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1-30-84

Calculating of Median Income
of Warren Twp. Housing Region
by Cross

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January 30, 1984

Warren Township
Attn: John Coley, Township Attorney

Re: Calculation of Median Income of Warren Township
Housing Region

Dear Mr. Coley:

Pursuant to instructions of Honorable Eugene Serpentelli on 1/23/84, I have computed the median income for Warren Township housing region. This income shall be determinant of housing affordable to low and moderate income families.

The calculated median family income for Warren Township housing region is \$34,000.

The median family income of \$34,000 for 1984 has been calculated as follows:

1. A weighted median family income of the nine county existing housing need area of Warren Township was computed. The weighted average consists of multiplication of median family income by total number of families for each county and then dividing the total gross family income of all counties by total families.
2. The median income for the prospective housing need region of Warren Township has been calculated in precisely the same method as above.

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3. The median family income for the two respective regions has then been calculated on a weighted average (ratio of existing to prospective housing need).
4. The calculated median income from the above is \$24,713. This income level is in 1979 dollars. This income was then inflated in accordance with the average consumer price index for the period 1979-1984 (average annual increase of 8.3%). Utilizing this method, the gross family income for the Warren Township housing region is \$33,997, say \$34,000. (1. data source: NJ Department of Labor and Industry).

Applying the HUD definition of low and moderate income families to the calculated median income for the Warren Township housing region results in the calculated moderate income family of \$27,200 and a low income family of \$17,000.

A comparison of the above to published HUD Section 8 income limits for participation in housing subsidy programs for the Newark SMSA shows the following:

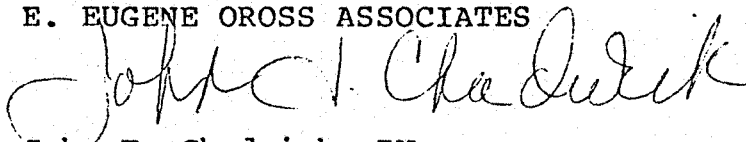
1. The March 1983 figure for a family of four is \$25,200.
2. The prospective housing need region for Warren Township does not include the counties of Bergen, Hudson and Passaic. These three counties had 1979 median family incomes of \$27,517, \$17,659 and \$20,498 respectively. The result of exclusion of these counties from the calculated prospective median family income for Warren Township accounts for the calculated higher median family income for the Warren Township housing region as compared to the above HUD figure.

Additionally, the HUD figure is for March 1983. The Warren housing region moderate income figure is for 1984. If the HUD 1983 figure is inflated at 5% to 1984, this calculated moderate income for a family of four is \$26,400 or \$740 less than the Warren housing region of \$27,200.

If you have any questions relevant to the above, please advise.

Respectfully,

E. EUGENE OROSS ASSOCIATES



John T. Chadwick, IV
Planning Director

cc: Township Clerk
Township Administrator
Gene Jacobs, Planning Board Attorney
Al Mastro, Sewage Authority Attorney
Honorable Judge Eugene Serpentelli
Joe Murray, Esq.
Ray Trombadore, Esq.