

RULS - AD - 1984 - 120

4/5/84

- letter to Raymond re. concerns on
methodology

pgs. 3

April 5, 1984

Mr. George Raymond, P.P.
Raymond, Parish, Pine & Weiner
555 White Plains Road
Tarrytown, New York 10591

Dear Mr. Raymond:

The calculation of Fair Share obligation and allocations prepared by the group of eighteen planners (hereinafter referred to as the Lerman report) is, in our opinion, an important tool to determine the Mt. Laurel II obligation. There are, however, several questions and issues we wish to raise to the "concensus planners" at this point which we feel will make the method more consistent with the Mt. Laurel II decision.

Existing Housing Need

The existing housing need reallocated from older urban areas is staged over an eighteen year period, because the need "cannot be met in a few years" (p. 13-14). This artificial extension has the effect of understating the actual need and it will lead to an even larger "catch up" situation in the future. The absorption of market rate housing will in actuality determine the speed at which Mt. Laurel housing can be built unless other approaches or new public subsidy programs are initiated. Thus, the extension of time in which to meet the existing need is inappropriate.

The determination of existing indigenous need, a straight-forward count based on the Census, is an appropriate and easily replicable method. The allocation of existing indigenous and reallocated need relies upon the calculation of land within "Growth Areas" of the State Development Guide Plan (SDGP). As "concept maps" the boundaries of Growth Areas were intentionally broad and grossly drawn. There is no readily available measure of the amount of Growth Area in each municipality, county, or region to our knowledge, nor does the Growth Area constitute vacant developable land. This gap in the data should be provided by the State or another impartial body.

Partners:

David A. Wallace, FAIA, AICP
William H. Roberts, ASLA
Thomas A. Todd, FAIA, AICP
David D. Hamme

Senior Associates:

Richard W. Hoffman, AIA
Charles B. Tomlinson, Jr., AIA
Richard W. Barnes, AIA
John E. Clark, CPA

Associates:

John E. Feinsler, AIA
Antoinette F. Sevmour, AICP
Jack Scherer, AIA, AICP
John Bederman

Associates:

Henry F. Bishop, ASLA
Ignacio F. Bunster-Ossa, ASLA
E. Joseph B. Clarke, AICP
Richard Collier, Jr.
Michael D. Garz, AIA

Associates:

Timothy Kordeck, AIA
C. Alan Prust, AIA
Gerald A. Rosenthal, AIA
Rudney D. Robinson, ASLA

Mr. George Raymond, P.P.
April 5, 1984
Page Two

Prospective Need

The Lerman report determines the prospective need by multiplying the average of ODEA's Model 1 and 2 population projections by a headship rate to get projected number of households. The projected households are then multiplied by the assumed 39.4% low and moderate income households to estimate the prospective housing need. It is our opinion that ODEA's Model 1 is the more appropriate of the two projection models since it incorporates anticipated migration based on future labor needs.¹ As the Mt. Laurel II court decision states the importance of the employment-housing opportunity link, it is appropriate to use Model 1 which utilizes projected labor market conditions and not average it with Model 2 (which reduces the projection).

Allocation of Prospective Need

The Lerman report averages three factors to determine each municipality's Fair Share:

1. Each municipality's employment growth from 1972-1982 as a percent of the region's growth.
2. Current municipal employment as a percentage of regional current employment.
3. Municipal land in Growth Areas as a percentage of regional growth area.

Employment and available land for development are appropriate factors in determining where to allocate Fair Share housing, however, the factors used underestimate the future employment picture. The New Jersey Department of Labor in their report Occupational Outlook for New Jersey and Selected Areas 1980-1990 (July 1983) projects 1990 employment for the Newark Labor Area which is Essex, Morris, Union and Somerset Counties. Middlesex County (the Perth Amboy-New Brunswick-Sayreville Labor Area) has its own employment projection. Hunterdon County is the only county for which there is no projection. The projected employment increase from 1982-1990 for the region (without Hunterdon County) is 48% as opposed to the 1972-1982 regional employment growth rate of 13.1%.

¹ ODEA's Model 2, Cohort Model bases the migration component of the projection on past trends (1970's) as opposed to Model 1 which uses projected economic trends.

Mr. George Raymond, P.P.
April 5, 1984
Page Three

The boundaries of the Growth Area as well as the proportional amount of Growth Area within each municipality again need to be established by an impartial source.

Finally, it is appropriate to include the relative median income of each municipality vs the region's median income as a multiplier for the prospective need factors as municipalities with more resources will be more able to provide services.

We would like to commend the planners who undertook this task and have produced a critically important tool for Mt. Laurel II housing in New Jersey.

Sincerely,



DAVID A. WALLACE, FAIA, AICP, PP
Partner

DAW/djy

cc: Honorable Eugene D. Serpentelli
Alfred Ferguson, Esq.
Kenneth J. Meiser, Esq.
Henry A. Hill, Esq.
Richard T. Coppola
Leonard Dobbs
Donald A. Klein, Esq.
Peter J. O'Connor, Esq.