

CA - North Brunswick

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Expert Report: Calculation of North Brunswick Township's  
Fair Share obligation and Compliance with Allocation Figure

Report of: Thomas A. Vigna, E. Eugene O'Ross Assoc.

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EXPERT REPORT

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Fair Share Obligation and Compliance with  
Allocation Figure

Prepared by

THOMAS A. VIGNA, P.P.

E. EUGENE OROSS ASSOCIATES

PROFESSIONAL PLANNING,

ENVIRONMENTAL CONSULTANTS

and

LANDSCAPE ARCHITECTS

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## INTRODUCTION

The purpose of the following report is to determine the Township of North Brunswick's obligation for provision of low and moderate income housing in accordance with the Mt. Laurel II decision. Incorporated within this report is a calculated allocation number, as well as a discussion of the methodology utilized for arriving at the Township's lower income housing obligation. In addition, this analysis includes a description of those areas where the methodology incorporated herein differs from that utilized in the calculations of Carla Lerman, court appointed expert in the Urban League of Greater New Brunswick vs. Carteret et. al. case.

The methodology utilized in this report incorporates and reflects to a varying extent the research, analysis and computations of others. Specifically, this report has utilized statistical data prepared for the Court of the Honorable Judge Serpentelli in the matter of Urban League of Greater New Brunswick vs. Carteret et al. Said report was prepared by Carla L. Lerman. Additional sources of data include the New Jersey Department of Labor and Industry, the 1980 U.S. Census of Population and Housing, the U.S. Department of Housing and Urban Development (Newark Area Office), and the New Jersey Department of Transportation.

## DELINEATION of FAIR SHARE HOUSING REGION

Although review of available literature and census data on commuting times appears to support the view that the location of employment is the critical factor in determining housing choice, the following analysis accepts the concept of dual regions espoused in the Lerman report as a means of assuring that adequate resources will be available to accommodate existing regional housing need.

However, the importance of travel time to housing choice must be fully understood and accounted for in any allocation model. Failure to utilize a methodology which affords adequate weight to travel times and commuting patterns is wasteful of energy resources, puts an unnecessary burden upon roadway capacities and is contrary to sound land use planning.

The Route 1 corridor study prepared by the New Jersey Department of Transportation further stresses the importance of providing housing opportunities in proximity to employment opportunities in order to reduce peak hour traffic volumes.

For purposes of this report, both the dual region concept and the 11 county present need region prescribed in the Lerman report are accepted.

However, with respect to the delineation of the prospective need region, this analysis differs with the Lerman report. As a result of travel time assumptions utilized in the Lerman report, the Township of North Brunswick was determined to be in a four

county commutershed region consisting of Middlesex, Monmouth, Mercer and Somerset counties.

However, travel times during peak hours are affected by many factors: roadway speed limits, existing levels of service (relationship of traffic volume to roadway capacity), number of traffic signals and the existence of bottlenecks such as toll booths and bridge crossings. The establishment of commutershed regions based solely upon assumptions concerning average speed limits does not account for these factors.

Therefore, rather than utilizing assumed speed limits to arrive at commuting time/distance rings, the Consultant actually traveled the major travel corridors during morning peak hours. The most expedient travel routes were laid out in all directions and actual travel distances at different times during the morning rush hour were averaged to arrive at 30 minute commutershed regions. As in the Lerman study, the entire area of any county which was pierced within 30 minutes was determined to be part of the commutershed.

The results of these travel time surveys clearly show that Union County should be included as part of the Township's commutershed region for purposes of allocating prospective housing need. Therefore, this study utilizes a five county commutershed region which includes Middlesex, Monmouth, Somerset, Mercer and Union counties.

CALCULATION OF LOWER INCOME HOUSING NEED

Indigenous Need

The methodology utilized in the Lerman report for calculation of indigenous housing need is accepted in this report. As a result, indigenous housing need has been calculated based upon the following three factors: overcrowding, units lacking complete plumbing and units lacking adequate heating. These three factors were summed (overlapping excluded), and in accordance with Tri-State Regional Planning Commission estimates, 82% of these units were assumed to be occupied by lower income households.

Indigenous housing need is therefore calculated as follows:

99	overcrowded units (with complete plumbing)
91	units lacking complete plumbing (not overcrowded)
39	units lacking adequate heating
<hr/>	
229	total substandard indigenous units
x .82	estimated % of lower income occupancy
<hr/>	
188	total indigenous lower income housing need

However, 56.8% of the Township's substandard housing stock lacked either complete plumbing or adequate heating. Extensive rehabilitation efforts in the Township support the argument that these characteristics of substandard housing can best be addressed through rehabilitation efforts. Therefore, indigenous lower income housing need to be addressed by new construction activity is equal to the 43.2% of the substandard housing stock which is overcrowded.

$$\begin{array}{r} 188 \\ \times .432 \\ \hline \end{array}$$

81 indigenous lower income housing to be addressed  
through new construction

Reallocated Present Need

The Lerman report calculated the total regional present housing need based upon the same three measures of substandard housing utilized to determine indigenous need. This amounted to 6.4% of the 11-county region's entire housing stock.

This study follows the precept of the Lerman study in that housing units which exceed this 6.4% "standard of deficiency" in any municipality in the region are added to a reallocation pool for distribution to other municipalities. However, the Lerman study indicates a reallocation pool which is equal to 35,014 units, while the reallocation pool resulting from this analysis is equal to 19,293 units.

This reallocation total results from the fact that 44.9% of the total substandard units in municipalities which exceed the "standard of deficiency" are substandard because of a lack of either complete plumbing or adequate heating facilities. Preliminary investigation reveals extensive rehabilitation activity in those municipalities in the region which generated the surplus substandard units comprising the reallocation pool. Therefore, the 15,721 units in the reallocation pool attributed to a lack of plumbing and inadequate heating facilities can be addressed through rehabilitation and revitalization efforts.

The reallocation pool to be addressed through new construction activity is therefore 19,293 units.

Twenty-th<sup>re</sup> municipalities have been excluded from the reallocation pool in accordance with the Lerman study either because they exceeded the regional standard of deficiency or because they were designated urban aid municipalities which met criteria prescribed in the Lerman study.

The Township's fair share of the reallocation pool is then calculated in accordance with the Lerman study based upon the Township's percent of regional employment, the Township's percent of regional growth area, and the ratio of Township median household income to regional median household income.

Table I

Present Need Allocation Factors

	North Brunswick Township	11-County Region
1982 Employment	13,224	1,244,632
Growth Area (acres)	6,844	699,163
1979 Median Household Income	\$ 25,027	\$ 24,177

North Brunswick Township's % of 1982 regional employment = 1.06  
 North Brunswick Township's % regional growth area = .979  
 Ratio of North Brunswick's 1979 median household income to regional median household income = 1.04

$$\frac{1.06 + .979}{2} = 1.0195\%$$

$$1.0195 \times 1.04 = 1.06\%$$

$$\frac{1.06 + .979 + 1.06}{3} = 1.03\% \text{ (Reallocation \%)}$$

$$19,293 \times .0103 = 199$$



This number is multiplied by 1.2 in order to account for municipalities which cannot accommodate their allocation quota.

$$199 \times 1.2 = 239$$

This figure is then multiplied by 1.03 in order to provide for a 3% vacancy factor.

$$2.39 \times 1.03 = 246 \text{ reallocated present need}$$

This reallocated need is to be met over three six year periods in order to reduce the impact of population out-migration on urban core areas. This results in a total of 82 lower income units to be provided through new construction activity over the six year period of the new Master Plan.

#### Prospective Need

The commutershed region utilized for calculating prospective housing need is comprised of Middlesex, Monmouth, Mercer, Somerset and Union counties. Utilizing Table 8 of the Lerman report, it is projected that the five county region will generate 57,416 new lower income households from 1980-1990 as a result of in-migration or new household formation.

This figure for lower income household growth results from application of headship rates to county population projections detailed in the Lerman report. However, this Consultant questions utilizing lower income household projections which include projected lower income household growth in non-growth municipalities.

In accordance with the Mt. Laurel II decision, non-growth municipalities are required to provide housing opportunities only for their indigenous poor. As a result, these non-growth municipalities are not allocated any of the excess present need exhibited in the region. However, with respect to prospective need, it is suggested by this Consultant that non-growth municipalities should be required to provide housing opportunities for those lower income households which result from population growth within their borders.

For example, if non-growth municipalities are projected to generate an increase of 5,000 lower income households by the end of the decade, these 5,000 lower income households should be accommodated in those non-growth municipalities. Such a policy is consistent with non-growth municipalities being required to accommodate their indigenous poor. If growth in these municipalities results in the in-migration of lower income households, then these municipalities should be required to provide shelter for those lower income households for which they are responsible. Failure to do so would enable non-growth municipalities to reap all of the benefits of future economic growth within their borders, while not having to bear any of the social costs. As a result, future population growth in these municipalities would be 100% middle and upper income households. If non-growth municipalities are permitted to experience population growth, those municipalities should not be permitted to export all of their lower income households to other growth municipalities.

It is therefore suggested that household growth in non-growth municipalities be calculated and that it be assumed that 39.4% of this household growth should be lower income households in accordance with Statewide percentages. The number of lower income households resulting from population growth in non-growth area municipalities should then be subtracted from the 57,416 projected lower income households before allocating households to growth-area municipalities.

This Consultant is unable to perform these calculations due to the fact that projections are not available for individual municipalities. However, it is strongly suggested that this reduction be taken into consideration.

In addition, the household projection which resulted from the Lerman report is for a 10-year period. However, since compliance is to be measured over a six year phasing schedule which coincides with the Master Plan reexamination requirements, the Consultant has utilized 60% of the Lerman lower income household projection as the number of lower income units to be provided over the six year effective period of a new Master Plan and Zoning Ordinance.

As a result, 34,450 lower income housing units must be provided for through 1990 in growth and non-growth area municipalities.

The methodology utilized for allocating prospective housing also differs from the Lerman report.

The percentage of prospective lower income units to be allocated to North Brunswick is equal to an average of 4 factors. The first two factors are the Township's percentage of 1982 commutershed employment and the Township's percentage of commutershed growth area.

The third factor is the Township's percentage of commutershed employment growth from 1972-1982. However, this factor has been computed differently than in the Lerman report. In calculating commutershed employment growth, municipalities which experienced employment declines were also excluded along with non-growth municipalities and selected urban aid municipalities. The Township's percentage of employment growth is then calculated as a percentage of the job growth in municipalities which experienced job growth. Failure to exclude employment figures in municipalities which experienced job losses, results in job growth percentages which when totaled, significantly exceed 100%. The calculation resulting from the Lerman formula is statistically incorrect for this reason.

The employment growth factor has also been calculated based upon annual average job growth as opposed to the regression formula utilized in the Lerman study. This change is based upon the limited applicability of regression analysis with small sample sizes.

This employment growth factor has also been double-weighted in calculating the Township's allocation percentage. While the

expert for the Urban League has taken the position that there is no clear logic behind weighing one factor more or less heavily than any other, this Consultant is of the opinion that projections of employment and housing growth in the Route 1 corridor underscore the fact that employment growth should be the critical factor in the allocation formula.

The double-weighting of employment growth may not be appropriate throughout the State of New Jersey. However, for the Route 1 corridor extending from Lawrence Township in the south to North Brunswick Township in the north, projections of employment growth and unfavorable household to job ratios are strong arguments in favor of affording extra weight to job growth.

The Route 1 Corridor Project, a New Jersey Department of Transportation study of land development trends and improvement alternatives along a 20 mile stretch of Route 1 from Lawrence Township to North Brunswick Township, projects future non-residential and residential growth in the corridor based upon market analysis and the status of existing development proposals. This study projects an increase of approximately 44,000 jobs in the corridor between 1980 and 1992. At the same time, the housing stock is projected to increase only 24,700 units over this time period.

The Route 1 Corridor Project also points out that the ratio of jobs to households in this corridor is presently higher than regional ratios, with certain municipalities expected to almost double the statewide average by 1992. The high number of jobs

per dwelling unit reflects an increasing shortage of housing for the employees of new office developments in the corridor.

It has been projected that as much as 70% of the new office space in this corridor will be concentrated in a seven mile strip on either side of Route 1 from South Brunswick to the Quakerbridge Road area in Lawrence Township. If municipalities in this corridor which are experiencing this tremendous employment growth do not provide for the necessary housing to accommodate workers, the result will be increased commuting times and deteriorating levels of service on corridor roadways.

Double-weighting of employment growth is therefore proposed as a means of stabilizing and correcting these inequitable household to job ratios in the corridor.

The fourth factor results from multiplying the average of the first three factors (total jobs, growth area and employment growth weighted twice) by the ratio of Township median household income to the 5 county commutershed median household income.

The following calculation results:

Table II

North Brunswick Township's % of 1982 commutershed employment = 2.03  
North Brunswick Township's % of commutershed growth area = 1.24  
North Brunswick Township's % of commutershed employment growth  
between 1972-1982 = 1.12  
Ratio of North Brunswick 1979 median household income to  
commutershed median household income = 1.06

$$\frac{2.03 + 1.24 + 1.12 + 1.12}{4} = 1.38\%$$

$$1.38 \times 1.06 = 1.46\%$$

$$\frac{2.03 + 1.24 + 1.12 + 1.12 + 1.46}{5} = 1.39\% \text{ (Reallocation \%)}$$

$$34,450 \times .0139 = 479$$

This number is multiplied by 1.2 in order to account for municipalities which cannot accommodate their allocation quota:

$$479 \times 1.2 = 575$$

This figure is then multiplied by 1.03 in order to provide for a 3% vacancy factor.

575 x 1.03 = 592 Prospective lower income housing obligation

Total Housing Obligation

The Township's total lower income housing obligation is summarized in Table III below:

Table III

Lower Income Housing Units To Be Provided Through 1990

81	Indigenous Need to Be Addressed Through New Construction
82	Reallocated Present Need
<u>592</u>	Prospective Need
755	Total New Construction
<u>107</u>	Indigenous Need to Be Addressed Through Rehabilitation
862	Total Lower Income Housing Obligation



## COMPLIANCE WITH ALLOCATION FIGURE

The Zoning Ordinance of the Township of North Brunswick does, as argued by the expert for the Urban League, continue to contain exclusionary provisions such as minimum floor area requirements and bedroom mix limitations. In addition, the Zoning Ordinance contains several cost-generating design guidelines and restrictions governing land use in various zones.

In acknowledgement of these shortcomings, the Township's newly adopted Master Plan (adopted 5/24/84) specifically addresses the Township's lower income housing obligation, and prescribes a program consisting of land use policy and affirmative devices which provide a realistic opportunity for provision of the required numbers of lower income housing units.

The following housing policies relative to provision of lower income housing are promulgated in the new Master Plan:

- 1) designation of land for construction of mid-rise subsidized housing.

- 2) recommendation that the Township investigate the creation of a local development corporation to finance said construction through its bonding powers if adequate rental subsidies are not available to facilitate construction by a limited dividend sponsor.

- 3) designation of an additional 80 vacant acres for manufactured housing.

4) recommendations to permit zero lot-line placement of mobile homes at development density of 8 units per acre.

5) requirements for a mandatory set-aside for lower income units ranging from 20-50% of the mobile home units in a manufactured housing development.

6) recommendation to establish provisions to regulate sale price and occupancy of lower income units.

7) recommendation that minimum required floor areas be based upon occupancy.

8) recommendation to allow clustering of single-family homes in order to reduce site development costs.

9) recommendations to relax improvement standards in major residential developments in order to reduce per unit development costs.

10) recommendation to reduce required pavement widths, require sidewalks on only one side of the street, and eliminate water and sewer hook-up charges for lower income units.

Zoning Ordinance amendments necessary to implement the above housing policies are anticipated to be introduced shortly. However, while the existing Zoning Ordinance is deficient in a number of respects, it is argued that significant lower income housing activity has taken place in North Brunswick prior to promulgation of the Township's lower income housing goal. These units should therefore be counted toward achievement of the Township's housing obligation.

In order to determine how much of the Township's 862 unit obligation for low and moderate income housing has already been satisfied since April 1, 1980 (the official date for return of the Census forms), the Consultant surveyed all major housing developments in the Township which were still under construction or have received final approval since that time. The April 1, 1980 date is significant because the region's housing need is based upon 1980 Census data. All lower income units constructed since that time should be counted toward achievement of the Township's lower income housing obligation.

The Consultant met with developers of all major projects and gathered information on total units, unit type, occupancy dates, sale prices and rents. The results of these meetings are reflected in Tables IV and V.

Table IV reveals that 3,102 residential units that were not reflected in the 1980 Census, have been constructed or received approval from the Township Planning Board. Table V reveals that 536 of these units have been made available at rent or price ranges which make them affordable by low income families. Six hundred and fifty-nine additional units have been sold or are being marketed at prices which qualify as being affordable to moderate income families. This amounts to a total of 1,195 lower income units which have been made available in North Brunswick Township since April 1, 1980. The figure amounts to 38.5% of the Township's new housing stock.

Table IV

Approved Residential Units in Large-Scale Developments Which Are  
Not Reflected in the 1980 U.S. Census

<u>Development</u>	<u>Single Family</u>	<u>Townhouses</u>	<u>Condominiums</u>	<u>Apartment</u>	<u>Mobile Home</u>	<u>Patio Homes</u>
Hidden Lake Site D		112	72	76		
Riverbend						142
Belcourt		165				
Single-family areas	20					
Society Hill (2)		248	160			
North Brunswick Manor (3)				590		
Indian Head North (3)	51	305				
Oak Village (3) The Oaks		272				
Oak Hollow			196			
Deerbrook (4)					488	
U.A.W. Senior Citizen Housing						
<u>TOTAL:</u>	<u>71</u>	<u>1102</u>	<u>428</u>	<u>871</u>	<u>488</u>	<u>142</u>

Total Number of Units Approved but not Reflected in the Township's 1980  
Housing Stock = 3,102

Source:

- 1 Michael Kaplan
- 2 Peter Reinhart
- 3 David Halpern
- 4 Santo LaBarbara

Table V

"Lower Income" Housing Units Approved or Constructed Since April 1, 1980

<u>Development</u>	<u>Rent below \$450 (Low Income)</u>	<u>Below \$38,750 Low Income)</u>	<u>\$38,750- \$50,500</u>	<u>\$50,500- \$55,500</u>	<u>\$55,500- \$60,500</u>
North Brunswick Manor	25				
Society Hill		32	32	80	48
The Oaks		45	45	96	40
U.A.W. Senior Citizen Housing project	205 (rent subsidized)				
Deerbrook Village		170	318		
Section 8 Moderate Rehabilitation Units	38 (rent subsidized)				
Units in Community Residences for the Developmentally Disabled	<u>21 (sub- sidized)</u>				
Total:	289	<u>247</u>	<u>395</u>	<u>176</u>	<u>88</u>

In all likelihood, the number of lower income units which have been provided is probably significantly higher. When developers or rental units were interviewed, information was only provided on units renting for less than \$450 per month. Analysis has shown that a moderate income family can afford to spend approximately \$700 per month on housing expenses.