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Planner's Report
on behalf of Timber Corp.
by Moskowitz

Pgs. 44

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PLANNER'S REPORT

Township of Warren, Somerset County, N.J.

1. ANALYSIS OF ZONING ORDINANCE

2. HOUSING ALLOCATION ANALYSIS
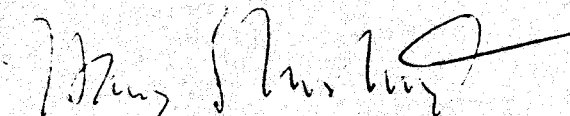
3. INDIGENOUS AND PRESENT NEED

Prepared on behalf of plaintiffs in Timber
Properties vs. Township of Warren.

Prepared by

Harvey S. Moskowitz, Ph.D., P.A.

November 7, 1983

The original of this report was signed and
sealed in accordance with R.S. 12:4-1.

Harvey S. Moskowitz, P.P. #12

PLANNER'S REPORT

This report is an anlysis of Warren Township's (Somerset County) responsibilities under the Mt. Laurel II case. It analyzes the Township's current Zoning Ordinance and most recent amendment, presents a fair share analysis, and calculates the Township's present indigenous housing need. The report indicates the following:

1. The Township's present Zoning Ordinance does not provide a realistic opportunity for decent and affordable housing.[1] The Township therefore has a Mt. Laurel II obligation.

2. The fair share analysis, based upon a 30-minute commutershed, indicates a regional need of between 13,188 and 13,771 low income units and between 16,663 and 17,399 moderate income housing units.

3. Warren Township's share of the regional need was estimated to be 631 to 1,315 low income units and 777 to 1,661 moderate income units through 1995.

4. The Township's indigenous share was estimated to be 380 housing units consisting of both dilapidated units and lower income persons paying more than 25 percent of their income for housing.

This report is divided into three sections, as follows: Analysis of Zoning Ordinance; Housing Allocation Analysis; and Indigenous and Present Need.

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[1] The original Zoning Ordinance was found to be exclusionary. This report only deals with the amendment designed to correct the deficiencies.

ANALYSIS OF TOWNSHIP OF WARREN ZONING ORDINANCE

Introduction

The following section analyzes the current Township of Warren Zoning Ordinance to determine whether it provides a realistic opportunity for decent and affordable housing. The first part of this section discusses the findings of Mt. Laurel II[2] with respect to land use regulations, as well as model land use standards generally acknowledged to allow for lower cost housing. Subsequent sections analyze Warren's zoning regulations which are incompatible with lower cost housing, pinpointing those provisions which violate the Mt. Laurel II decision.

Findings of Mt. Laurel II

Mt. Laurel II requires that land use regulations in all municipalities provide a realistic opportunity for decent and affordable housing for their indigenous poor. Those municipalities designated by the State Development Guide Plan in "growth areas" are also obligated to provide a realistic opportunity for a fair share of the region's future low and moderate income housing. The Court states:

> Plaintiff may continue to prove (in addition to or
> instead of proving the fair share obligation of the mu-
> nicipality) that the land use regulations fail to
> provide a realistic opportunity for low and moderate
> income housing or that they contain "expressly

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[2]South Burlington City NAACP v. Township of Mt. Laurel, 92 NJ 158 (1983).

prescribed requirements or restrictions which preclude or substantially hinder it." (Mt. Laurel I, 67, NJ at 180-81) As before, such a showing shall create a prima facie case of a failure to satisfy the Mt. Laurel obligation. (92 NJ at 222)

The decision goes on:

In order to meet their Mt. Laurel obligations, municipalities, at the very least, must remove all municipally-created barriers to the construction of their fair share of lower income housing...municipalities must remove zoning and subdivision restrictions and exactions that are not necessary to protect health and safety.[3] (92 NJ at 258)

The Court then cited (92 NJ at 259) the Department of Housing & Urban Development's Minimum Property Standards and Rutger's Center for Urban Policy Research, Housing Costs and Government Regulations, as useful guides in developing minimum zoning and subdivision standards. It also cited The Affordable Housing Handbook, prepared by the N.J. Department of Community Affairs and the Tri-State Regional Planning Commission.

But Mt. Laurel II did enumerate (92 NJ at 259) some of the specific municipal land use regulations which are incompatible with lower income housing such as (a) bedroom restrictions; (b) large lot zoning; and (c) prohibitions against mobile homes. The Supreme Court previously decided that minimum floor area requirements, frontage or lot size not related to the number of occupants was illegal and served only to unnecessarily

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[3]However, the Court went on to state, "...unless removal of restrictive barriers will, without more, afford a realistic opportunity for the construction of the municipality's fair share of the region's lower income housing need, affirmative measures will be required (92 NJ at 261).

increase housing costs.[4]

In Mt. Laurel I, other restrictive land use regulations
held to be unlawful included: (a) prohibitions against multiple
family units; (b) no high density zones; (c) prohibitions against
small lots; and (d) minimum building sizes.

In The Affordable Housing Handbook, and in Affordable
Housing: How Local Regulatory Improvements Can Help, from the
U.S. Department of Housing & Urban Development are listed other
generally recognized cost generating features such as
(a) excessive setbacks and side yards; (b) excessive fees;
(c) unrealistic densities; (d) regulations requiring installation
of improvements not related to health, safety and welfare;
(e) regulations which allow total discretion on the part of the
approving authority without any standards set forth in the
ordinance; and (f) regulations which prolong the approval
process. Some of the remedies suggested include pre-application
conferences; designation of a single agency for multi-level or
multi-agency review; and clear and specific requirements as to
what is expected on all submissions (The Affordable Housing
Handbook, page 31).

The Affordable Housing Handbook notes that improvement
costs have a significant impact on overall housing costs. Such
improvements include streets, sidewalks, stormwater control,

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[4]Home Builders League of South Jersey v. Township of Berlin, 81
NJ 127, 405 AP2d 381 (1979).

sewer and water facilities, including extensions, parks, schools, fire stations, all of which are negotiated in the course of the approval process. Methods of cost reduction include greater use of planned development techniques (cluster and planned residential development), reduction in the required length and width of roadways, elimination of or reduction in piped storm sewer systems, elimination of unnecessary sidewalks, avoiding excessive landscaping, and elimination of off-site improvements not directly assignable or ascribable to the specific develop-ment. The Handbook also calls for construction of smaller units to reflect the reduction in the average number of persons per household (in New Jersey in 1980, the average was 2.84; in 1970 it was 3.17 persons per household). Other remedies to reduce housing costs in a municipality's land use regulations include the opportunity to allow single-family homes to construct a second dwelling unit as an accessory use.

Other Expert Recommendations

In addition to the minimum property standards suggested by HUD and those by Housing Costs and Government Regulations of the Center for Urban Policy Research, guidelines for minimum standards were recommended by Alan Mallach Associates, Philadelphia, on behalf of the Public Advocate, representing plaintiffs in Morris County Fair Housing et al. vs. Township of Boonton et al. (also known as the Morris 27 Suit). Mallach notes three general criteria which "summarize the operational dimension of least cost housing," as follows:

a. The absence of cost generating provisions or exactions that are unrelated to health and safety;

b. No more than modest and occupancy based floor area standards;

c. No more than modest lot size or density and related (frontage width, etc.) requirements.

The specific remedies suggested by Mallach were as follows:

a. Minimum Floor Areas - Using the HUD minimum property standards, the following minimums are suggested:

   1 bedroom apartment - 550-600 square feet;

   2 bedroom apartment - 660-720 square feet;

   3 bedroom apartment - 850-900 square feet.

b. Minimum Lot Size - 50 X 100' lot; with clustering, 50 X 80' lot.

c. Townhouse Standards -

   Minimum width - 18 feet;

   Minimum parking requirements - 1.8 spaces per dwelling unit;

   Minimum density - 10 dwelling units per acre;

   Minimum recreation requirement - 20 percent of the site for children and adult recreation use;

d. Garden Apartment Standards

   Minimum parking - 1-1/2 parking spaces per unit;

   Minimum density - 15-20 dwelling units per acre (2-1/2 stories); 25 dwelling units per acre (3 stories)

e. Planned Unit Developments

   Net density - no lower than those proposed for least cost housing developments for each type separately.

f. Mobile Homes - No restrictions against their use in single-family zones.

Density - not lower than 7 dwelling units per acre.

g. Two-Family Homes

Minimum lot size - 40 X 100'.

Another suggestion by Mallach is the opportunity to construct a rental apartment within each single-family unit. The rental unit would be somewhat smaller than the principal unit. The Mallach Report also recommends overzoning, or providing considerably more land than demand would suggest in order to provide for a normal market.

The following sections focus on Warren's Zoning Ordinance and its impact on housing costs.

Analysis of Zoning Ordinance Provisions

The Warren Township Zoning Ordinance consists of Chapter 16 of the Ordinances of Warren Township. The previous zoning ordinance had been declared in violation of Mt. Laurel II and consequently, an amendment was prepared to correct the exclusionary nature of the existing ordinance.

The amendment was contained in Ordinance #82-19. Ordinance #82-19 provided for three additional zoning districts in Warren Township, as follows: (a) R-20 (th); (b) R-20 (tha); and (c) R-20 (ecr) district.

The principal provisions of the R-20 (th) and R-20 (tha) is the addition of townhouses and multi-family dwellings as conditional uses in these zones under the following conditions:

1. Minimum lot size - 10 acres

2. Minimum setback distance - 75 feet from major roads; 50 feet from all other roads and boundaries, except for a 300-foot setback in the R-20 (th) district from Liberty Corner Road.

3. Maximum density of 4 dwelling units per acre.

4. Maximum building coverage - 20 percent of the site.

5. Maximum impervious surface - 60 percent.

6. Maximum building height - 30 feet.

7. Minimum number of units per structure - 2.

8. Maximum number of units per structure - 8.

The ordinance also provides for increases in densities *cond* in both the R-20 (th) and R-20 (tha) zones providing the *density increases* applicant meets a number of conditions. For example, an increase of one unit per acre density is permitted if the average floor area per unit is less than 1,500 square feet and an increase of 1-1/2 units per acre is allowed if the average floor area per unit is less than 1,250 square feet.

Other density increases are allowed based on open space and energy efficiency. If 35 percent or more of the tract is left in its natural state, the density may be increased further by 2.5 units per acre. A further increase of 1 unit per acre is allowed if certain energy efficiencies are achieved. In the R-20 (tha) zone only, the gross density may be further increased by one unit per acre if the occupancy of the unit is restricted to a head of household of 48 years of age and over.

The amendment also allows for lot averaging, but the overall average cannot be less than 20,000 square feet in the R-20 (ecr) zone and 10,000 square feet in the R-10 residential district.

Analysis of Amendment

The amendment to the ordinance obviously fails to meet the most minimum of requirements to comply with Mt. Laurel II, as follows:

1. It does not remove excessive restriction and exactions (92 NJ at 258);

2. The amendment fails to include any of the affirmative measures suggested in Mt. Laurel II. These include incentive zoning that "...either through a sliding scale density bonus that increases the permitted density as the amount of lower income housing provided is increased or through a set bonus for participation in a lower income housing program" (92 NJ at 266). It does not include mandatory set-asides requiring a minimum number of units to be built for low or moderate income included as part of any higher density housing program.

3. It does not provide for zoning for mobile homes (92 NJ at 274).

Moreover, the densities provided in the ordinance fall significantly below those suggested by authoritative guides previously mentioned at the beginning of this section needed to achieve any meaningful number of low or moderate income housing.

The fact that the multi-family housing in the two new zones are conditional uses gives added opportunity for the planning board to delay, and even reject, applications. The ordinance contains no definitive standards aside from the physical design standards which would provide guidance for the planning board in reviewing any such project. In addition, as pointed out before, there is no requirement that the townhouses include low or moderate income units which would be a minimum requirement in meeting any Mt. Laurel II obligation.

For this reason, the proposed amendment clearly remains in violation of the Mt. Laurel II decision.

WARREN TOWNSHIP

HOUSING ALLOCATION ANALYSIS
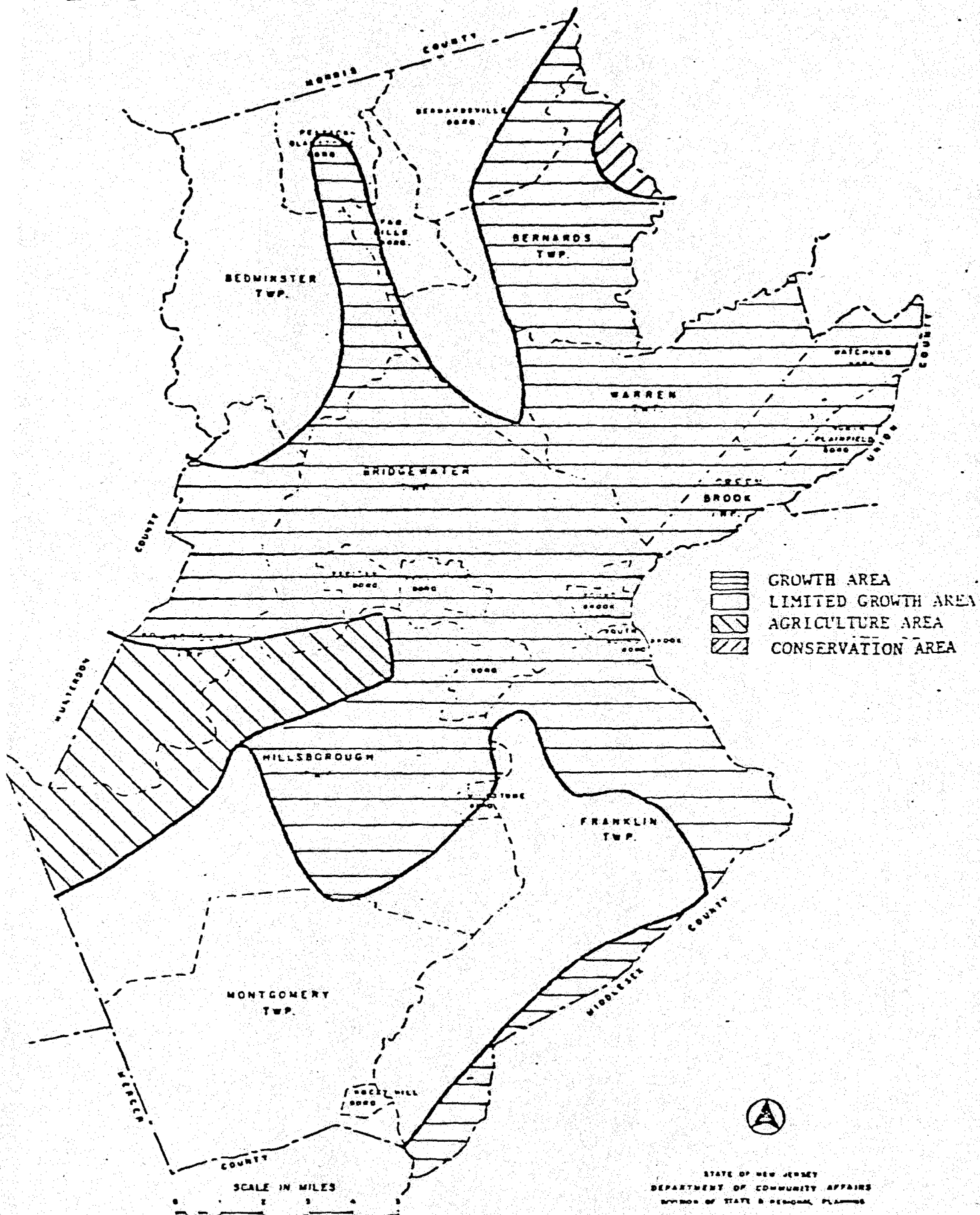
Introduction and Summary of Findings

The Warren Township Housing Allocation Analysis is based on the New Jersey Supreme Court finding in Mt. Laurel II that municipalities, in whole or in part, in "growth areas" of the State Development Guide Plan have an obligation to provide their fair share of low and moderate income housing to help meet the projected regional need for such housing. All of Warren's 19.6 square miles are in the growth area, as indicated on the map on the following page from the State Development Guide Plan.

This finding requires a methodology for regional determination, future regional housing need, and a local allocation. The methodology used here reflects the close relationship of jobs to housing. The Housing Region is defined as those municipalities within a 30-minute "commutershed" of Warren Township; Regional Housing Need is determined by projecting the number of new jobs expected in the region over the next 15 years and converting those jobs to housing need; Local Allocation is made by applying the local/regional job relationship to regional need and then assigning regional income factors to that local need.

Job projections are made on a municipal basis from covered employment data compiled by the New Jersey Department of

SOMERSET ~ COUNTY
State Development Guide PLAN

GROWTH AREA
LIMITED GROWTH AREA
AGRICULTURE AREA
CONSERVATION AREA

SCALE IN MILES

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF STATE & REGIONAL PLANNING

2-80

Labor & Industry. The straight-line projections are based on the 1972-1980 growth trend. Family income, derived from average wage distribution, is used to determine housing cost category.

Based upon this analysis, Warren Township has a prospective future need for between 4,516 and 9,411 new housing units during the period from 1980 through 1995. Of this total housing need, there are specific needs for between 631 and 1,315 new housing units to accommodate low income families and 797 to 1,661 additional housing units to house families with moderate incomes. The total allocated need includes a 4.0 percent factor to account for vacancy and loss.

Table 1

Warren Township Housing Allocation

Summary, June 1982

1980-1995	A With Chubb	B With Additional Chubb plus AT&T
Change in Covered Jobs		
Warren Township	4,347	9,047
Housing Region	106,397	111,097
Warren/Region (percent)	4.60%	9.18%
Future Regional Housing Need		
Covered Job Growth	106,397	111,097
X Conversion Factor	X 0.8873	X 0.8873
= Regional Housing Need	94,406	98,576
+ Vacancy and Loss (+4%)	+ 3,776	+ 3,943
= Total Regional Need	98,172	102,519
Local Allocation		
Total Regional Need	98,176	102,519
X Local Job Share	X 4.60%	X 9.18%
= Local Need	4,516	9,441
Low Income (13.9%)	631	1,315
Moderate Income (17.65%)	797	1,661

This housing allocation analysis provides a range in future housing need as shown in columns A and B of Table 1. The difference in the two columns is in local job protection. As noted in Appendix Tables 1, 2, and 3 at the end of this report, column A is based on the straight line job trend plus 1,900 new jobs to be created by the new Chubb office now under construction, and column B includes 1,700 additional Chubb jobs expected by the year 1990 plus the potential of 3,000 new jobs created by AT&T on its 100 acre Warren Township site.

Warren Township Housing Region

The Warren Township Housing Region is defined as those municipalities within a 30-minute driving time from the center of Warren Township (Reiman Road and Mount Bethel Road intersection).[5] The 30-minute driving time[6] takes in all or part of 68 municipalities located in six counties. These 68 municipalities, which make up the Warren Township Housing Region, total 746.43 square miles with a 1980 population of 1,345,179. A list of the municipalities included within the housing region is detailed in Table 2.

The Warren Township Housing Region Map depicts the municipalities which comprise the region. The shape of the region is a function of the region's road network and the accessibility it affords automobile commuting to and from Warren Township. In making the regional determination, if more than half of a municipality could be reached within a 30-minute driving time it was included in the region; if not, it was excluded. Parts of municipalities were not used in the regional determination.

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[5]See attached for supporting documentation for this definition of a housing region.

[6]Computed at 50 mph on Interstate Highways, 40 mph on U.S. and State Highways and 30 mph on County Roads.

WARREN TOWNSHIP HOUSING REGION

SCALE: 1"-4 MILES
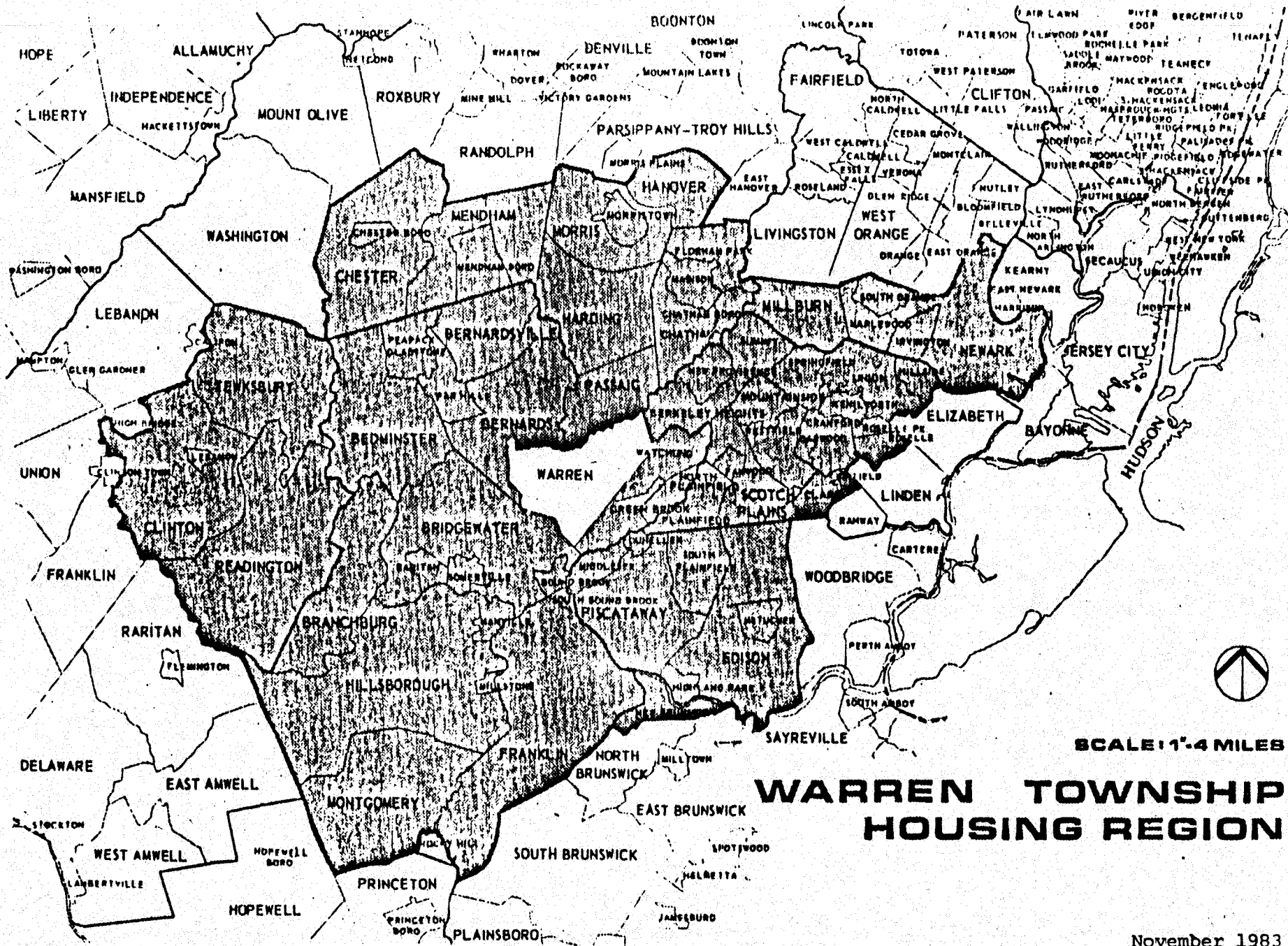
November 1983

Housing Region Determination

Supporting Documentation

1. Nationwide Transportation Study
   Report #8
   U.S. Department of Transportation
   Home to Work Trips, 1969-1970

2. Journey to Work, New Jersey, 1970
   N.J. Department of Labor and Industry
   August 13, 1973
   Municipality Supplement, October 31, 1973

3. Amicus Curiae Brief, N.J. Supreme Court
   American Planning Association, N.J. Chapter
   Urban League of Greater New Brunswick v. Carteret

4. The Illustrated Book of Development Definitions
   Moskowitz and Lindbloom
   Center for Urban Policy and Research, New Brunswick, 1981
   (Definition of Housing Region, page 106)

*= _on a ___ from ___ ____ Table 2
30 min commute

Warren Township Housing Region
Municipalities, Land Area and Population

	Area (square miles)	1980 Census Population
ESSEX COUNTY		
* Irvington Town	2.80	61,493
* Maplewood Township	4.00	22,950
Millburn Township	10.00	19,543
* Newark City	24.14	329,248
* South Orange Village	2.70	15,864
Total County Portion	43.64	449,098
HUNTERDON COUNTY		
Clinton Township	30.06	7,245
Lebanon Borough	1.23	820
Readington Township	47.65	10,855
Tewksbury Township	31.80	4,094
Total County Portion	110.74	23,114
MIDDLESEX COUNTY		
Dunellen Township	1.04	6,593
Edison Township	30.20	70,193
Highland Park Borough	1.80	13,396
Metuchen Borough	2.80	13,702
Middlesex Borough	3.45	13,480
New Brunswick City	5.50	41,442
Piscataway Township	18.90	42,223
South Plainfield Borough	8.20	20,521
Total County Portion	71.89	221,610
MORRIS COUNTY		
Chatham Borough	2.35	8,537
Chatham Township	9.10	8,883
Chester Borough	1.62	1,433
Chester Township	28.68	5,198
Florham Park Borough	7.50	9,359
Hanover Township	10.80	11,846
Harding Township	20.50	3,236
Madison Borough	4.20	15,357
Mendham Borough	6.00	4,499
Mendham Township	17.60	4,488
* Morris Township	15.70	18,486
Morristown Town	2.86	16,614
Passaic Township	12.50	7,275
Total County Portion	139.41	115,611

Table 2
(continued)

	Area (square miles)	1980 Census Population
SOMERSET COUNTY		
Bedminster Township	26.70	2,469
Bernards Township	24.95	12,920
Bernardsville Borough	12.85	6,715
Bound Brook Borough	1.60	9,710
Branchburg Township	20.20	7,846
Bridgewater Township	32.30	29,175
Far Hills Borough	4.90	677
Franklin Township	46.40	31,358
Greenbrook Township	4.60	4,640
Hillsborough Township	54.70	19,061
Manville Borough	2.50	11,278
Millstone Borough	0.60	530
✳ Montgomery Township	32.26	7,360
North Plainfield Borough	2.70	19,108
Peapack-Gladstone Borough	5.80	2,038
Raritan Borough	2.00	6,128
Somerville Borough	2.30	11,973
South Bound Brook Borough	0.70	4,331
Warren Township	19.60	9,805
Watchung Township	6.00	5,290
Total County Portion	303.66	202,412
UNION COUNTY		
Berkeley Heights Township	6.50	12,549
✳ Clark Township	4.68	16,699
Cranford Township	4.90	24,573
Fanwood Borough	1.94	7,767
✳ Garwood Borough	0.70	4,752
✳ Hillside Township	2.70	21,440
✳ Kenilworth Borough	2.00	8,221
Mountainside Borough	4.10	7,118
New Providence Borough	3.50	12,426
Plainfield City	6.00	45,555
✳ Roselle Borough	2.70	20,641
✳ Roselle Park Borough	1.30	13,377
Scotch Plains Township	9.20	20,774
Springfield Township	5.20	13,955
Summit City	6.00	21,071
✳ Union Township	9.00	50,184
Westfield Town	6.50	30,447
✳ Winfield Township	0.17	1,785
Total County Portion	77.09	333,334
REGIONAL TOTALS:	746.43	1,345,179

Statistical Analysis

Population and Income

Warren Township is located in the east central portion of Somerset County. It contains an area of 19.60 square miles and is bounded by four municipalities in Somerset County and two municipalities in Morris County. (See Housing Region Map following page 4.) The population of Warren Township increased significantly during the decade of the fifties, climbing from 3,316 persons in 1950 to 5,386 persons by the time of the 1960 Census. An even greater absolute (but not relative) population gain occurred during the 1960's, when the Township's population increased by 3,206 persons to total 8,592 persons at the time of the 1970 Census. Since 1970, the Township's population has continued to increase, although at a significantly decreased rate. According to the 1980 Census, Warren Township contained a total population of 9,805 persons with 9,725 persons occupying 2,999 households.

In 1970, 3,413 of the Township's total 8,592 residents were reported to be employed. At this same time, however, the New Jersey Department of Labor and Industry reported that there were 1,491 persons employed in all of Warren Township. Thus, in 1970, Warren Township provided jobs for 1,491 employees, but provided housing for 3,413 employed residents and was, therefore, a housing donor to the region by a ratio of 2.3 to 1.

The mean (average) family income reported by Warren Township residents in 1970 (1969 income) was $17,307 per family, a level 14.7 percent above the Somerset County average of $15,156 and 33.5 percent above the New Jersey average of $13,025. According to the 1970 Census of Population, 8.6 percent of the families (190 families) in Warren Township reported median incomes below 50 percent of the statewide median, while 20.8 percent of the Township's families (460 families) had incomes of less than 80 percent of the statewide median.

Employment Analysis

During the 1970's, Warren Township experienced a substantial increase in its employment base despite the less than favorable general economic conditions which prevailed in several of the years in this decade. Between 1972[7] and 1980, the number of (covered) jobs in Warren Township increased from 1,693 to 2,998, a gain of 1,305 jobs representing a 77.1 percent increase.

Within the Warren Township Housing Region, five of the six encompassed county components registered varying employment gains between 1972 and 1980, while one county component (Essex County) reflected a net decrease in employment. Of the six county components encompassed within the housing region, the included portion of Middlesex County experienced the greatest absolute growth, with an increase of 36,935 jobs, although its

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[7]Due to significant coverage changes occurring in employment covered by unemployment compensation during 1971, it is necessary to use 1972 data for the purpose of comparisons to subsequent periods.

relative gain of 44.5 percent was exceeded by the 55.0 percent increase reported for the included portion of Hunterdon County. The encompassed portion of Somerset County, with a net growth of 22,194 jobs, followed Middlesex County in terms of absolute employment gains. Overall, the level of covered employment within the Warren Township Housing Region increased from 522,986 jobs in 1972 to 566,043 jobs in 1980 -- an 8.2 percent increase representing a gain of 43,057 net new jobs.

The current (1980) employment levels in the encompassed positions of the six counties comprising the Warren region are detailed in Table 3 below.

Table 3

Warren Township Region

1980 Covered Employment Distribution

County	Total County	Within Region	Percent of County	Percent of Region
Essex	308.195	162,454	52.7	28.7
Hunterdon	18,845	3,034	16.1	0.5
Middlesex	236,560	120,034	50.7	21.2
Morris	149,902	60,174	40.1	10.6
Somerset	79,324	79,146	99.8	14.0
Union	229,614	141,201	61.5	25.0
Totals:	1,022,440	566,043	-	100.0

Between 1972 and 1980, the growth of employment in Warren Township (1,305 new jobs) accounted for 3.03 percent of the region's total employment growth of 43,057 new jobs. As a result of the higher rate of job growth in Warren Township (77.1 percent) than in the region (8.2 percent), the proportion of the

region's employment base situated within Warren Township increased from 0.32 percent in 1972 to 0.53 percent in 1980.

In order to project the future employment levels within Warren Township and its housing region, the average annual job gains observed between 1972 and 1980 in the Township and each of the six county components were projected on a straight-line[8] basis for the years 1985, 1990 and 1995. The time period upon which the employment projections are based (1972 to 1980) is realistic in terms of future growth potential as opposed to a base which would include the unabated population and employment growth which prevailed through the 1960's. Based on the historical growth of employment in Warren Township as well as major employment generating facilities planned and proposed therein, the Township's (covered) employment base was projected to increase from its current (1980) level of 2,998 jobs to between 5,745 jobs and 12,045 jobs by 1995. The Warren region, which employed 566,043 persons during 1980, was projected to increase to between 672,440 and 677,140 jobs by 1995. This information is tabulated in appendix tables 1 and 2.

Wage/Income Analysis

A detailed analysis of the 1980 Census income distribution data for each of the six county components encompassed by the Warren region was undertaken in order to

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[8]In view of the present uncertainties caused by general economic conditions, and in order to eliminate subjectivity, the straight-line projection of employment was deemed to be the most objective approach.

derive the percentage of families in specific income categories relative to the estimated median of that particular county component included in the region. The aggregation of the number of families in each specified income category yielded the overall distribution of family incomes in the region. Although the median will increase in the future, the distribution will remain relatively unchanged, as by nature the "median" will always describe the number both above and below which 50 percent of the families will be located. The analysis revealed that 13.97 percent of the region's families were in family units earning less than 50 percent of median family income, and that 31.62 of the region's families were in family units earning less than 80 percent of the median family income of the work force families. This information is detailed in appendix Table 3.

The application of the income distribution analysis to the past, present and prospective levels of employment provides a basis for the determination of the number of the region's families in the various income categories. This numerical distribution is presented in appendix tables 4 and 5.

The final element of the employment wage/income analysis involved the conversion of the projected number of covered jobs in each income category into the concomitant number and type of housing units needed to accommodate the projected level of employment. While there are many ways in which such a job/housing conversion may be accomplished, a conversion based

upon the numerical relationship between jobs and households is the simplest and most reasonable method. It has the added advantage of reflecting all factors pertinent to the relationship; i.e., the provision of housing units for the unemployed and retired and considerations of diminished housing needs due to the increasing number of households containing more than one wage earner. The conversion factor thus employed is based upon the relationship of total covered jobs to total occupied households.

At the time of the 1970 Census, the number of occupied households in New Jersey exceeded the number of covered jobs by 5.84 percent. By the time of the 1980 Census, the number of occupied households exceeded the number of covered jobs by 3.26 percent. These statistics are tabulated as follows:

Table 4

Household/Job Relationships

New Jersey

	Occupied Households	Covered Jobs	Households/ Jobs
1970 Census	2,218,182	2,095,798	1.0584
1980 Census	2,548,594	2,468,163	1.0326
Change 1970-1980	330,412	372,465	0.8873

Inasmuch as the relationship between covered jobs and housing is changing, a conversion factor for the future would require an estimation of the overall relationship at certain points in time. Rather than projecting the future overall

relationship, an equally, and in many ways more reliable, conversion factor can be structured on the incremental relationship observed; i.e., each new covered job creates the requirement for 0.8873 new housing units. The results of these incremental applications could then be added to the existing (1980) base in order to determine the overall jobs/housing unit relationship at any given time.

REGIONAL HOUSING NEED

As indicated in Table 2, the Warren Township Housing Region is projected to increase its covered employment base by between 106,397 and 111,097 jobs during the period between 1980 and 1995. While projections beyond 1995 are possible, such forecasting becomes increasingly more speculative and less reliable. For planning purposes, the 1995 projection is more than adequate; and the interim projections for the years 1985 and 1990 could be periodically reviewed and revised as required.

In order to determine the region's future housing needs resulting from employment growth, it is necessary to correlate the relationship between covered jobs and housing units to the anticipated increment in the region's employment. Applying the conversion factor of 0.8873 (1970-1980 household/job factor) to the projected number of new jobs, the increases in the region's covered employment base between 1980 and 1995 would indicate a need for between 94,406 and 98,576 new housing units during this period. This computation is illustrated below in Table 5.

Table 5

Housing Need Summary

Warren Township Housing Region, 1980 to 1995

		A	B
	Covered Job Growth	106,397	111,097
X	Jobs/Housing Units Factor	0.8873	0.8873
=	Housing Unit Need	94,406	98,576

Using the Mt. Laurel II criteria for low income families (incomes below 50 percent of the median) and for moderate income families (income between 50 and 80 percent of the median) to the region's work force families, the region's need for low and moderate income housing units can be determined. These computations are detailed below:

Table 6

Housing Unit Requirements

Warren Township Housing Region

Regional Income Distribution Work Force/Resident Families	Percent	Regional Housing Need 1980-1995 A	B
50 Percent and Below (Low)	13.97	13,158	13,771
Between 50 and 80 Percent (Moderate)	17.65	16,663	17,399
80 Percent and Below (Low + Moderate)	31.62	29,851	31,170
Total Housing Unit Need	100.00	94,406	98,576

It was determined that the Warren Township Housing Region will have a need for between 94,406 and 98,576 housing units, of which between 13,188 and 13,771 units will be needed for low income families, and between 16,663 and 17,399 units will

be needed for families with moderate incomes. These housing unit needs, which are for the fifteen year period from 1980 to 1995, indicate annual needs of between 879 units and 918 units for low income families and between 1,111 units and 1,160 units for moderate income families. To these housing unit needs, a factor should be added to account for vacancies and loss.

Warren Township Allocation

To calculate Warren Township's allocation of the region's prospective housing need, the Township's contribution to the projected regional employment growth is compared to the total regional employment growth. In 1972, Warren Township's 1,693 covered jobs represented only 0.32 percent of the region's total employment base of 522,986 covered jobs. Between 1972 and 1980, however, the 1,305 new jobs reported in Warren Township amounted to 3.03 percent of the region's total employment gain of 43,057 jobs. Thus, between 1972 and 1980, the employment growth experienced in Warren Township was nearly ten times its share of the region's total covered employment base. As reflected in appendix tables 1 and 2, covered employment in Warren Township is expected to increase by 4,347 to 9,047 jobs between 1980 and 1995. The employment growth projected in Warren Township thus accounts for between 4.60 and 9.18 percent of the total regional employment growth between 1980 and 1995.

Insofar as the Township's allocation of the future housing need should reflect its contribution to projected

regional employment growth, Warren Township would be expected to accommodate between 4.60 and 9.18 percent of the households which would be generated by such new jobs, or 4,516 to 9,411 new dwelling units. The computation of Warren Township's allocated housing need is provided below:

Table 7

Housing Allocation Summary

Warren Township, 1980 to 1995

Region		A	B
	Covered Job Growth	106,397	111,097
X	Jobs/Housing Units Factor	0.8873	0.8873
=	Housing Unit Need	94,406	98,576
+	Vacancy and Loss (4%)	3,776	3,943
=	Total Regional Need	98,172	102,519

Warren Township

	A	B
Share of Regional Job Growth	0.0460	0.0918
Housing Unit Need	4,516	9,411

Having derived the total allocated need for future housing units in Warren Township, the type of housing units required may now be calculated. Using the criteria for low income families (income below 50 percent of the median) and moderate income families (income between 50 and 80 percent of the median), the proportion of the region's work force families in these income categories can be applied to the Township's total allocated housing needs. The computations are summarized below:

Table 8

Housing Unit Requirements

Warren Township

Regional Income Distribution Work Force/Resident Families	Percent	Regional Housing Need 1980-1995	
		A	B
50 Percent and Below (Low)	13.97	631	1,315
Between 50 and 80 Percent (Moderate)	17.65	797	1,661
80 Percent and Below (Low + Moderate)	31.62	1,428	2,976
Total Housing Unit Need	100.00	4,516	9,411

APPENDIX TABLES

Appendix Table 1

Covered Employment Projections*

Warren Township Housing Region

	1972	1980	1985	1990	1995
Warren Township	1,693	2,998	5,715	6,530	7,345
Warren Region	522,986	566,043	599,775	634,760	672,440
Essex County Portion	206,478	162,454	139,865	120,420	103,675
Hunterdon County Portion	1,957	3,034	3,705	4,380	5,055
Middlesex County Portion	83,099	120,034	143,120	166,200	189,285
Morris County Portion	45,019	60,174	69,645	79,120	88,590
Somerset County Portion	56,952	79,146	94,915	108,790	122,660
Union County Portion	129,481	141,201	148,525	155,850	163,175

* These covered employment projections, in addition to the straight line trend, also include 1,900 new jobs expected to be created by 1985 as a result of the opening of the Chubb facility in Warren Township.

Source: Base data for 1972 and 1980 prepared by New Jersey Department of Labor, Division of Planning and Research, Office of Demographic and Economic Analysis.

Appendix Table 2

Covered Employment Projections*

Warren Township Housing Region

	1972	1980	1985	1990	1995
Warren Township	1,693	2,998	5,715	8,230	12,045
Warren Region	522,986	566,043	599,775	636,460	677,140
Essex County Portion	206,478	162,454	139,865	120,420	103,675
Hunterdon County Portion	1,957	3,034	3,705	4,380	5,055
Middlesex County Portion	83,099	120,034	143,120	166,200	189,285
Morris County Portion	45,019	60,174	69,645	79,120	88,590
Somerset County Portion	56,952	79,146	94,915	110,490	127,360
Union County Portion	129,481	141,201	148,525	155,850	163,175

* These covered employment projections, in addition to the straight line trend, also include 1,900 new jobs by 1985 and another 1,700 new jobs expected as a result of the operation of the new Chubb facility in Warren Township, and the potential for 3,000 additional new jobs by 1995 on the property in Warren Township acquired by AT&T.

Source: Base data for 1972 and 1980 prepared by New Jersey Department of Labor, Division of Planning and Research, Office of Demographic and Economic Analysis.

Appendix Table 3

Income Distribution

Work Force Families

County Components	Essex	Hunterdon	Middlesex	Morris	Somerset	Union	REGION
Portion of Region	0.2870	0.0054	0.2121	0.1063	0.1398	0.2494	1.0000
Median Family Income	$11,701	$10,383	$11,379	$11,802	$12,042	$12,013	$11,768
50% of Median	$ 5,851	$ 5,191	$ 5,690	$ 5,901	$ 6,021	$ 6,007	$ 5,884
Between 50% and 80%	$ 9,361	$ 8,306	$ 9,103	$ 9,442	$ 9,634	$ 9,610	$ 9,414
Median Family Income Levels							
50% and Below	0.2213	0.1174	0.1041	0.0721	0.0951	0.1306	0.1397
Between 50% and 80%	0.2008	0.1646	0.1708	0.1309	0.1602	0.1818	0.1765
80% and Below	0.4221	0.2820	0.2749	0.2030	0.2553	0.3124	0.3162

Source: Income distribution based upon the 1970 Census of Population and Housing, General Social and Economic Characteristics; 32-560, Table 124.

Appendix Table 4

Income Distribution

Work Force Families

Warren Region Work Force	Percent	1972	1980	1985	1990	1995
50% and Below	13.97	73,061	79,076	83,789	88,676	93,940
Between 50% and 80%	17.65	92,307	99,907	105,860	112,035	118,686
80% and Below	31.62	165,368	178,983	189,649	200,711	212,626
Total Work Force	100.00	522,986	566,043	599,775	634,760	672,440

Appendix Table 5

Income Distribution

Work Force Families

Warren Region Work Force	Percent	1972	1980	1985	1990	1995
50% and Below	13.97	73,061	79,076	83,789	88,913	94,596
Between 50% and 80%	17.65	92,307	99,907	105,860	112,335	119,515
80% and Below	31.62	165,368	178,983	189,649	201,248	214,111
Total Work Force	100.00	522,986	566,043	599,775	636,460	677,140

Note: The data Tables 4 and 5 present the numerical income distribution of the region's workers as projected in Tables 1 and 2, respectively. The difference in these projections occurs only in the data for 1990 and 1995.

INDIGENOUS AND PRESENT NEED

This report identifies Warren Township's indigenous housing need including the present fair share portion of that need. (The previous section identified Warren's prospective fair share need.) Before quantifying these specific housing needs, the following is a brief discussion on what the pertinent parts of the Mt. Laurel II decision[9] says about indigenous housing and present need.

The most specific reference to indigenous need takes place in the following quote:

> As noted before, all municipalities' land use regulations will be required to provide a realistic opportunity for the construction of their fair share of the region's present lower income housing need generated by present dilapidated or overcrowded lower income units including their own. Municipalities located in "growth areas" may, of course, have an obligation to meet the present need of the region which goes far beyond that generated in the municipality itself; there may be some municipalities, however, in growth areas where the portion of the region's present need generated by that municipality far exceeds the municipality's fair share. The portion of the region's present need that must be addressed by municipalities in growth areas will depend, then, on conventional fair share analysis, some municipality's fair share being more than the present need generated within the municipality and in some cases less. In nongrowth areas, however,...no municipality shall have to provide for more than the present need generated within the municipality... (92 NJ at 243)

This particular quote suggests the following guidelines for determining indigenous need:

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[9]Southern Burlington County NAACP v. Mt. Laurel Township, 92 N.J. 158.

a. Municipalities not in growth areas only have to provide for their own indigenous need which is generated by present dilapidated or overcrowded lower income units.

b. Municipalities in growth areas also have to provide for the indigenous need generated by existing dilapidated or overcrowded lower income units. Some municipalities in growth areas, however, may have to assume a greater obligation than just that generated by the municipality itself. This latter obligation represents the municipality's fair share of the present regional need which the above quote suggests is a component of indigenous need.

c. There may also be municipalities in growth areas which do not have to provide for even their own indigenous housing. These are generally the urban core areas, where, because their present need is high and because they now accommodate a disproportionate share of the region's poor, to require them to locate any more low and moderate income housing in their munici- palities would run contrary to the objectives of the decision.

In another section of the decision, the Court stated,

> The Mt. Laurel obligation to meet the prospective low income housing need of the region is, by definition, one that is met year after year in the future, throughout the years of the particular projection used in calculating prospective need...and need not be provided immediately. Nevertheless, there may be circumstances in which the (Mt. Laurel) obligation requires zoning that will provide an immediate opportunity -- for instance, zoning to meet the region's present lower income housing need. (92 NJ at 218)

> In some cases, the provision of such a realistic opportunity might result in the immediate construction

of lower income housing in such quantity as would radically transform the municipality overnight. Trial court shall have the discretion, under those circumstances, to moderate the impact of such housing by allowing even the present need to be phased in over a period of years. (92 NJ at 218)

This paragraph seems to tie in present share with the municipality's indigenous need and requires that it should be provided immediately except where it would "radically transform the municipality overnight."

Finally, in the disposition of the actual case involving Mt. Laurel Township, the Court stated as follows:

To determine its fair share, Mt. Laurel first conducted an on-site study to determine its indigenous lower income housing need and concluded that this was 103 units based upon the number of deteriorated or dilapidated units in the Township and the number of lower income families presently residing in Mt. Laurel paying rent beyond their means. (92 NJ at 297)

financial need for present

The Court then went on to say:

Mt. Laurel then calculated its fair share of the prospective regional lower income housing need to the year 2000 as 515 units. The Township then incorrectly assumed that its indigenous housing obligation was part of its prospective need obligation and therefore concluded that its total obligation to the year 2000 was 515 units, 103 of which met its present indigenous need. (92 NJ at 300)

Mt. Laurel Township suggested that indigenous need was based on two components: (a) deteriorated or dilapidated units; and (b) those low or moderate income families paying more than 25 percent of their income for rent. The Court did not take issue with that part of the analysis but did criticize the Township's

good indigenous rules financial

including the indigenous share as part of the prospective fair share to be phased in over a period of years (92 NJ at 209).

Given the entire thrust of Mt. Laurel II in terms of providing low or moderate income housing, the financial aspect only mentioned in the disposition of the specific Mt. Laurel Township case cannot be easily overlooked. Indeed, the objective of the entire Mt. Laurel II case is to assure, with some reasonable degree of certainty, that local zoning ordinances do not preclude the construction of low or moderate income housing. The Court further defines such low or moderate income housing as housing affordable to persons making 50 percent and 80 percent of the median family income and paying not more than 25 percent of their income for such housing. (See footnote 8, 92 NJ at 221.)

We have therefore concluded that indigenous share consists of two out of three components: (a) those families within the community living in overcrowded situations (more than 1.01 persons per room); or (b) those families living in dilapidated housing; and (c) present need based on financial considerations. Since the 1980 Census no longer used a separate category for dilapidated housing, some surrogate and available statistics from the 1980 Census are used and described in a subsequent section of this report.

Present need is directed only at municipalities in growth areas. It is, in a sense, an attempt to bring a municipality up to its current need level and to compensate for

previous exclusionary zoning practices. In our opinion, it specifically addresses the issue of those lower income families paying more than 25 percent of their income for housing. We recognize that there may be overlap in that many of the persons living in dilapidated or overcrowded housing may also be lower income families paying more than 25 percent. We also recognize that very often it is a matter of choice that persons may wish to voluntarily pay more than 25 percent of their income for housing. Finally, it is quite possible that the income data from the Census may not be entirely accurate. Many people fear that any information given to the government eventually winds up with the Internal Revenue Service, and many citizens are reluctant to voluntarily offer such information. Despite these caveats, the only reasonably reliable information that is available is from the Census, and as a result we believe that while they may be inaccurate, that inaccuracy is evenly distributed to all municipalities and income groups in the region.

The following is a summary of Warren's indigenous and present need.

Indigenous Need

Existing. The indigenous need is initially made up of one of two components: overcrowding or dilapidated housing. Since dilapidated housing is no longer a listed category in the Census, other "surrogates" are used, as follows:

Category	Number in Warren
No complete kitchen facilities:	19
Space heaters as primary source of heat:	33
No bathroom or only half a bath:	4
	56
less 25% overlap	14
	42

Present Need. For the reasons stated earlier, the present need portion of the indigenous share is defined as those low and moderate income families paying more than 25 percent of their income for housing. The median family income in Warren Township's housing region was computed at $25,062. The upper limit of moderate income is 80 percent of this figure, or $22,050. The Census' STF TAble XI indicates the following numbers of families paying more than 25 percent of their income for housing.

Specified Renter-Occupied Housing Units by Household Income in 1979 by Gross Rent as Percentage of Income (29)

	Less Than $5,000	$5,000-$9,999	$10,000-$14,999	$15,000-$19,999	$20,000 or More
Less than 20%	0	0	7	7	80
20% to 24%	0	0	12	0	23
25% to 34%	0	0	7	25	4
35% or More	10	13	13	0	0
Not Computed	9	13	7	0	0

Specified Oower-Occupied Noncondominium Housing Units by Household Income in 1979 by Selected Monthly Owner Costs as Percentage of Income (32, 33, 34)

	Less Than $5,000	$5,000-$9,999	$10,000-$14,999	$15,000-$19,999	$20,000 or More
Less than 20%	0	0	19	62	1463
20% to 24%	0	5	12	31	336
25% to 34%	0	20	37	49	212
35% or More	37	79	43	5	73
Not Computed	1	0	0	0	0

The figures enclosed in the boxes are low and moderate income households paying more than 25 percent of their income for housing. Using the $19,999 category (closest to the $20,050 definition of the upper limit of moderate income), we find that 68 renters and 270 owners pay more than 25 percent of their income for housing. A total of 200 renters and owners pay 35 percent or more of their income for housing.

Summary

The following table indicates Warren's indigenous need (locally generated and regional share) as well as the present need based on financial guidelines. It indicates a total indigenous need of 380 housing units.

Physical Need

Dilapidated housing (locally generated need)

No complete kitchen facilities: 19
Spare heaters as primary source of heat: 33
No bathroom or only half a bath: 4

                                                   50
                        less 25% overlap   14

                                                           42

Local share of regional indigenous need

Present need (financial)
Households with incomes under $19,999
  paying 25-34% of income for housing: 138

Households with incomes under $19,999
  paying 35% or more of income for housing: 200

                                                          338

                        Total indigenous need   380

Questions
1) Regional _____
   (a) boundaries of communities ?
   (b) city figures - doesn't ___ ?
   (c) only one factor ___ ?

2) Statistical base
   (a) uses households instead of
       family
   (b) + + to 500 20 others ___
       ___ - .759 for Cap - 0.873 ___
   (c) Figures based on 1985 ___
       See my analysis ___
   d) L/m 90 out of ratio ___
      state, ie, moderate ___
      low ?
   (e) Allows 4% for ___
       from inventory - low ?

3) F/S ___
   (a) _____ financial in present
       but apparently not excess
   b) don't have financial overlap
       with _____

   c) _____ based on
       _____ employment growth - would
       region be ___ ?
   d) have _____ ___ ___
      _____ to other ___
      and result in unnecessary
      _____ ___ -
   e) doesn't consider ___ ___
   (f) check ___ for #8 factors

   (_____ F/S to 1985 138 ___
       2552 average)