

UL

Roxbury

27-March-84

Lerman Fair Share

Methodology

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March 27, 1984

Memo

To: Joseph J. Vecchio

Subject: Roxbury Township
Morris County Housing Case
Lerman Fair Share Methodology

The purpose of this memo is to outline for you my comments on the Fair Share methodology developed by Carla Lerman, and other planners, as a "consensus" approach for the Middlesex County Urban League case. My comments for this memo are general in nature. If you decide to focus on one or more of my comments I can develop more detail in a second memo.

My main concern with this methodology is that there appears to be a major overcalculation of total regional Mt. Laurel housing need, and the results are many towns with very high prospective need numbers that cannot possibly be met in the 1984 to 1990 time period of the allocation. Such high numbers could be self-defeating in that those towns will choose to fight rather than voluntarily comply. The results will be lengthy expensive court battles and few settlements. A good example in the Urban League case is Piscataway. Their number is 3,741 Mt. Laurel units or a total of 18,705 multi-family units in six years. That is 27% of all the multi-family units built in New Jersey for 1977 to 1982. In 1982 only 8,114 multi-family units were built in the State.

1. The report indicates that the methodology is a consensus of the planners represented. It was not a true consensus in that two planners represented one developer and some votes were 8 to 7. More importantly the methodology was not tested for other sample towns in the State with varied characteristics. Such sampling would have shown unreasonable numbers for small developed centers with high past job growth.

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2. I have no objection to the present or indigenous need technique - except for the 20% added for towns with no vacant land (see comment 4 below). I do have a problem with implementation however. This need category should not be included in any setaside for new units. It represents existing housing that can be rehabilitated and is a local resource - not a future need.

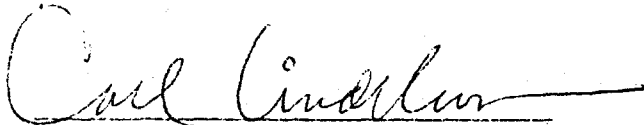
3. I am pleased that the commutershed region is finally recognized as valid. I do object, however, to expanding the region to whole counties if only the smallest portion of such counties can be reached in the allowed driving time. This can result in one town with a large allocation and its neighbor, with identical characteristics, with a low allocation. I favor our technique of including a county if much of it can be covered in the driving time.

4. The 20% added allocation to both present and prospective need is based on the 1978 State Allocation Report, which in turn was based on inaccurate vacant land data. It produces unreasonably high allocations and ignores valid sources of lower income housing in the older built-up areas (e.g. rehab of old schools, factories, etc.). These concepts were not considered in 1978, perhaps because the 1980 tax law on rehab tax credits was not available to encourage such development.

5. The 1980-1990 prospective need does not include a correction for units built in the 1980-1983 period. Although few subsidized units (1,500±) were built in that period, many unsubsidized units available to moderate income households were. By not deducting for these units the result is an overcalculation of need. Of course the problem is how does one determine such a figure; if this methodology can develop a 20% add-on for lack of vacant land, with no valid supporting data, they can develop a figure for unsubsidized moderate income units.

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6. The prospective need is based on 1980-1990 population growth, household size and a 39.4% Mt. Laurel unit need. However, urban aid communities are excluded from a prospective need obligation. It should be noted that these very towns have much of the existing subsidized units in the State and probably 10% of these units become available each year through turnover. By not deducting this and other yearly available lower income housing resources from the need projection an overcalculation of need results.

A handwritten signature in cursive script, reading "Carl Lindbloom", with a long horizontal flourish extending to the right.

Carl Lindbloom