

~~ML~~ - Morris Lantz Fair Share ^{General} Council

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ML revised methodology for calculating
Fair Share + the resulting figures

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April 9, 1984

The Honorable Stephen Skillman
Superior Court
Middlesex County Court House
New Brunswick, New Jersey 08903

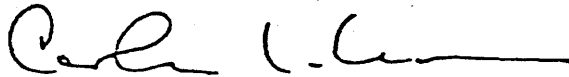
Dear Judge Skillman:

Enclosed are the revised methodology for calculating Fair Share and the resulting figures for the 11 Morris County municipalities. The methodology incorporates the median household income factor described in the addendum memo to the Sach 5th report.

These results are being sent to all counsel on the service list.

I will be happy to answer any questions that may arise in relation to this report.

Sincerely,



Carla L. Lerman, P.P.

CLLM

Enclosure

APPENDIX A

FAIR.SHARE METHODOLOGY

Urban League of
Greater New Brunswick
vs. Carteret
• C.L. Lerman

A. REGIONAL PRESENT NEED

- (1) Substandard housing units, based on overcrowding, lack of plumbing, and lack of adequate heating, by county, for 11-county present need region. Table 1.
- (2) Determination of regional "standard of deficiency" for 11-county region, for Mt. Laurel households. Table 1.
- (3) Evaluation of municipalities which exceed regional standard of housing deficiencies, and measurement of number of units in region which are "excess," and therefore must be reallocated, adjusted for Mt. Laurel households. Table 2.
- (4) Evaluation of subject municipalities to determine their standard of housing deficiencies, and thereby their legitimate inclusion in reallocation assignment pool, and their indigenous need. Table 3.
- (5) Determination of formula for measuring "fair share" of any municipality in region:

Municipal 1982 Employment + Growth Area as % of Region's Employment Municipal Growth Area as % of Region's Growth Area

Base reduced by Growth Area and Employment in Non-Growth Municipalities and Selected Urban Aid Cities

Averaged, and multiplied by ratio of municipal median household income to regional median household income, to create third factor. Average three factors and multiply by regional excess of deficient housing units, multiply by 1.2 for additional reallocation = Fair Share of regional excess. Tables 4, 5 and 6.

- (6) Establish three phase staging schedule of the reallocated excess portion of present need, by municipality. Multiply the first stage amount by 1.03 for adequate vacancies. Table 7.
- (7) Add adjusted fair share of reallocated excess to indigenous for Total Present Need for municipality.

B. PROSPECTIVE NEED

(1) Projection of population., by county, to 1990, based on average of ODEA Models 1 and 2, times N.J. headship rates (as computed in Mt. Laurel lit Challenge and Delivery of Low Cost Housing, Rutgers University) to determine estimated number of households, by county, in 1990. Determination of number of lower income (Mt. Laurel) households to be added to each county by 1990, based on N.J. standard of 39.4%. Divide between low and moderate income (50% - 50%). Table 8.

(2) Determination of prospective need regions for subject municipalities based on 30-minute driving time from approximate functional center of subject municipality, at the following speeds:

- 30 mph local and county roads
- 40 mph state and federal highways
- 50 mph interstates, Garden State Parkway, and N.J. Turnpike

Prospective need regions, or commutersheds, will include the entirety of any county entered by this method. Table

(3) Determination of fair share formula for allocation of prospective additional Mt. Laurel households in 1990:

Municipal employment, as % of commutershed employment, 1982 ?	+	Municipal employment, growth, 1972-82, average annual in- crease, as % of com- mutershed employment growth	+	Municipal growth area as % of commutershed growth area
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All factors less amounts in non-growth municipalities and selected urban aid cities.

These three factors averaged, multiplied by ratio of municipal median household income to regional median household income to create fourth factor. These four factors averaged, and applied as a percentage to number of projected Mt. Laurel households in subject commutershed. Tables 10, 11, 12.

(4) Application of above prospective need fair share formula to each subject municipality, multiply by 1.2 for additional anticipated negative or positive reallocation with additional 3% vacancy factor added to all new housing units allocated. Tables 13-19.

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- (5) Determination of median income to be used for evaluating Mt. Laurel population income levels and affordability levels, based on use of HUD median family income, by SMSA, updated to 1983. County median incomes were multiplied by county population for a weighted median. Affordability will be determined based on HUD adjustments for family size, from one person household to eight person household. Maximum Mt. Laurel household income levels will be based on average number of persons permitted in various size units, and the HUD maximum income for that size household. Tables 20A, 20B, and 20C.

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Fair Share - Present Need

<u>1982 Municipal Employment</u>	<u>19 82 11-County Employment</u>	<u>Percent</u>
.3,780	1,244,632	0.304
Municipal Growth Area (State Development Guide Plan) <u>in acres</u>	11-County Growth Area <u>in acres</u>	<u>Percent</u>
4,089	699,163	0.585
Municipal Median Household <u>Income (1979)</u>	11-County Median Household <u>Income (1979)</u>	<u>Ratio</u>
\$28,262	\$24,177	1.17

$$0.304 + 0.585 = 0.445 \times 1.17 = 0.52$$

$$\frac{0.304 + 0.585 + 0.52}{3} = 0.47\% \times 35,014 = 165$$

Reallocated Excess Need in 11-County Region = 35,014 units

Municipal Share of Reallocated Excess: 165

Staged in three six-year periods: $165/3 = 55$

Incl. add'l. reallocation: $55 \times 1.2 = 66$

Incl. allow, for vacancies: $66 \times 1.03 = 68$

- Indigenous Need is number of units in municipality lacking complete plumbing, overcrowded, or lacking adequate heating.

Indigenous Need: 180

Total Present Need by 1990: 248

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Fair Share - Prospective Need

Commutershed: Essex, Hunterdon, Morris, Somerset, Sussex, and Warren

New Mt. Laurel Households: 1 990 = Prospective Need = 31,949

<u>19 82 Municipal Employment</u>	<u>Commutershed Employment 19 82</u>	<u>Percent</u>
3,780	385,100	0.98
Municipal Growth Area (State Development Guide Plan)		
<u>in acres</u>	<u>in acres</u>	<u>Percent</u>
4,089	320,171	1.28
Municipal Employment Growth, 1972-82, Average Annual		
<u>Increase</u>	<u>Annual Increase</u>	<u>Percent</u>
306	13,142	2.33
Municipal Median Household		
<u>Income (1979)</u>	<u>Income (1979)</u>	<u>Ratio</u>
\$28,262	\$24,791	1.14

$$\frac{0.98 + 1.28 + 2.33}{3} = 1.53 \times 1.14 = 1.74$$

$$\frac{0.98 + 1.28 + 2.33 + 1.74}{4} = 1.58\% \times 31,949 = 505$$

Prospective Need: 505

Incl. add'l. reallocation: 505 X 1.2 = 606

Incl. allow, for vacancies: 606 X 1.03 = 624

Total Prospective Need: 624

Total Present Need by 1990: 248

Total Municipal Fair Share: 872