey chapter, in the Urban League of Greater New Brunswick, v. Carteret as well as in David Listokin's Fair Share Housing Allocation. Center for Urban Policy Research, Rutgers University, New Brunswick, N.J., 1976.

"COMMUTERSHED" REGION 45 minute commute from Central Middlesex County



Although this does not appear in the interest of facilitating Mount Laurel decisions statewide, commuting time from home to job must become one of the components of defining a region for the purpose of Mount Laurel. In this sense, the metropolitan region, which extends from the New York State line on the north over 75 miles southward to the southern borders of Monmouth County, presents genuine problems in relating the housing markets of the extreme portions of this region.⁶

⁶As "Commutershed" regions have been discussed in several recent Mount Laurel cases, it is important to note some of the serious problems the concept presents. The commuting region for all of Middlesex County would include Morris, Monmouth, Mercer, Hunterdon, Somerset, Union, Essex and Hudson counties for a 45 minute commuting time. (Jersey City in Hudson County is at the outer limit of a 45 minute commute from the center of Middlesex County.) If one pursued this method of establishing regions, Essex County and Hudson County would be within a 45 minute commute of most of the northern half of New Jersey, but each of the overlapping circles of the commuting areas would have a different center. Each time another commuting region was established in this way, the present housing need of the City of Newark and Hudson County would be counted again. If all municipalities were of equal weight in regard to their employment function, then there would be greater validity in using fixed driving times to define regions. The reality, however, is that there are concentrations of job type or job intensity which skew the even distributions of commuting time; e.g., insurance, employment and federal jobs in Newark, state jobs in Trenton, and transportation jobs in Hudson County. Although in every county in the state, more than half of the residents of each county work in their same county, the 30-50 percent who work in other counties provide evidence as to the attraction of particular job centers, the convenience of highway or rail transportation, and the interest in other housing choice components than just proximity to one's job. The inverse is seen by how many jobs in a particular county are held by out of county residents. In Middlesex County, for example, in 1970, 27% of the jobs in the county were held by out-of-county residents. In 1980, 32% of the county jobs were held by out-of-county residents. Although data is not readily available to analyze this shift, if one knew the income levels of the additional out-of-

county job holders it might be helpful in arriving at land use policy decisions. Generally speaking, the "commutershed" region (See Appendix Table 1) reflects the reality of where most people work. The one exception to this is New York City, where over 190,000 northern New Jersey residents work, who commute from all of the 13 counties in the northern half of the state, representing about 8 percent of the employed residents. This is further evidence that these counties are a functional part of the New York metropolitan area.

Mount Laurel Doctrine Regional Concept

The goal in developing a workable and valid regional concept, for the purpose of facilitating Mount Laurel decisions, is to combine the implications of transportation and employment with the realities of an area within which one would commute from housing to job. The defined region must also include the areas of significant need, and the area of sufficient resources to meet that need. Regions that can be established which will have the potential for consistency, regardless of the location of the specific case that is being decided, i.e. at the edge of a county or in the center of a county, will more closely meet the directives of the Court, and the intention of the Court in establishing three Mount Laurel judges for three regions of the state.

"We anticipate that...a regional pattern...will emerge [and] a regional pattern for the entire state will be established, as will a fairly consistent determination of regional needs..."
(slip opinion at 89)

The Mount Laurel II decision indicated that every municipality is responsible for providing land use regulations which would given an opportunity for housing for lower income people who presently live in that municipality. The court is quite

clear, however, that this obligation exists

"...except where they represent a disproportionately large segment of the population as compared with the rest of the region. This is the case in many of our urban areas. The existence of a municipal obligation to provide a realistic opportunity for a fair share of the region's present and prospective low and moderate income housing need...extends instead to every municipality..."

(slip opinion at 26)

The court has made this directive very specific - all municipalities in the region will share the present need of the entire region. Municipalities that have a history of providing housing for lower income households, either voluntarily or by the sheer force of the economics outside their borders, will not be expected to continue to provide a disproportionate share of such housing. Even fully developed municipalities will be expected to provide opportunities to meet their obligation, although the court recognizes that the developed quality "may affect the extent of the obligation and the timing of its satisfaction." (slip opinion at 27)

Middlesex County Housing Region: Mount Laurel Doctrine (See Map 5)

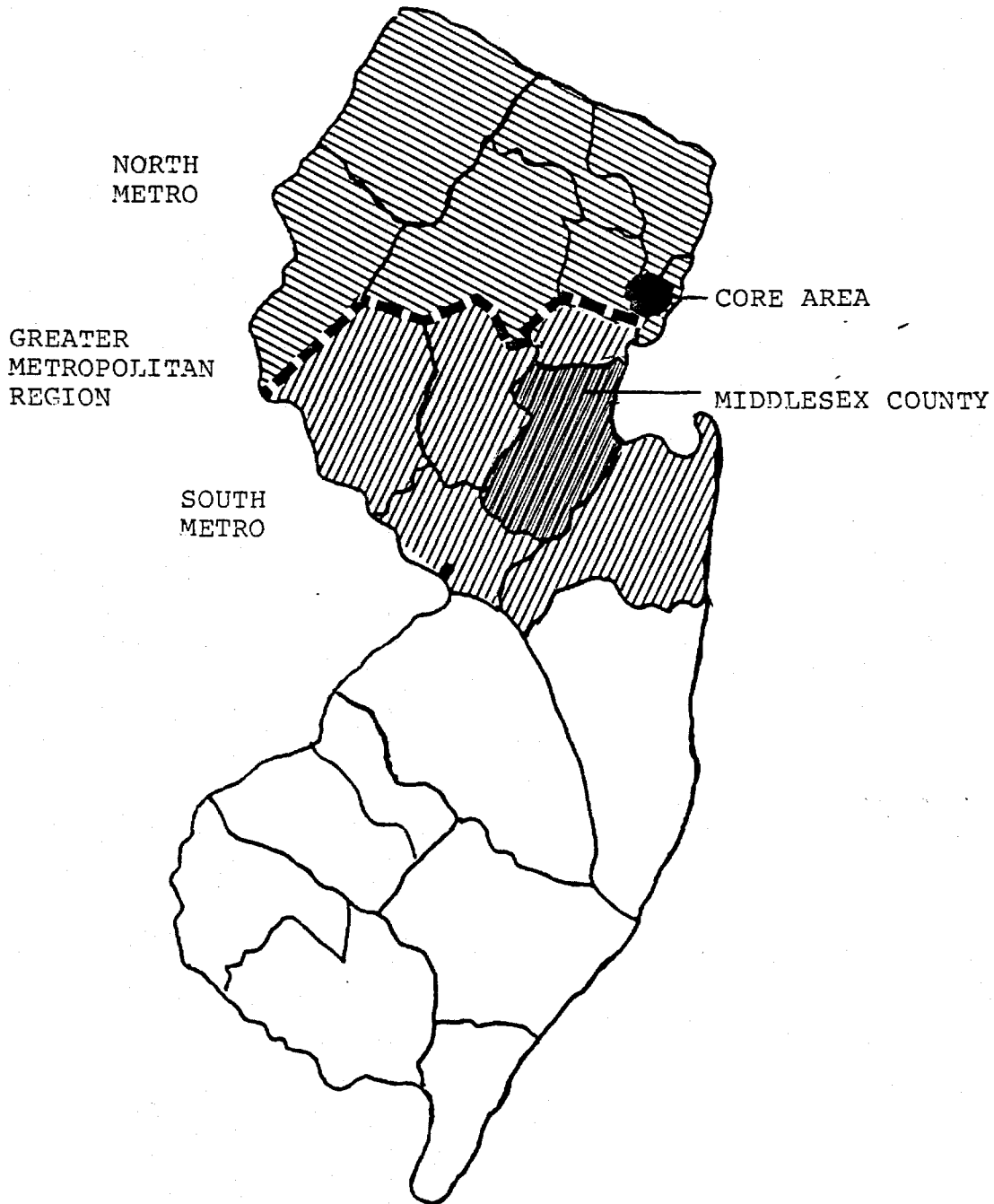
The housing region to be established for the seven municipalities in Middlesex County must reflect the following aspects:

- the impact of the metropolitan region on New Jersey
- the strong existing highway and rail patterns
- sources of sufficient need
- adequate resources to meet the need

To achieve this goal the 13 counties of the northern half of the state are proposed as the Greater Metro Region, divided into two sub-regions, to be referred to hereinafter as North Metro and South Metro.

Nine of those thirteen counties are already in the Tri-

MIDDLESEX COUNTY HOUSING REGION: MT. LAUREL DOCTRINE



CARLA L. LERMAN

State Regional Planning Commission metropolitan area. Mercer County will now be included in this larger area because of its close affiliation with Middlesex and Somerset County in terms of rail and highway connections, as well as the growing development connecting Mercer and Middlesex counties on Route 1. Rail lines go from Trenton in Mercer County to the core of this metropolitan area in their northbound route. In their southbound route they go from Trenton to Philadelphia. Another rail line goes from the Newark area core to the shore area of Monmouth County and stops. Mercer and Monmouth counties are logical southern boundaries for this expanded metropolitan region, as a substantial portion of the boundaries of Burlington and Ocean counties, where they touch the southern boundaries of Mercer and Monmouth counties, are areas which are not growth areas in the State Development Guide Plan. The Mercer/Middlesex/Somerset grouping that the State Development Guide Plan considered a growth "corridor" is further substantiation for including Mercer County in the Greater Metropolitan Region.

The three outlying counties, Sussex, Warren, and Hunterdon, are designated in the State Development Guide Plan primarily for Limited Growth, Conservation, and Agriculture. Although they will be responsible for their share of the region's indigenous need, these three counties are not likely to be recommended for any substantial growth, nor are they expected to add to any adjacent counties' growth to a significant extent. They do, however, relate to the larger metropolitan area in terms of transportation and employment.⁷ Conceptualizing regions that

⁷ For example, 43% of Sussex County residents work in the nine county metropolitan areas, as do 30% of Hunterdon County residents. Complete data on place of work in N.J. is not available readily for Warren County as it has been in the past part of the Allentown, Pa. SMSA.

will offer the possibility of consistency in Mount Laurel cases will be facilitated if these three outermost counties are included in the Greater Metropolitan Region.

In order to create workable regions which relate to distance from home to work, and which consider the reality of relating housing markets separated by 75 rather densely developed miles, this larger 13 county metropolitan area is divided into subregions: the South Metro subregion will include Hunterdon, Somerset, Union, Middlesex, Monmouth and Mercer counties; the North Metro subregion will include Hudson, Essex, Bergen, Passaic, Morris, Warren and Sussex counties. The Core Area of the City of Newark and Hudson County, for mapping purposes, is included in the northern subregion because it is somewhat closer in terms of employment and commutation to more of those counties than the counties in South Metro. Each of these subregions relates to the Core in terms of employment and transportation; each has urban aid cities; each has resources to meet housing needs.

Relationship of Core Area to Region

Clearly, the present housing need of Newark and Hudson County, which is more profound than any other single area in the state, must be met by all the "growth" municipalities in the entire region (slip opinion at 72), and must be distributed in a way that reflects commuting patterns, employment growth, availability of vacant developable land, and the policy decisions of municipalities which have encouraged commercial and industrial development.

Determination of an acceptable level of present need, and

thereby "excess" need in Newark and Hudson County, is based on the present need of the Greater Metro Region, of which Newark and Hudson County comprise the Core. The Core Area will not be expected to provide opportunities for lower income housing beyond the level of regional need.

Allocation of that need is made by a fair share formula to the housing subregions - North Metro and South Metro - based on their economic growth in the last decade and their potential for future growth.

As far as prospective need of the Core Area is concerned, Hudson County only has 710 acres in a growth area and, as its employment and population have been decreasing, it is not anticipated that significant growth will occur. The City of Newark is not expected to have significant prospective need; for that city and Hudson County the major concern will be their present need. The remainder of Essex County outside of the City of Newark will receive an allocation to the same extent and under the same formula as the other counties in the region. The prospective need of the two subregions will be determined based on the anticipated growth and need for lower income housing within each of those regions. These two subregions will be workable for the purposes of Mount Laurel even if a subject municipality is at the edge, as there are natural barriers - state boundaries, limited growth in outer counties, and the natural barrier of the Pine Barrens in the south - which will prevent housing regions from being pushed outward from these two subregions.

DETERMINING PRESENT NEED: DEFINING THE NEEDS GROUP

The present and prospective housing need which is the subject of the fair share allocation, is based on a number of conditions of housing, but always in the context of low and moderate income households. The assumption in the housing market has always been that the market will produce adequate products for those who can and will pay for them. The market which is the subject of the Mount Laurel doctrine is the one that does not, absent any subsidization, generate significant production. The definition of that market, and the clear definition of low and moderate income for the metro region will provide the basis for numbers to be allocated in a fair share allocation.

The Court has specified that two income groups are to be identified and opportunities provided for housing that will meet each group's needs. The definitions which have been established by the Court are:

Low income: 50% of the median income
Moderate income: 50% to 80% of the median income
(slip opinion at 36)

These income distinctions reflect the guidelines for target populations for many assistance programs of the Department of Housing and Urban Development, i.e. Section 8 Existing Housing Assistance Program, Community Development Block Grant Program, Moderate Rehab Program, etc.

The median income to be used at any given time is extremely important, as that will govern the nature of proposals to meet the Mount Laurel obligation. It will change continually with

inflation or recession. Median income, the exact mid-point in the number of cases, can vary greatly from town to town or county to county. Municipalities which have primarily single family housing may have a dramatically different median income than an adjacent town which has a more urban quality with a significant amount of rental housing. In keeping with the principle of the region, for Mount Laurel purposes, which does not restrict the housing market, the median income to be used as a basis for defining lower income households should represent an area as broad as the region. The Court does refer to use of the median income of the relevant Standard Metropolitan Statistical Area "...to simplify matters..." but indicates that "...another definition may be more reasonable" (Footnote 8, slip opinion at 36 and 37). Unless the SMSAs (and the more recent PMSAs) coincide with the definition of the Mount Laurel region, it will not be reasonable to use only one SMSA to determine median income. The median income used here, for the purposes of defining low and moderate income, is the median family income for the Greater Metropolitan Region. This region includes sufficient range of income areas, housing types and community characteristics to provide a median income for the purposes of defining a realistic low and moderate definition.

In the case of the Greater Metropolitan Region the median incomes for the 13 counties must be combined to provide the median income for the whole region. The New Jersey Area Office of the Department of Housing and Urban Development regularly applies an inflation factor to the median incomes for the

counties in Standard Metropolitan Statistical Areas (SMSAs), and other counties which are not in SMSAs in order to maintain appropriate income limits for various housing assistance programs. The Greater Metropolitan Region's median income used in this report can be readily updated by applying the same inflation factor used at the given time by the Department of Housing and Urban Development.

It is important to note that the median income used by the Department of Housing and Urban Development is a family income, based on a four person family. This median does not reflect lower income single person households such as elderly, disabled, or other single persons. As the Department of Housing and Urban Development distinguishes between different household sizes for assistance programs, by establishing different eligibility income limits, it will be relevant in evaluating housing proposals to relate the size of the units proposed to the size of the household likely to occupy them, and thereby the appropriate income range that will be served. Clearly this variability could affect the methods by which a municipality would meet its Mount Laurel obligation.

The median family income, and subsequent low and moderate income, based on the Department of Housing and Urban Development figures for New Jersey, prepared March 1, 1983, for the Greater Metropolitan Region are as follows:

Median income	\$28,895
Low income	\$14,447
Moderate income	\$14,447 to \$23,084

(See Appendix Table 13)

These income levels define the needs group. Housing to be provided to meet the Mount Laurel obligation will have to be affordable to households within these income restrictions. "Affordability" referred to by the Court was predicated on a family paying 25% of its income for housing costs. That level had been the standard until August 1981 when Congress passed the Omnibus Budget Reconciliation Act, which required that all occupants of assisted housing pay 30 percent of gross income for housing costs. The Court notes this, but seems to assume that 25% of income will be the standard. (Note 8, slip opinion at 37). If this were indeed the standard to be followed, it would mean that zoning to permit the development of public housing, or the use of Section 8 rent subsidies, would not be considered steps for a municipality to take to meet its Mount Laurel obligation. Although it is entirely possible that at a future date Congress may rescind the 30% of income requirement, it appears reasonable to relate standards of affordability to the standards being used, as a matter of public policy, for all federally assisted housing programs.

MEASURING PRESENT NEED

The measurement of present need in the region will be based on three factors: overcrowding in housing units, units not overcrowded and lacking complete plumbing facilities for the exclusive use of the occupants, and the number of additional units required to bring the vacancy rate for rental and sales housing up to the standard considered satisfactory for normal housing mobility. The regionwide averages for all three of

these factors will be used to determine what should be the maximum level of present need in the City of Newark and Hudson County.

Restrictions on time and readily available current data made use of additional factors impossible. Factors such as median incomes for renters versus owners, age distribution in the municipality by renters and owners, and overcrowding related to type of household could increase the specificity of the measurement of present need.

For the purpose of providing a reasonably accurate picture of the extent of present need which could be addressed under the Mount Laurel obligation by land use and development regulation, present need is confined to an unduplicated count of the two physical deficiencies, as described above, and the deficit, if any, of vacant rental and sales units to provide for reasonable mobility.

There are other physical deficiencies which the census counts, such as lack of central heating or lack of kitchen facilities, but these are not unduplicated. Additionally, the 1980 census did not count dilapidated units or units needing major repairs.

The present need based on physical deficiencies as measured in the Greater Metropolitan Area is as follows:

Total units lacking complete plumbing for their exclusive use	30,365
Total units overcrowded	<u>72,390</u>
Total units with physical deficiencies	102,755

See Appendix Table 2

In order to facilitate what might be described as "normal" mobility, i.e., the ability to seek and find an affordable apartment or house, conventional real estate wisdom sets minimum vacancy rates which should make this possible. For sales housing 1.5 percent vacancy is considered adequate, and for rental housing 5 percent vacancy is adequate. These rates of course do not take into account location of the units (in relation to demand), the available sizes, or the cost. It is assumed that there will be a relatively normal distribution of vacancies which reflects the housing market. For purposes of this study, the subregions have been computed by county and an overall subregional vacancy rate and deficit of units has been computed. (See Appendix Table 3 for complete breakdown).

The vacancy rate of sales housing in 1980 in North Metro was 1.1%, suggesting a deficit of 2761 units; for rental housing in this region the vacancy rate was 3.9%, indicating a deficit of 6622 units.

The vacancy rate for South Metro for sales housing was 1.1% indicating a deficit of 2009 units; for rental housing the 4.5% vacancy rate indicates a deficit of 1375 units.

The total deficit in North Metro is 9383; in South Metro it is 3384. These figures represent the total deficit. Those that should be provided for low and moderate income households would reflect the percentage of low and moderate income households in each subregion.

ALLOCATION OF PRESENT NEED: THE FAIR SHARE

The court has ruled that every municipality, regardless

of its designation in the State Development Guide Plan, will have the obligation to provide opportunities for solutions for its own indigenous housing need,

"except where they [the poor] represent a disproportionately large segment of the population as compared with the rest of the region. This is the case in many of our urban areas."
slip opinion at 26.

The full impact of this opinion is clarified again as it relates to allocation of present need.

"Municipalities located in "growth areas" may, of course, have an obligation to meet the present need that goes far beyond that generated in the municipality itself..."
slip opinion at 72.

The present need of the Greater Metropolitan Region will be measured as a percentage of total occupied housing units. The Core Area of Newark and Hudson County will be responsible for meeting their indigenous need up to the level of need in the entire region. The excess need beyond that will be allocated to the South Metro and North Metro subregions.

Total Physical Deficiencies in Greater Metropolitan Region

Total overcrowded units (1.01 or more persons per room)	72,390
Total units lacking complete plumbing for exclusive use of occupants	30,365
2 Additional units needed for vacancy rate	5,093
o North Metro	3,743.
South Metro	1,350
Combined totals	107,848
Total occupied units	1,906,624
Percent deficient units of total occupied units	5.7%

<u>Core Area</u>	<u>City of Newark</u>	<u>Hudson County</u>
Total overcrowded units	13,665	15,117
Total units lacking complete plumbing	3,984	7,025
Additional units needed for vacancy rate	--	435
Combined totals	17,649	22,577
Total occupied units	110,912	207,857
Percent deficient units of total occupied units	16%	11%
Region standard of deficient units (5.7 x 110,912) (5.7 x 207,857)	6,321	11,848
Excess deficient units to be allocated to north and south subregions	11,328	10,729
<hr/>		
Total # units		22,057

Total present need to be allocated to South Metro and North Metro 22,057

The allocation of the excess present need, as represented by housing units, will be based on a combination of factors. These factors will include the percent of the regional developable vacant land indicated as Growth Area in the State Development Guide Plan that is located in each subregion, the percent of total regional employment growth in each subregion from 1972 to 1981, and the percent of total regional increase in commercial and industrial ratables in each subregion from 1970 to 1980.

The use of the amount of vacant land as indicated for

growth in the State Development Guide Plan is fairly obvious in terms of its purpose. If there is not sufficient resource in terms of land that is suitable for growth, then a distribution of prospective housing need is not rational. The use of employment growth and growth in commercial and industrial ratables is recommended in the Mount Laurel II decision as valuable parts of a formula to determine fair share (slip opinion at 93). Significant growth in employment and/or non residential ratables in the decade from 1970-1980 will usually reflect policy decisions made by the municipalities in the county, and will not just be a reflection of chance growth. The court has advised that those municipalities which are encouraging ratables and encouraging new employment have a responsibility for providing housing for lower income people that is related to those advantages.

The Fair Share formula to be used to allocate excess present housing need and prospective housing need will be:

Percent of Increase in Covered Employ- ment 1972 - 1981	Percent of Increase in Comm/Ind. Ratables + 1970 - 1980	Percent of Region's Vacant Developable Land in Growth Areas	÷ 3	Fair Share of Hsg Need
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The excess present need in the Core Area of Newark and Hudson County will be allocated on this fair share basis to North Metro and South Metro.

Fair Share Formula for Allocation of Housing Need

	<u>Percent of Increase in Covered Employment 1972-81</u>		<u>Percent of Increase in Comm/Ind 1970-80</u>		<u>Percent of Region's Vacant Developable Land in Growth Areas</u>		<u>Fair Share of Housing Need</u>
North Metro	(51%	+	54%	+	25%) + 3	=	43%
South Metro	(49%	+	46%	+	75%) + 3	=	57%

See Appendix Tables

4 5 and 6

The 22,057 units of excess need from the Core Area will be allocated to the two housing subregions by the average percentages shown above. Therefore the share is as follows:

Metro North	9,485
Metro South	12,572

The resulting total present need in South Metro and North Metro can be summarized as follows:

	<u>Present Need</u>	<u>Core Area Excess Need</u>	<u>Add'l Vacant Units</u>	<u>Total Present Need</u>
North Metro (less Core Area)	34,412	9,485	3,743	48,050
South Metro	28,552	12,572	1,350	42,474

The total present need will be allocated to each municipality, in the subregion of South Metro, according to the subregional rate of present need: the total subregional rate of need equals 5.7 percent of the total occupied units. Each municipality will be responsible for its own present need, plus the number of additional units that will bring its percent of deficiencies to 5.7.

For the seven municipalities the indigenous and allocated present need is as follows: (See Appendix Table 7)

	<u>Present Need (Indigenous)</u>	<u>% of Total Occ. (Units)</u>	<u>Present Need (South Metro Allocation)</u>	<u>Total # Units Present Need</u>	<u>Total Occupied Units</u>	<u>% Present Need</u>
Cranbury	32	4.5%	41	73	713	5.7%
East Brunswick	261	2.3	377	638	11,189	5.7
Monroe	201	3.5	128	329	5,765	5.7
Piscataway	438	3.6	263	701	12,299	5.7
Plainsboro	46	1.5	128	174	3,058	5.7
South Brunswick	173	3.2	137	310	5,443	5.7
South Plainfield	152	2.4	203	355	6,224	5.7

The distribution of this housing need between low income and moderate income is 69 percent low income and 31 percent moderate income. This distribution is based on a formula which combines an estimate of the actual proportions in the seven municipalities with an estimate of the actual proportions in South Metro.

DEFINING PROSPECTIVE NEED: POPULATION PROJECTION

Mount Laurel II clearly states that in projecting the prospective need for low and moderate income housing, and the fair allocation of that housing among municipalities, that the projection of need should not be based on the probable future population of a single municipality.

"While it would be simpler in these cases to calculate a municipality's fair share by determining its own probable future population (or some variant thereof), such a method would not be consistent with the constitutional obligation..." (slip opinion at 95)

Projection of population growth is subject to many variables and most demographers give ranges that are based on the occurrence of possible events or trends that together or separately could be

expected to have an impact on future population. Fortunately, the Court recognized the problems inherent in projecting growth:

"We recognize that the tools for calculating present and prospective need and its allocation are imprecise...What is required is the precision of a specific area and specific numbers. They are required not because we think scientific accuracy is possible but because we believe the requirement is most likely to achieve the goals of Mount Laurel."
(slip opinion at 94-95)

Prospective need is being projected to 1990. Although that is less than ten years, which is generally considered a reasonable forecast period, most of the currently available data is from the 1980 census. In 1990, the next decennial census will provide new data which will be more appropriate for an evaluation of the impact of the Mount Laurel doctrine and for further projections to the year 2000.

Determining the projected population for the subregion, South Metro, is necessary to arrive at prospective need. It is also necessary to determine projected household size and the resulting number of new households, and to determine the proportion of the new households that will be low income and moderate income.

The population projections for the Greater Metropolitan Region, North Metro and South Metro, are shown in Appendix Table 8. For this report the projected population for South Metro only will be considered in the Fair Share allocation.

Table 2

Condition of Occupied Housing Units, by County, 1980

<u>County</u>	<u>Overcrowded Units</u>	<u>Units Lacking Complete Plumb- ing (excluding also overcrowded)</u>	<u>Total: Overcrowd- ed and Lacking Complete Plumbing</u>
Bergen	6,017	3,211	9,228
Essex	19,479	7,114	26,593
Hudson	15,117	7,025	22,142
Morris	2,169	848	3,017
Passaic	8,028	3,100	11,128
Sussex	796	337	1,133
Warren	<u>518</u>	<u>444</u>	<u>962</u>
Subtotal: Metro North	52,124	22,079	74,203
Hunterdon	425	345	770
Mercer	2,909	1,086	3,995
Middlesex	5,708	2,406	8,114
Monmouth	3,947	1,515	5,462
Somerset	1,146	553	1,700
Union	<u>6,131</u>	<u>2,380</u>	<u>8,511</u>
Subtotal: Metro South	20,266	8,286	28,552
Grand Total	72,390	30,365	102,755

Source: U.S. Census of Population & Housing, 1980, STF-1
 Tables: Characteristics of Households and Characteristics
 of Housing Units

Table 3

Occupied and Vacant Housing, by Tenure, by County, 1980

<u>County</u>	<u>Total Owner Units</u>	<u>Vacant For-Sale Units</u>	<u>Vacancy Rate</u>	<u>Additional Vacant Units Needed for 15% Vacancy Rate</u>	<u>Total Renter Units</u>	<u>Vacant For-Rent Units</u>	<u>Vacancy Rate</u>	<u>Add'l Vacant Units Needed for 5% Vacancy Rate</u>
Bergen	197,682	1,260	0.6%	1,732	106,282	2,294	2.2%	3,175
Essex	125,731	1,212	1.0	685	185,011	9,227	5.0	--
Hudson	63,021	1,269	2.0	--	152,699	6,594	4.3	1,091
Morris	98,033	1,212	1.2	263	35,975	976	2.8	865
Passaic	82,193	609	0.7	634	74,099	2,220	3.0	1,561
Sussex	30,779	604	2.0	--	7,412	336	4.9	5
Warren	<u>20,644</u>	<u>386</u>	1.9	<u>--</u>	<u>9,723</u>	<u>575</u>	5.9	<u>--</u>
Subtotal: North Metro	<u>618,083</u>	<u>6,552</u>		<u>2,762</u>	<u>571,201</u>	<u>22,252</u>	<u>3.9</u>	<u>6,622</u>
Hunterdon	22,869	454	2.0%	--	6,633	263	4.0%	72
Mercer	69,077	937	1.4	101	40,140	2,461	6.1	--
Middlesex	132,692	1,070	0.8	935	67,867	2,781	4.1	643
Monmouth	119,767	1,882	1.6	--	55,437	3,192	5.8	--
Somerset	49,740	644	1.3	103	19,155	883	4.6	79
Union	<u>111,264</u>	<u>616</u>	0.6	<u>1,070</u>	<u>69,361</u>	<u>2,036</u>	2.9	<u>1,505</u>
Subtotal: South Metro	<u>505,409</u>	<u>5,603</u>		<u>2,009</u>	<u>258,593</u>	<u>11,616</u>	<u>4.5</u>	<u>1,375</u>
Grand Total	1,123,492	12,155			829,794	33,868		

Source: U.S. Census of Population and Housing, 1980, STF-1, Characteristics of Housing Units

Table 4

Covered Employment Growth, 1972-81

<u>County</u>	<u>Covered Employment</u>		<u>Change</u> <u>1972-81</u>	<u>Percent Change</u> <u>1972-81</u>
	<u>1972</u>	<u>1981</u>		
Bergen	292,587	347,425	+ 54,838	+ 18.7%
Essex (Excl. Newark)	159,497	176,928	+ 17,431	+ 10.9
Morris	99,636	161,189	+ 61,553	+ 61.8
Passaic	160,131	161,466	+ 1,335	+ 0.8
Sussex	14,192	18,833	+ 4,641	+ 32.7
Warren	<u>22,507</u>	<u>25,084</u>	<u>+ 2,577</u>	<u>+ 11.4</u>
Subtotal: North Metro	748,550	890,925	+142,375	19.0%
Hudson Co.	207,248	178,187	- 29,061	- 14.0
City of Newark	174,908	126,826	- 48,082	- 27.5
Hunterdon	14,306	19,420	+ 5,114	+ 35.7
Mercer	103,217	112,870	+ 9,653	+ 9.4
Middlesex	183,842	243,547	+ 59,705	+ 32.5
Monmouth	96,182	129,416	+ 33,234	+ 34.6
Somerset	57,156	82,496	+ 25,340	+ 44.3
Union	<u>224,613</u>	<u>231,222</u>	<u>+ 6,609</u>	<u>+ 2.9</u>
Subtotal: South Metro	679,316	818,971	+139,655	+ 20.6
Grand Total (Excl. Newark and Hudson County)	1,427,866	1,709,896	282,030	+ 19.8%

Source: New Jersey Covered Employment Trends, 1972 and 1981, N.J.
Dept. of Labor and Industry

Table 4a

Covered Employment Growth

<u>County</u>	<u>Sub-Region as Percent of Total Change 1972-81</u>	<u>County as Percent of Total Change in Sub-Region 1972-81</u>
Bergen		+ 38.5%
Essex less Newark		+ 12.2
Morris		43.2
Passaic		0.9
Sussex		3.3
Warren		<u>1.8</u>
Subtotal: North Metro	50.5%	100.0%
Hunterdon		3.7
Mercer		6.9
Middlesex		42.8
Monmouth		23.8
Somerset		18.1
Union		<u>4.7</u>
Subtotal: South Metro	49.5%	100.0%

Table 5

Commercial and Industrial Ratables,* by County, 1970 & 1980

<u>County</u>	<u>1970</u>	<u>1980</u>	<u>% Increase 1970-80</u>	<u>% Increase 1970-80</u>
Bergen	\$ 2,057,788,800	\$ 5,631,342,300	\$ 3,573,553,500	173.66
City of Newark	792,243,300	947,740,800	155,497,500	19.63
Balance of Essex	824,123,600	1,974,906,600	1,150,783,000	139.64
Hudson	1,278,001,700	2,345,718,200	1,067,716,500	83.55
Morris	787,362,600	2,483,172,700	1,695,810,100	215.38
Passaic	577,033,800	2,246,943,900	1,669,910,100	289.40
Sussex	97,491,200	292,168,900	194,677,700	199.69
Warren	<u>118,412,200</u>	<u>368,641,200</u>	<u>250,229,000</u>	<u>211.32</u>
Subtotal: North Metro	\$ 6,532,457,200	\$16,290,634,600	\$ 9,758,177,400	149.38
Hunterdon	\$ 135,104,500	\$ 381,037,000	245,932,500	182.03
Mercer	510,641,000	1,331,836,900	821,195,900	160.82
Middlesex	1,361,845,800	3,848,551,600	2,486,705,800	182.60
Monmouth	613,470,300	1,871,187,300	1,257,717,000	205.02
Somerset	374,964,000	1,444,875,700	1,069,911,700	285.34
Union	<u>1,485,502,500</u>	<u>3,589,681,500</u>	<u>2,104,179,000</u>	<u>141.65</u>
Subtotal: South Metro	\$ 4,481,528,100	\$12,467,170,000	\$ 7,985,641,900	178.19
Grand Total	\$11,013,985,300	\$28,757,804,600	\$17,743,819,300	161.10

Source: New Jersey Division of Taxation

*Equalized valuation; to nearest \$100

Table 6

Open Developable Land in Growth Areas

<u>County</u>	<u>Acres</u>	<u>Percent of Sub-region</u>	<u>Sub-region as Percent of Total Region</u>
Bergen	9,470	10.0%	
Essex	2,241	2.4	
Hudson	710	0.7	
Morris	57,307	60.6	
Passaic	5,754	6.1	
Sussex	3,564	3.8	
Warren	<u>15,466</u>	<u>16.4</u>	
Subtotal: North Metro	94,512	100.0%	24.6%
Hunterdon	21,472	7.4%	
Mercer	68,711	23.8	
Middlesex	63,431	21.9	
Monmouth	71,377	24.7	
Somerset	62,402	21.6	
Union	<u>1,626</u>	<u>0.6</u>	
Subtotal: South Metro	289,019	100.0%	75.4%
Grand Total	383,531		

Source: Appendix Table: "Growth Areas: Current Land Classifications",
State Development Guide Plan, Mya 1980.

Table 7

Present Indigenous Need for Seven Municipalities

<u>Municipality</u>	<u>Total Occ. Hsg. Units</u>	<u>Lacking Complete Plumbing No. %</u>	<u>Overcrowded No. %</u>	<u>Needed Add'l Vacancies</u>	<u>Total Need</u>	<u>% of Occ. Units</u>
Cranbury	713	19 2.7	9 1.3	4	32	4.5
East Brunswick	11,189	56 0.5	159 1.4	46	261	2.3
Monroe	5,765	114 2.0	83 3.4	10	201	3.5
Piscataway	12,299	95 0.7	281 2.3	62	438	3.6
Plainsboro	3,058	22 0.7	24 0.8	-	46	1.5
So. Brunswick	5,443	34 0.6	125 2.3	14	173	3.2
So. Plainfield	6,224	21 0.3	102 1.6	30	152	2.4

Source: U.S. Census of Population and Housing, 1980.
 STF 3 Tables: Characteristics of Population and Housing
 Calculations by Carla L. Lerman

Table 8

Total Population by County, 1950 - 1980 and Projected to 1990

<u>County</u>	<u>Total Population*</u>				
	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990*(Projected)</u>
Bergen	539,139	780,255	897,148	845,385	878,475
Essex	905,949	923,545	932,526	851,116	788,400
Hudson	647,437	610,734	607,839	556,972	528,795
Morris	164,371	261,620	383,454	407,630	455,325
Passaic	337,093	406,618	460,782	447,585	446,950
Sussex	34,423	49,255	77,528	116,119	145,075
Warren	<u>54,374</u>	<u>63,220</u>	<u>73,960</u>	<u>84,429</u>	<u>90,900</u>
Subtotal: North Metro	2,682,786	3,095,247	3,433,237	3,309,236	3,333,920
Hunterdon	42,736	54,107	69,718	87,361	99,275
Mercer	229,781	266,392	304,116	307,863	331,575
Middlesex	264,872	433,856	583,813	595,893	668,100
Monmouth	225,327	334,401	461,849	503,173	537,400
Somerset	99,052	143,913	198,372	203,129	235,525
Union	<u>398,138</u>	<u>504,255</u>	<u>543,116</u>	<u>504,094</u>	<u>511,825</u>
Subtotal: South Metro	1,259,906	1,736,924	2,160,984	2,201,513	2,383,700
Greater Metro Region					
Grand Total	3,942,692	4,832,171	5,594,221	5,510,749	5,717,620

*Weighted projection

Source: New Jersey Population Trends 1790 to 1970, N.J. Department of Labor and Industry, October 1978U.S. Census of Population and Housing, 1980New Jersey Revised Total and Age and Sex Population Projection 1985 to 2000, N.J. Department of Labor, July 1983

Table 9

Trends in Household Size, by County, 1970-80

County	1970			1980		
	Household Populations*	Occupied Housing Units	Average Household Size	Household Population*	Occupied Housing Units	Average Household Size
Bergen	892,101	279,625	3.19	837,701	300,410	2.79
Essex	913,331	302,582	3.02	837,418	299,934	2.79
Hudson	600,002	207,499	2.89	550,944	207,857	2.65
Morris	373,846	109,823	3.40	398,629	131,820	3.02
Passaic	455,277	147,214	3.09	440,523	153,463	2.87
Sussex	76,381	22,809	3.35	114,638	37,221	3.08
Warren	<u>72,547</u>	<u>23,274</u>	<u>3.12</u>	<u>83,316</u>	<u>29,406</u>	<u>2.83</u>
Subtotal: North Metro	<u>3,383,485</u>	<u>1,092,823</u>	<u>3.10</u>	<u>3,263,169</u>	<u>1,160,111</u>	<u>2.81</u>
Hunterdon	67,950	21,063	3.23	85,098	28,515	2.98
Mercer	290,782	93,486	3.11	292,964	105,819	2.77
Middlesex	571,101	168,076	3.40	576,607	196,708	2.93
Monmouth	446,384	135,230	3.30	493,733	170,130	2.90
Somerset	194,006	57,013	3.40	198,660	67,368	2.95
Union	<u>538,775</u>	<u>171,580</u>	<u>3.14</u>	<u>499,274</u>	<u>177,973</u>	<u>2.81</u>
Subtotal: South Metro	<u>2,108,998</u>	<u>646,448</u>	<u>3.26</u>	<u>2,146,336</u>	<u>746,513</u>	<u>2.88</u>
Greater Metropolitan Region	5,492,483	1,739,271	3.16	5,409,505	1,906,624	2.84

Source: U.S. Census of Population and Housing, 1970 and 1980

* Does not include populations living in group quarters

Table 10

Commercial and Industrial Ratables, 1970 and 1980
By Municipality, Middlesex County

<u>Municipality</u>	<u>1970 Assessed Valuation*</u>	<u>1980 Assessed Valuation*</u>	<u>\$ Increase 1970-1980</u>	<u>Increase as % of South Metro Increase</u>
Cranbury	\$ 14,029,100	\$ 67,614,000	\$ 53,584,900	0.67
E. Brunswick	45,668,000	205,734,100	160,066,100	0.2
Monroe	25,027,500	67,033,000	42,005,500	0.5
Piscataway	82,082,500	379,551,100	297,468,600	3.7
Plainsboro	10,664,300	41,327,100	30,662,800	0.38
So. Brunswick	43,096,400	165,004,100	121,907,700	1.5
So. Plainfield	55,346,400	272,985,300	217,638,900	2.7

*Equalized valuation, Property class 4A & 4B, to nearest \$100

Source: N.J. Division of Taxation

Table 11

Covered Employment Growth, By Municipality, 1972-1981
 (as percent of South Metro Covered Employment Growth)

<u>Municipality</u>	<u>Covered Employment</u>		<u>Change</u> <u>1972-81</u>	<u>Percent</u> <u>Change</u> <u>1972-81</u>	<u>Percent of Growth</u> <u>in South Metro</u> <u>Covered Employ-</u> <u>ment 1972-81</u>
	<u>1972</u>	<u>1981</u>			
Cranbury	2,774	3,477	703	25%	0.5%
E. Brunswick	10,236	14,618	4,382	43	3.1
Monroe	170	1,117	947	557	0.7
Piscataway	9,314	24,949	15,635	168	11.2
Plainsboro	666	2,092	1,426	214	1.0
S. Brunswick	4,000	8,465	4,465	117	3.2
S. Plainfield	8,062	14,728	6,666	83	4.8
<hr/> Middlesex County	183,842	243,547	59,705	32	42.8
<hr/> South Metro	679,316	818,971	139,655	20.6%	--

Source: New Jersey Covered Employment Trends, 1972 and 1981, N.J.
 Dept. of Labor and Industry

Table 12

Vacant Land, By Municipality, in Growth Areas, 1980

<u>Municipality</u>	<u>Acres*</u>	<u>% of South Metro Vacant Developable Land in Growth Area</u>
Cranbury	4,660*	1.6
East Brunswick	1,080	0.37
Monroe	3,060	1.1
Piscataway	1,260	0.4
Plainsboro	760	0.26
South Brunswick	7,570	2.6
South Plainfield	420	0.14

*These acreages have been rounded to the nearest ten.

**Based on original designation of growth area; the change that had been proposed would reduce this number by 1817 acres, to 2839 acres.

Source: State Development Guide Plan. New Jersey Dept. of Community Affairs, May 1978.
Calculations for municipality by Carla L. Lerman

SMSA/County	Median Family Income	Lower Income Classification	Income Limits By Family Size (HUD Programs)							
			One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
Bergen	24,900	Low	10,000	11,400	12,800	14,250	15,400	16,650	17,650	18,800
		Moderate	15,250	17,400	19,550	21,750	23,100	24,450	25,850	27,200
Essex, Morris, Somerset, Union	31,500	Low	11,450	13,100	14,700	16,350	17,650	18,950	20,250	21,600
		Moderate	17,650	20,150	22,700	25,200	26,750	28,350	29,900	31,500
Hudson	22,600	Low	8,650	9,900	11,000	12,350	13,350	14,350	15,300	16,300
		Moderate	13,850	15,800	17,750	19,950	21,000	22,200	23,450	24,700
Hunterdon	33,100	Low	11,600	13,250	14,900	16,550	17,850	19,200	20,500	21,850
		Moderate	18,200	20,800	23,400	26,000	27,600	29,250	30,850	32,500
Mercer	29,300	Low	10,250	11,700	13,200	14,650	15,800	17,000	18,150	19,350
		Moderate	16,400	18,750	21,100	23,450	24,900	26,350	27,850	29,300
Middlesex	32,700	Low	11,450	13,100	14,700	16,350	17,650	18,850	20,250	21,600
		Moderate	18,200	21,800	23,400	26,000	27,600	28,250	30,850	32,500
Monmouth	31,600	Low	11,050	12,650	14,200	15,800	17,050	18,350	19,600	20,850
		Moderate	17,700	20,200	22,750	25,300	26,850	28,450	30,000	31,600
Passaic	26,800	Low	10,100	11,500	12,950	14,400	15,550	16,700	17,850	19,000
		Moderate	15,250	17,400	19,950	21,750	23,100	24,450	25,850	27,200
Sussex	29,200	Low	10,200	11,700	13,150	14,600	15,750	16,950	18,100	19,250
		Moderate	16,350	18,700	21,000	23,350	24,800	26,300	27,750	29,200
Warren	27,200	Low	9,500	10,900	12,250	13,600	14,700	15,800	16,850	17,950
		Moderate	15,250	17,400	19,600	21,750	23,100	24,500	25,850	27,200
Total Region Combined Median	28,895	Low				14,447				
		Moderate				23,084				

Source: United States Department of Housing and Urban Development, Newark Area Office. Income Limits for Programs Prepared 3-1-83

South Metro shows a projected increase in population of 8.3 percent, to 2,383,700.⁸

Relating this population projection to prospective households requires projecting the household size for 1990.

HOUSEHOLD SIZE PROJECTION

In the middle 1970's Tri State Regional Planning Commission projected for the year 2000 a household size of 2.76 for the New Jersey portion of the metropolitan region. At that time the full extent of the very steep decline in household size that was to occur by 1980 was not anticipated; the Tri-State estimate is therefore the most conservative in terms of the continuing reduction of household size. In the Revised Statewide Housing Allocation Report for New Jersey, in May 1978, the New Jersey Division of State and Regional Planning projected a 1990 household size for the 13 county Greater Metropolitan Region designated this report of 2.72; the counties included in Metro South were projected at 2.74, considerably less conservative than Tri-State's projection.

⁸The two preferred models of population projection prepared by ODEA were used. The Economic/Demographic Model was weighted three times and the Demographic Cohort Model was weighted one time; this weighting was done primarily because four of the five counties for which the two projections show the largest difference are counties where anticipated employment growth would support a preference for the Economic/Demographic Model, and secondarily because the regional population projections used in the Fair Share Report for Urban League of Essex County v. Township of Mahwah were based on this weighting for eight of the thirteen counties. Wherever possible consistent patterns in methodology for Fair Share Reports should be developed.

If one assumed a continuation of the pattern of the last decade, and made a straight line projection of the decline of household size, it would be 2.5 persons by 1990.

However, if one averages the rates of reduction in household size in the past two decades in New Jersey, and applies that to the 1980 household size in South Metro, it results in a projected 1990 household size of 2.69 persons. As this projection is based on two decades of history it may present a greater degree of reliability. So many variables impact on the average household size - age of population, changing lifestyles, availability of housing, cost of housing, the age of the biggest cohorts of population increase - that it is most reasonable to use the period of recent history that might include the impact of a range of variables. (See Appendix Table 9)

HOUSEHOLD INCOME PROJECTION

In 1980 (based on 1979 incomes) 39.9% of the households in the Greater Metropolitan Region were below 80% of the median income for the region. This fact is to be expected if the median is generally representative of the entire region. By definition, a median income represents the dollar point exactly half way between the total number of cases. If the distribution of incomes is relatively even, one would expect 25% of the total households to be below 50% of the median and 15% of the total households to be between 50 and 80% of the median.

Absent any unusual change in social patterns in New Jersey, it can be assumed that in 1990 the proportion of lower income

households will be approximately 40% of the total households. (The Court supports this assumption in Note 8 slip opinion at 37.) This is the assumption of this report in projecting housing needs to 1990. Again assuming a relatively even distribution of incomes, the proportion of low (50% of median or below) income households to moderate (50 to 80% of median) income households would be expected to be approximately 62% to 38%.

DETERMINING PROSPECTIVE HOUSING NEED

Projected household size, when applied to projected population, will indicate the prospective housing units needed.

The assumption of 2.69 for household size based on a projected population of 2,383,700, will result in 886,133 households in 1990, an increase of 139,620 households. Assuming a continuation of the same proportion of lower income households as in 1980, there will be 55,708 new lower income households in 1990, in South Metro.

In order to provide reasonable mobility, and assuming the trend to owner occupied units (single family or multi family) continues, even for lower income households, an additional 2.5 percent should be added to the prospective household number. This would result in a prospective lower income housing need of 57,100 additional units by 1990.

The income distribution for these households is projected to reflect the normal distribution between low and moderate income.

<u>Total additional lower income households, 1990</u>	<u>Total additional low income households</u>	<u>Total additional moderate income households</u>
57,100	35,402	21,698

DETERMINING FAIR SHARE ALLOCATION

The fair share formula for allocating the prospective 57,100 units within the South Metro subregion will reflect the growth and potential for growth in each municipality, in the same manner that the Greater Metropolitan Region's present need was allocated to South Metro and North Metro.

Increase in Covered Em- ployment as Percent of South Metro's Increase 1972 - 1981	+	Increase in Comm/Ind rata- bles as Percent of South Metro's Increase 1970 - 1980	+	Vacant Developable Land as Percent of Growth Area of South Metro That is Vacant and developable	+ 3 =	Percent of Pros- pective need allocated to Municipality
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The accompanying table (also Appendix Tables 10, 11 12) translates this formula into numbers for all seven towns.

It is important to note that in Piscataway and South Plainfield the amount of vacant land does not appear to be sufficient to support their fair share of prospective need. In each case, these municipalities experienced substantial commercial and industrial growth, as well as growth in employment during the decade from 1970 to 1980. Their responsibility for providing opportunities for their share of lower income housing seems clear. Based on the percent of lower income households in the two towns who pay over 30% of their income for housing (Piscataway 31% and South Plainfield 27%) it does appear that there is a serious housing deficiency in each town.

The Court has indicated in (slip opinion at 27) that if a municipality has too little vacant land to meet its fair share obligation that the share will not be eliminated; rather the expectation will be that when land becomes available the municipality will continue to try and meet its fair share.

Fair Share Allocation for Seven Towns
Prospective Need for Lower Income Housing

	<u>% of Increase in Covered Employment</u>	<u>% of Increase in Comm/ind. Ratables</u>	<u>% Vac. Land in South Metro</u>	<u>% Share of Need</u>	<u>Additional Units</u>
Cranbury	0.5	0.67	1.6	0.9	514
E. Brunswick	3.1	0.2	0.37	1.2	685
Monroe	0.7	0.5	1.1	0.77	440
Piscataway	11.2	3.7	0.4	5.1	2,912
Plainsboro	1.0	0.38	0.26	0.55	314
So. Brunswick	3.2	1.5	2.6	2.4	1,370
So. Plainfield	4.8	2.7	0.14	2.5	1,427

Individual summary pages for each municipality follow this page.

MUNICIPALITY: Cranbury

1980 Total Occupied Housing Units	713
Present Number of Deficiencies	32
Percent of Occupied Units	4.5%
Share of Excess Deficiencies from Core Area	41'
Total Present Need	73

1990 South Metro Prospective Need 57,100

Fair Share Formula:

Percent of South Metro increase in covered employ.	+	Percent of South Metro increase in comm/indust. ratables	+	Percent of South Metro Vacant Devel. "Growth" Area	÷ 3	=	Percent of South Metro Prospective Need
0.5	+	0.67	+	1.6	÷ 3	=	0.9

$$57,100 \times 0.9\% = 514$$

Total Prospective Need 514

Total Present and Prospective Need 73 + 514 = 587

Low Income 369

Moderate Income 218

Calculations by Carla L. Lerman

MUNICIPALITY: East Brunswick

1980 Total Occupied Housing Units	11,189
Present Number of Deficiencies	261
Percent of Occupied Units	2.3%
Share of Excess Deficiencies from Core Area	377
Total Present Need	638

1990 South Metro Prospective Need 57,100

Fair Share Formula:

Percent of South Metro increase in covered employ.	+	Percent of South Metro increase in comm/indust. ratables	+	Percent of South Metro Vacant Devel. "Growth" Area	$\div 3$	=	Percent of South Metro Prospective Need
---	---	--	---	---	----------	---	---

3.1	+	0.2	+	0.37	$\div 3$	=	1.2
-----	---	-----	---	------	----------	---	-----

$57,100 \times 1.2\% = 685$

Total Prospective Need 685

Total Present and Prospective Need $638 + 685 = 1323$

Low Income 864

Moderate Income 459

MUNICIPALITY: Monroe

1980 Total Occupied Housing Units	5765
Present Number of Deficiencies	201
Percent of Occupied Units	3.5%
Share of Excess Deficiencies from Core Area	128
Total Present Need	329

1990 South Metro Prospective Need 57,100

Fair Share Formula:

Percent of South Metro increase in covered employ.	+	Percent of South Metro increase in comm/indust. ratables	+	Percent of South Metro Vacant Devel. "Growth" Area	$\div 3$	=	Percent of South Metro Prospective Need
---	---	--	---	---	----------	---	---

0.7 + 0.5 + 1.1 $\div 3$ = 0.77

$$57,100 \times 0.77\% = 440$$

Total Prospective Need 440

Total Present and Prospective Need 329 + 440 = 769

Low Income 500

Moderate Income 269

MUNICIPALITY: Piscataway

1980 Total Occupied Housing Units	12,299
Present Number of Deficiencies	498
Percent of Occupied Units	3.6%
Share of Excess Deficiencies from Core Area	263
Total Present Need	701

1990 South Metro Prospective Need 57,100

Fair Share Formula:

Percent of South Metro increase in covered employ.	+	Percent of South Metro increase in comm/indust. ratables	+	Percent of South Metro Vacant Devel. "Growth" Area	$\div 3$	=	Percent of South Metro Prospective Need
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11.2 + 3.7 + 0.4 $\div 3$ = 5.1

57,100 x 5.1% = 2912

Total Prospective Need 2912

Total Present and Prospective Need 701 + 2912 = 3613

Low Income 2289

Moderate Income 1324

calculations by Carla L. Lerman

MUNICIPALITY: Plainsboro

1980 Total Occupied Housing Units	3058
Present Number of Deficiencies	46
Percent of Occupied Units	1.5%
Share of Excess Deficiencies from Core Area	128
Total Present Need	174

1990 South Metro Prospective Need 57,100

Fair Share Formula:

Percent of South Metro increase in covered employ.	+	Percent of South Metro increase in comm/indust. ratables	+	Percent of South Metro Vacant Devel. "Growth" Area	$\div 3$	=	Percent of South Metro Prospective Need
---	---	--	---	---	----------	---	---

1.0 + 0.38 + 0.26 $\div 3$ = 0.55

57,100 x 0.55% = 314

Total Prospective Need 314

Total Present and Prospective Need	174 + 314 = 488
Low Income	315
Moderate Income	173

MUNICIPALITY: South Brunswick

1980 Total Occupied Housing Units	5443
Present Number of Deficiencies	173
Percent of Occupied Units	3.2%
Share of Excess Deficiencies from Core Area	137
Total Present Need	310

1990 South Metro Prospective Need 57,100

Fair Share Formula:

Percent of South Metro increase in covered employ.	+	Percent of South Metro increase in comm/indust. ratables	+	Percent of South Metro Vacant Devel. "Growth" Area	$\div 3$	=	Percent of South Metro Prospective Need
---	---	--	---	---	----------	---	---

3.2	+	1.5	+	2.6	$\div 3$	=	2.4
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$57,100 \times 2.4\% = 1370$

Total Prospective Need 1370

Total Present and Prospective Need 310 + 1370 = 1680

Low Income 1063

Moderate Income 617

Calculations by Carla L. Lerman

MUNICIPALITY: South Plainfield

1980 Total Occupied Housing Units	6224
Present Number of Deficiencies	152
Percent of Occupied Units	2.4%
Share of Excess Deficiencies from Core Area	203
Total Present Need	355

1990 South Metro Prospective Need 57,100

Fair Share Formula:

Percent of South Metro increase in covered employ.	+	Percent of South Metro increase in comm/indust. ratables	+	Percent of South Metro Vacant Devel. "Growth" Area	$\div 3$	=	Percent of South Metro Prospective Need
4.8	+	2.7	+	0.14	3	=	2.5

$$57,100 \times 2.5\% = 1427$$

Total Prospective Need 1427

Total Present and Prospective Need	355 + 1427 = 1782
Low Income	1130
Moderate Income	652

Calculations by Carla L. Lerman

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Table 1
Employed County Residents, by Place of Work, by County

Employed Residents Living In	Bergen		Essex		Hudson		Hunterdon		Mercer		Middlesex		Morris		Monmouth		Passaic		Somerset		Sussex		Union		Warren	New York City	Elsewhere*	Not Reported	Total Number	(Empl. Workers)			
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%					
Bergen	237,948	57.71	15,980	3.85	21,051	5.11	*	*	*	*	1,835	0.45	3,501	0.85	*	24,029	5.83	304	0.07	*	*	3,220	0.78	*	64,541	15.65	12,150	2.94	27,860	6.76	412,329	Bergen	
Essex	9,997	2.90	198,510	57.64	12,117	3.52	*	*	*	*	5,890	1.71	13,576	3.94	*	10,780	3.13	1,474	0.43	*	*	26,470	7.69	*	19,128	5.55	4,154	1.21	42,286	12.28	344,382	Essex	
Hudson	17,553	7.55	14,622	6.29	128,875	55.44	*	*	*	*	2,355	1.01	1,119	0.48	*	2,367	1.02	469	0.20	*	*	4,911	2.11	*	35,900	15.44	2,309	0.99	21,993	9.46	232,473	Hudson	
Hunterdon	217	0.54	631	1.58	110	0.28	19,750	49.41	2,482	6.21	2,201	5.51	1,215	3.04	*	53	0.13	6,311	15.79	*	*	1,579	3.95	*	647	1.62	2,580	6.45	2,199	5.50	39,975	Hunterdon	
Mercer	*	*	*	*	*	*	474	0.34	106,477	76.39	6,630	4.76	*	*	902	0.65	*	*	1,557	1.12	*	*	597	0.43	*	3,775	2.71	9,214	6.61	9,752	7.00	139,378	Mercer
Middlesex	2,219	0.79	11,636	4.12	5,304	1.88	*	*	6,140	2.17	165,927	58.71	1,822	0.64	4,507	1.59	817	0.29	12,165	4.30	*	*	26,251	9.29	*	16,892	5.98	3,501	1.23	25,420	9.00	282,601	Middlesex
Morris	6,163	3.12	21,609	10.94	2,706	1.37	*	*	*	*	1,865	0.94	112,047	56.75	*	*	11,331	5.74	4,823	2.44	*	*	8,261	4.18	*	9,031	4.57	6,218	3.15	13,408	6.79	197,472	Morris
Monmouth	*	*	6,196	2.88	3,200	1.49	*	*	3,221	1.50	16,182	7.53	*	*	133,287	62.05	*	*	*	*	*	*	6,412	2.99	*	15,773	7.34	12,046	5.61	18,488	8.61	214,805	Monmouth
Passaic	37,697	19.38	15,278	7.88	3,394	1.75	*	*	*	*	840	0.43	7,781	4.00	*	103,024	52.98	354	0.18	303	0.16	1,611	0.83	*	7,102	3.65	2,305	1.19	14,779	7.60	194,468	Passaic	
Somerset	459	0.46	3,762	3.76	412	0.41	*	*	*	*	17,486	17.49	3,717	3.72	*	407	0.41	46,331	46.34	*	*	9,709	9.71	*	3,376	3.38	6,042	6.04	8,275	8.28	99,976	Somerset	
Sussex	2,165	4.27	2,600	5.13	712	1.42	*	34	0.07	318	0.63	12,568	24.80	*	*	2,629	5.19	396	0.78	20,936	41.32	519	1.02	1,006	1.99	1,825	3.60	1,630	3.22	3,324	6.56	50,671	Sussex
Union	2,378	1.01	28,209	11.99	4,402	1.87	*	*	*	*	17,074	7.25	5,296	2.25	*	1,183	0.50	6,337	2.69	*	*	129,012	54.82	*	12,455	5.29	3,444	1.46	25,553	10.86	235,343	Union	
Warren	*	*	*	*	*	*	2,799	7.71	*	*	*	*	3,601	9.92	*	*	*	*	*	*	*	*	*	*	20,017	55.13	*	6,907	19.03	2,986	8.22	36,310	Warren

Source: U.S. Census, 1980