

Hamdel 1984

12/12

Memo re review of "Present Need"

pgs. 3

expert report

ML 000119L

TO: Gagliano, Tucci, Iadanza & Reisner
FROM: Queale & Lynch, Inc.

William Queale, Jr. P.P.#47, AICP
William Queale, Jr.

SUBJECT: Review of "Present Need" Methodologies
November 30, 1984 Report of Dr. Burchell

I have reviewed the data from Rutgers, and offer the following comments:

1. My original testimony was that one could use the methodology of the Warren Formula to calculate Holmdel's indigenous units, but apply the Rutgers percentage of 45% rather than the Warren Formula's 82% to estimate that portion of the indigenous units occupied by low and moderate income households. My source for the 45% was Exhibit 2A-1, p.142 of Mount Laurel II, Challenge & Delivery of Low-Cost Housing, CUPR, 1983.

The court noted that the CUPR data did not include "overcrowded" units. If these units were included, it was felt the ratio would change. In adding overcrowded units, it is important they be added to the total number of deficient units as well as those occupied by Mount Laurel households.

The CUPR data (p.142) shows the East Central Region, of which Holmdel is a part, has 6,040 units of deficient housing occupied by non-Mt. Laurel households plus another 4,960 deficient units occupied by Mt. Laurel households. These 4,960 units equal 45% of the 11,000 deficient units using the seven surrogates used by the CUPR.

2. In reviewing the data submitted by Dr. Burchell November 30, 1984 entitled Mount Laurel Present Need for the Monmouth/Ocean Region, I note the following:

The major purpose of my using the Rutgers data was to indicate that the factor of 82% of all deficient units being occupied by low/moderate income households was too high. The November 30th data submitted in Exhibits 1 and 2 verify a lower percentage for N.J. and the 11-County Region. The data for Monmouth/Ocean was limited to the number of deficient units occupied by low/moderate households by sub-regions, but did not give the deficient units occupied by middle and upper income households. In my opinion, Exhibit 3 needs to be presented in the same form as Exhibits 1 and 2 in order to make the appropriate comparisons.

- a. Exhibit 1 seems clear for the State of New Jersey that in using the Censensus method with the data being properly income qualified (line 3), low and moderate income households occupy 64.2% of the deficient housing units instead of the 82% now being used in the Warren Formula.

- b. Exhibit 2 seems equally clear for the 11-Northern County Region where the percentage (line 3) shows 64.9% instead of 82%.

c. Exhibit 3 for the Monmouth/Ocean Region is presented for sub-regions and is in a different format. Only the number of deficient units occupied by low income households is identified. (I have assumed the "Low-Income" title means "low and moderate" since Exhibits 1 and 2 identify low and moderate). Exhibit 3 does not give the number of deficient units occupied by "middle and upper income" households. Without the "middle and upper income" number, the total number of deficient units cannot be determined and therefore the percentage of deficient units occupied by low/moderate income households cannot be determined.

3. In comparing Exhibit 3 from the November 30th report with Exhibit 2A-1, p.142 of Mount Laurel II, Challenge & Delivery of Low-Cost Housing, perhaps a relationship can be drawn that would generate the appropriate percentage. (The only other option is to request from Dr. Burchell that Exhibit 3 be put in the same format and with the same data as Exhibits 1 and 2).

Exhibit 3 from the November 30 report shows 5,000 units in the Monmouth/Ocean Region using the Rutgers method. Exhibit 2A-1 of their 1983 report shows 4,960. I have assumed these are the same number. Exhibit 3 notes the Monmouth/Ocean Region has 7,800 deficient units occupied by lower income households using the Warren Formula with proper income qualification. This is a 56% higher number.

Assuming that the number of deficient housing units in the Monmouth/Ocean Region occupied by "middle and upper income" households using the Warren Formula is also higher by 56%, the 6,040 units identified on Exhibit 2A-1 of the 1983 CUPR report would become 9,422 units. The total number of deficient units occupied by all income levels in the Monmouth/Ocean Region would therefore become 7,800 low/moderate income households plus 9,422 middle and upper income households, or 17,222 in total.

The result is that the 7,800 deficient units occupied by low and moderate income households equals 45.3% for the entire region.

The same approach cannot be used for the North Monmouth Sub-Region in which Holmdel is located because none of the subregion figures for deficient housing identify the number of middle and upper income households occupying deficient housing. Without this number you cannot compute the total number of deficient units.

One difference noted in Exhibit 3 of the November 30th report is that the North Monmouth Sub-Region (Holmdel) has fewer deficient units (1,080) under the Warren Formula compared to the Rutgers Method (1,120). The opposite is the pattern for the entire region.

4. None of the Rutgers data is sufficiently detailed to generate numbers for Holmdel.

EXHIBIT 2A-1

NUMBER AND PERCENTAGE OF OCCUPIED DWELLING UNITS ASSIGNED SATISFACTORY AND DEFICIENT STATUS
BY COMBINATORIAL ANALYSIS OF 7 SURROGATES OF DEFICIENT HOUSING FOR NON-MOUNT LAUREL AND MOUNT LAUREL ELIGIBLE HOUSEHOLDS

	REGION						Total
	Northeast	Northwest	West Central	East Central	South-west	South-South-west	
<u>Non-Mount Laurel Households</u>							
<u>Satisfactory Housing</u>							
Number	375,280	387,386	203,500	227,840	282,440	146,080	1,622,520
% of Regional Total	(93.58)	(95.98)	(98.24)	(97.42)	(97.55)	(92.66)	(95.84)
<u>Deficient Housing</u>							
Number	25,760	16,220	3,640	6,040	7,100	11,580	70,340
% of Regional Total	(6.42)	(4.02)	(1.76)	(2.58)	(2.45)	(7.34)	(4.16)
<u>Mount Laurel Households</u>							
<u>Satisfactory Housing</u>							
Number	234,080	244,640	119,240	121,400	173,200	67,520	960,080
% of Regional Total	(81.71)	(87.91)	(93.3)	(96.01)	(92.80)	(89.6)	(88.81)
<u>Deficient Housing</u>							
Number	52,160	33,440	8,520	4,960	13,360	7,720	120,160
% of Regional Total	(18.29)	(12.09)	(6.70)	(3.91)	(7.2)	(10.4)	(11.19)
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Proportion of Housing Erroneously Assigned Deficient	(6.42)	(4.02)	(1.76)	(2.58)	(2.45)	(7.34)	(4.16)
Net Proportion Deficient Housing	(11.87)	(8.07)	(4.94)	(1.39)	(4.75)	(3.06)	(7.03)
Net Number of Housing Units Occupied by Mt. Laurel Households as Deficient	34,005	22,457	6,313	1,158	8,865	2,306	75,104