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COURT REJECTS ARGUMENTS THAT \$500,000 McMANSIONS "AFFORDABLE" TO WORKING FAMILIES

Following a three-week trial, a Superior Court judge has rejected the conclusions of a study produced by a group of municipalities seeking that argued that thousands of properties that have sold for more than \$300,000 in recent years, and as high as a \$500,000, meet New Jersey's definition of affordable housing - including beachfront condominiums with pools and hot tubs.

The ruling by Judge Douglas K. Wolfson in South Brunswick's fair housing case is the first in New Jersey to address head-on the claim about luxury homes counting as "affordable" and other claims that support policies that exclude working families, seniors and those with disabilities made in a report by Philadelphia-based Econsult Solutions, Inc. on behalf of a group of municipalities.

The judge also rejected municipal efforts to change definitions of who qualifies as "low-income," which most notably included claims that very low-income residents including thousands of people with disabilities should be excluded from the protections of New Jersey's Mount Laurel Doctrine, which requires municipalities to provide their fair share of housing opportunities for lower-income people.

"The decision is a point-by-point rejection of municipal efforts to exclude," said Kevin Walsh, Executive Director of the Fair Share Housing Center. "The court recognized that these outlandish claims are detached from the reality of the housing market in New Jersey. Since when could someone earning \$30,000 live in a \$500,000 mansion?"

In the South Brunswick decision, released Wednesday afternoon, Judge Wolfson criticized the approach relied on by South Brunswick and other municipalities using Econsult Solutions, Inc. and its principal Peter Angelides as detached from both well-established law and on-the-ground reality, in an attempt to artificially lower municipal housing obligations.

"Dr. Angelides' apparent willingness to diverge from COAH's methodologies so long as it decreases the Township's affordable housing obligation, seems to reflect a pattern of 'result oriented' design that occurs with too much frequency to be entirely coincidental," Judge Wolfson wrote, adding that he found Angelides' testimony to be "less than forthcoming."

Judge Wolfson, in an extensive 100-page opinion, substantially accepted Fair Share Housing Center's approach for calculating New Jersey's need for homes and entirely rejected Econsult's approach.

"Dr. Angelides' testimony was far less credible on matters of importance, and was, on more than one occasion, inconsistent with common sense, and contrary to established COAH rules and judicial precedent," Judge Wolfson wrote. "Many of these criticisms were, perhaps, due to his admitted unfamiliarity with the Mount Laurel doctrine, (stating that he could not recall whether or not he had actually read any of the foundational Mount Laurel decisions). He also professed to having little knowledge of compliance mechanisms routinely used by municipalities to achieve their fair share of the region's need for affordable housing - both rather startling and disturbing disclosures."

Judge Wolfson found that Econsult deviated from established law on 26 occasions and that all of these deviations had the effect of improperly lowering municipal housing obligations.

"I conclude that his methodology should be rejected as a result-oriented effort that was designed and crafted to reduce the projected prospective need on a statewide basis," Judge Wolfson wrote.

Econsult has claimed in the past that homes over \$500,000 count as affordable to lower-income households because they "filtered" from the wealthy to lower-income households. Econsult claimed that nearly 20,000 homes that have sold for \$300,000 or more in recent years meet the state's definition of affordable. Of those, nearly 4,300 sold for \$400,000 or more. Following negative press attention regarding that claim, the consultant adjusted its position to claim that homes up to but not over \$500,000 are affordable.

At the same time, Judge Wolfson rejected a claim made by Econsult to exclude thousands of low-income families from homes, including claims that the very poorest New Jerseyans should be excluded from the protections of the Mount Laurel Doctrine - an argument that flew in the face of New Jersey's fair housing laws.

If successful, this position would have had a disproportionate impact on the large numbers of New Jerseyans with disabilities who are on waiting lists for permanent supportive housing. Many people with disabilities rely on government assistance and report very low incomes.

"We are going to continue to fight hard for the right of New Jersey families, seniors and those with disabilities to live in thriving neighborhoods," Walsh said. "This ruling is an important step in that fight."

Judge Wolfson's ruling comes as Fair Share Housing Center has filed a request with the New Jersey Supreme Court seeking permission to appeal an Appellate Division decision that overrules decades of established law by holding that if municipalities successfully delay and do not create homes to address past housing needs, that unaddressed prospective need disappears. That decision, addressing the so-called "gap period," was issued on July 11, 2016, and is focused on different areas of the state's fair housing laws than what Judge Wolfson addressed in his ruling Thursday.

You can read Judge Wolfson's decision [here](#).

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