

ML

Piscataway

7-Mar-1985

Letter from Hounanian showing
calculations for Society Hill^{1/3} in
Piscataway's Fair Share formula.

pgs = 1

Incomplete

ML000567L


K. HOVNIANIAN COMPANIES OF NEW JERSEY, INC.

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March 7, 1985

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RE: Society Hill at Piscataway

Dear Ms. Williams:

Upon reviewing my calculations in my November 6, 1984 memorandum while preparing for one of the presentations required in connection with the approval of Society Hill at Piscataway by the Township of Piscataway, I discovered that I had incorrectly used the income limit of a 4 member family when calculating the sales prices of the 2 bedroom, low income units. The correct calculations are as follows:

Low Income Limit For Family of 3	94% of Limit	28% of 94%
\$15,200	\$14,290	4,000

<u>Interest Rate</u>	<u>Total Factor</u>	<u>Preliminary Sales Price</u>	<u>Actual Sales Price which is 90% of Prel.</u>
14	.15747	\$25,400	\$22,860
13	.14897	26,850	24,170
12	.14059	28,450	25,600
11	.13235	29,960	26,970
10	.12428	32,180	28,970

Calculation of Rental Charges:

$$\frac{\text{Income limit}}{15,200} \times .94 \times .28 = 4,000 \div 12 = \$333 \times .9 = \$300 - 70 = \frac{\text{Rent}}{\$230}$$

The other calculations in my memorandum are correct except that the revisions requested by Mr. Gelber have actually increased the losses from these 109 "Mt. Laurel" units from \$997,500 to \$1,097,500.

I also note that in Mr. Paley's Post-Trial Memorandum on behalf of the Township of Piscataway dated March 6, 1985 that Mr. Paley states on page 5 of his Memorandum that "Piscataway's median household income is 102% of the regional median income." We consented to Mr. Gelber's request to use only 94% of the PMSA median income limits because Mr. Gelber stated that such adjustment was necessary,