

CN - general

3/14/83

Estimate of lower income housing need  
Report by: William Queale, to Colts Neck Planning  
Board

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MEMORANDUM 2-83

DATE: March 14, 1983

TO: Colts Neck Planning Board

FROM: Queale &amp; Lynch, Inc./wq

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

SUBJECT: Estimate of Lower Income Housing Need

----- This memorandum is written as a follow-up to the Mt. Laurel II decision which was summarized in Memo 1-83. Part of the responsibility municipalities face under Mt. Laurel II is to identify the region in which the township is located, the indigenous (resident) need for low and moderate income housing at the present time, the prospective need for lower income housing in the region in which the township is located, and the township's fair share of the region's existing and prospective need. While there are no specific guidelines on how far into the future the prospective need should be projected, the general guideline is that the land use regulations should be set up in such a way that the development of lower income housing is reasonably achievable. We have selected projections to the year 2000 in order to provide maximum flexibility in phasing your fair share and to respond to future court decisions and/or new population information that might alter these numbers.

In defining the region, it is recommended the township use the three New Jersey counties lying within 30 minutes travel time from the township. This is consistent with the 31 minute travel time to work by 78 percent of the township's work force in 1980 and similar to the almost 28 minutes in the region. The region would therefore include Middlesex, Monmouth and Ocean Counties.

The income limit for low income households is 50 percent of the median income for the region. Moderate income limits fall into the 50-80 percent of median category. Based on these guidelines provided by the New Jersey Supreme Court, the maximum income for low income households would be \$10,250 based on a median household income for the region of \$20,510. Moderate income households would have incomes up to \$16,400. Approximately 23 percent of the households in the region fell into the low income category, and 16 percent in the moderate income group in the 1980 U.S. Census.

Relating these regional income characteristics to Colts Neck, the township had a total of 2,220 households of which 161, or 7 percent, were occupied by persons earning less than the region's low income, and 176, or 8 percent, were occupied by persons earning moderate incomes. These are based on a family being able to afford 25 percent of its income for housing (as determined in the Mt. Laurel II decision) and being able to afford a home with a value twice that of the family income. Using regional median family incomes, this converts to a maximum housing value of \$20,500 for low income and \$32,800 for moderate income. Rents would be under \$214/month for low income and between \$214 and \$342/month for

moderate income. The total of 337 lower income households now living in the township is about 15 percent of all households in the township.

The actual value of sales housing and actual monthly rental costs in the township show there are 46 low income units and 62 moderate income units. This means about 115 low income households plus 114 moderate income households are living in the township in housing they could no longer afford if they were to move into the township today. These 229 units were presumably purchased at lower prices in earlier years and/or are families spending more than 25 percent of their income for housing.

The prospective needs of the region are based on population projections made by the N.J. Department of Labor and Industry in February, 1982. The projections used are those developed under a formula which gives principal weight to projected levels of employment. This approach is particularly appropriate because of the relationships drawn between housing and jobs in the Mount Laurel II decision. To date, the projections are available only at the county level, not for municipalities. It is not known whether subsequent projections will be made for municipalities.

The total population for the year 2000 as developed by L&I for the three counties is 1,861,400 compared to 1,445,104 in 1980. Also in 1980, 31,386 people, or about 2 percent of the region's population lived in group quarters. Assuming this ratio will continue to the year 2000, an estimated 1,824,200 people will be living in households. Based on the average household size in the region in 1980 of 2.85 people, there will be a need for 653,100 households. With 39 percent of these households falling into the lower income category in 1980, and assuming that ratio will continue to the year 2000, about 254,700 lower income units will be needed. This compares to a 1980 count of 191,386. As a result, the difference of about 63,300 is the total number of lower income units needed in the region by the year 2000 to support these population projections. This equals almost 3,200 lower income units per year.

Distributing this household growth throughout the region should be based on the "Growth Areas" in the State Development Guide Plan, as well as employment opportunities. The three-county region has a land area of 1,427 square miles, of which 667 are in the Growth Areas. Colts Neck has about 125 acres of its land area in the Growth Area, which is about 0.2 square mile. This means the township has about 0.03 percent of the region's Growth Area.

In 1981, the township had 0.2 percent of the region's employment as reported by L&I in their covered employment data.

If these two categories of the region are applied to the prospective need for lower income housing through the year 2000, Colts Neck's fair share would be 19 units based on land area and 127 based on employment. Averaging these two numbers produces the township's fair share at 73.

In addition to its fair share of the regional need, each town has a responsibility to "...provide a realistic opportunity for decent housing for at least some part of its resident poor who now occupy dilapidated housing..." (Mt.

some part of its resident poor who now occupy dilapidated housing..." (Mt. Laurel II, p. 26). The U.S. Census does not provide data on "dilapidated" housing in 1980 as it did in 1970. However, looking at categories for incomplete baths or kitchens, or units with plumbing but no central heat, and units with 1.1 or more persons per room, the township had 13, 6, 7, and 13 (37) units, respectively.

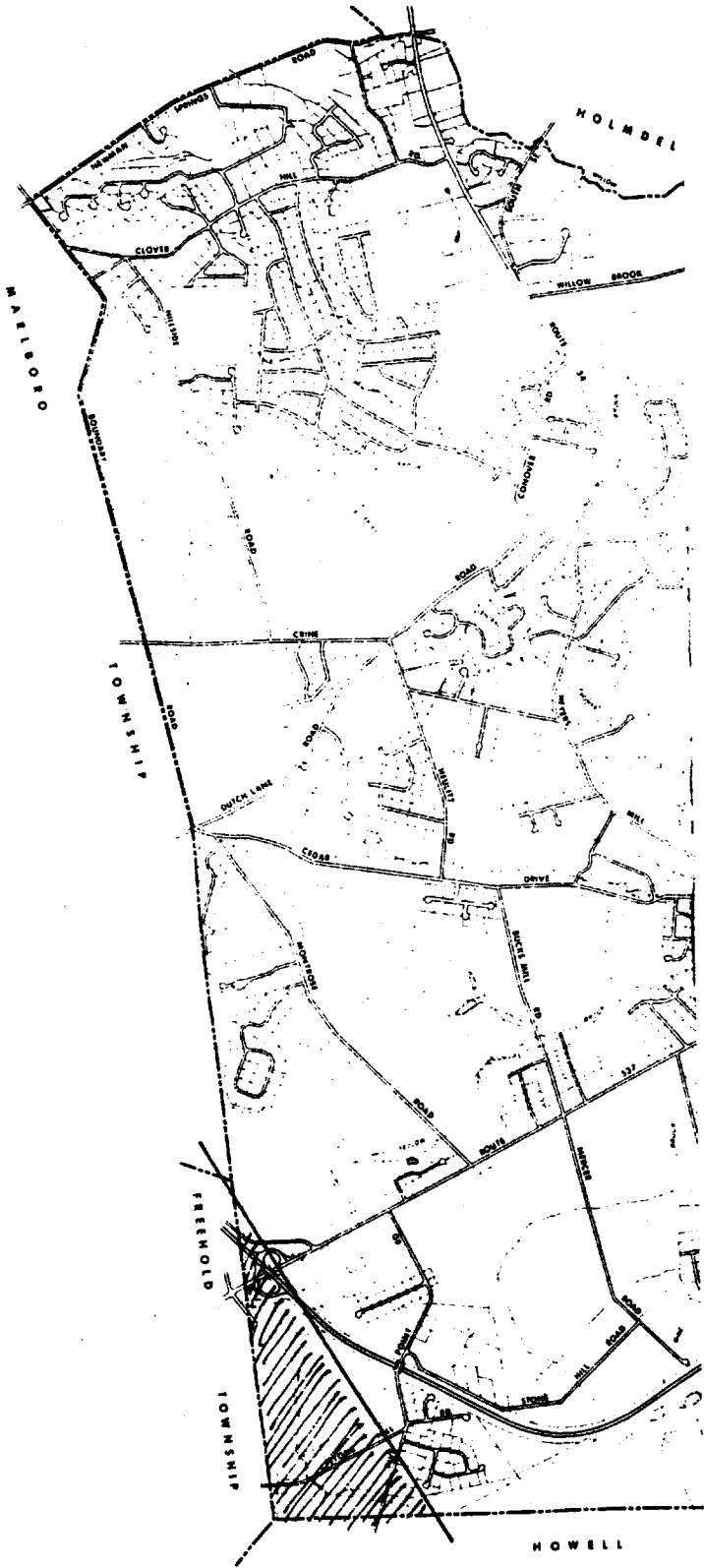
The conclusion of this analysis is that the township has a very small portion in its southwest corner designated as part of the "growth area". Because of this small area, the township's share of the regional need is also small. The result is the township should provide opportunities for at least 136, but perhaps as many as 209, "lower income" units comprised of 60 percent low income and 40 percent moderate income units. These would be the township's fair share of the region's present and prospective lower income needs of the region.

In addition, the indigenous need appears to be between 6 and 13 units. It is suggested with this low a number that the township plan a program to identify the specific units, perhaps by inspections by the Construction Code Official, in order to verify what units have problems and to specify the problems that exist. Once this information is available, selection of appropriate methods to correct the problems can be considered.

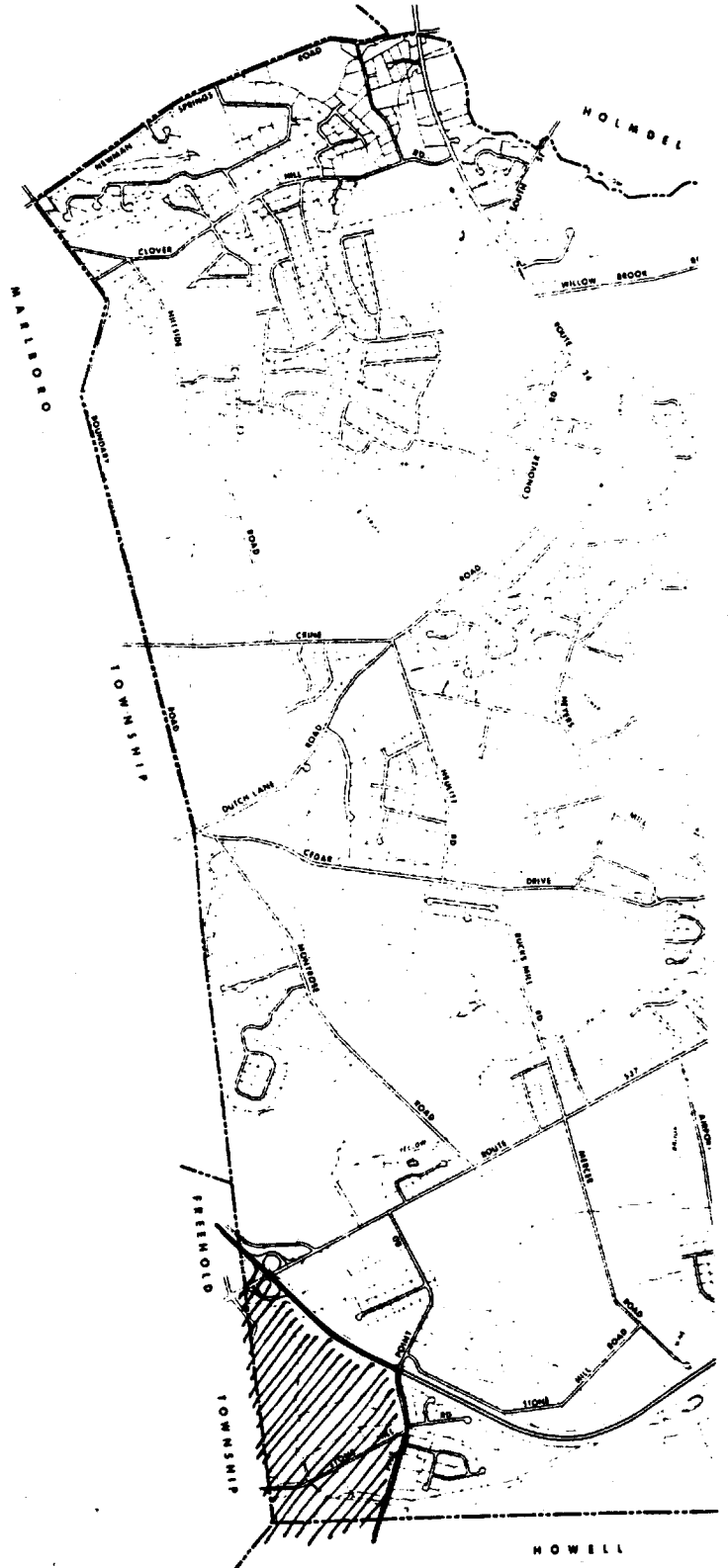
The latest published HUD income limits had an effective date of 10/1/81. They should be updated shortly. Relating the household size income limits for Monmouth County to the approximate unit sizes needed, yields the following rent levels and sales values assuming 25 percent of income for housing. The results are based on monthly rents and sales housing at twice family income. It is noted the income limits are higher than those reported for the region in 1980. This reflects, for the most part, two years of inflation:

Persons/ Unit	Income Limits		Unit Size	Unit Values			
	Low	Moderate		Low Income		Moderate Income	
				Rent	Sales	Rent	Sales
1	\$10,600	\$15,250	0BR/1BR	\$221	\$21,200	\$318	\$30,500
2	12,100	17,400	1BR	252	24,200	363	34,800
3	13,650	19,550	2BR	284	27,300	407	39,100
4	15,150	21,750	2BR/3BR	316	30,300	453	43,500
5	16,350	23,100	3BR	341	32,700	481	46,200
6	17,550	24,450	3BR/4BR	366	35,100	509	48,900
7	18,800	25,850	4BR	392	37,600	539	51,700
8+	20,000	27,200	4BR+	417	40,000	567	54,400

STATE GUIDE PLAN



±262 ACRES  
USED IN CALCULATIONS



	Middlesex Number	County %	Monmouth Number	County %	Ocean Number	County %	Total Number	Region %	Units Number	Need %	Mpl Ratio of Region
<b>Total Population</b>	595393		503173		346038		1445104		7388		.0054584
In Group Qtrs	12137		9224		3015		31385	.0217189	192		.0114895
In Housing Units	576755		493937		243023		1413718		7496		.0053013
<b>Median Household Income:</b>	22825		21051		18124		20510				
Low Income = Less than 50%	11413		10530		8112		10250				
Moderate Income = 50-80%	18261		12253		12980		15400				
<b># Yr-Round Units Occupied = HSHLDS</b>	196708		170130		128304		495142		2220		.0044374
# w/ Low Incomes	40507	0.21	39337	0.23	27781	0.22	107625	0.22	151	0.07	.0014959
# w/ Moderate Incomes	32455	0.17	27909	0.16	23389	0.18	83753	0.17	176		.0021011
<b>LOW INCOME HOUSEHOLD ESTIMATES</b>											
# HSHLDS Less than 50% of the Median HSHLD Income	40507	0.21	39337	0.23	27781	0.22	107625	0.22	151	0.07	.0014959
# Sales Units Meeting Need w/ value under \$20,500	1189		2897		2135		5221				.0011340
# Rental Units Meeting Need Mo. Rent Under \$214+No Cash Rent	17724		13985		7754		44473		33		3.5455E-4
Exist HSHLDS-Existing Units=NEED	21594		17455		17882		56931		115		
Inadequate Housing Units											
# w/o Bath or w/ half Bath	3326		2790		1370		7486		13		
# w/o complete Kitchen	2447		1867		1135		5452		9		
# w/plumbing but no Centrl heat	6619		7102		5856		19577		7		
# w/more than 1.1 Persons/Room	5708	0.09	3947	0.09	2614	0.09	12269	0.09	13	0.01	0.0088E-4
<b>MODERATE INCOME HOUSEHOLD ESTIMATES</b>											
# HSHLDS with 50-80% of the Median Household Income	32455	0.17	27909	0.16	23389	0.18	83753	0.17	176	0.00	.0011011
# Sales Units Meeting Need @ \$20,500 - \$32,800	6262		7990		10518		24770		9		3.1335E-4
#Rental Units Meeting Need Mo. Rent \$214 - \$342	32903		24481		11002		68386		53		7.7508E-4
Existing HSHLDS-Exist Units=Need	-6700		-4562		1059		-9393		114		
<b>RELATIONSHIP TO JOBS</b>											
Mean Travel Time to Work	24.5 Minutes		28.5 Minutes		30.2 Minutes		27.73 Minutes		31 Minutes		1.12
1980 Labor Force (Age 16+)	307883		233867	100	132992	100.00	674742	100.00	337	100.00	.00544E-4
1981 Covered Employment*	281317	0.94	164572	0.75	29154	0.25	525043	0.82	1059	0.31	.0010350
Age 16+ Commuting by Car	244911	0.82	181207	0.83	107887	0.89	534005	0.94	287	0.28	0.23
Age 16+ Working in County	165927	0.54	133287	0.61	67814	0.56	367028	0.57	1050	0.55	0.25
Age 16+ Working in Mpl	67110	0.22	37943	0.17	32374	0.27	137421	0.22	100	0.23	0.45
1980 Unemployment (= Low Income)	8999	0.03	15221	0.07	11592	0.09	35912	0.05	259	0.07	1.12
Ratio of Covered Employ to Occupied Housing Units	1.43		0.97		0.62		1.04		0.49		0.45
<b>RELATIONSHIP TO OTHER FACTORS</b>											
Total Land Area (Sq. Miles)	308.79		477.01		541		1426.8		31.8		.0212875
Portion in Growth Area (Sq. Mi.)	243		245		182		670		4		5.970E-4
Covered Jobs	281317		164572		29154		525043		1059		.0010350
Resident Labor Force (Age 16+)	307883		233867		132992		674742		337		.00544E-4
Total Population	595893		503173		346038		1445104		7388		.0054584