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Report on need, allocation,
obligation & income for ~~000~~ Franklin twp.
by ~~0000~~ Abeles Schwarz
Associates

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A FAIR SHARE HOUSING ALLO(

FRANKLIN TOWNSHIP IN SOMERSET COUNT'

FRANKLIN'S CONFORMANCE TO THE MOUNT

FLAMA CONSTRUCTION, JZR (

Prepared by

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April 1984

DETERMINATION OF REGIONAL MEDIAN INCOME
CHADWICK 7-COUNTY COMMUTERSHED REGION *

County	Median Household Income *	No. of Households *	Aggregate Household Income ($000)
Hunterdon	$24,382	11,902	$290,196
Mercer	$22,918	71,839	1,646,421
Middlesex	$24,217	169,847	4,113,142
Monmouth	$22,380	143,376	3,208,783
Morris	$26,245	126,976	$3,332,537
Somerset	$26,243	67,101	1,760,933
Union	$24,155	116,642	2,817,483
Totals		707,683	$17,169,495

$$\frac{\$17,169,495,000}{707,683} = \$24,262$$

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I, INTRODUCTION

This report estimates the "fair share" allocations of present and prospective regional low and moderate income housing which must be provided for by Franklin Township in Somerset County, New Jersey.

The methodology used to determine this fair share allocation is based on a consensus reached by the planners involved in Urban League of Greater New Brunswick v. Carteret at the request of Judge Eugene D. Serpentelli. This methodology was developed to establish consistency in determining the most appropriate region and fair share numbers for specific municipalities, and combines a wide variety of expert opinion concerning data sources, estimating techniques and assumptions. Although the results of the consensus methodology may require adjustment under given circumstances, the methodology is generally well-conceived and reasonable.

This fair share plan conforms to the definitions and methodological guidelines contained in the recent New Jersey Supreme Court Decision, So. Burlington NAACP et.al. v. Township of Mt. Laurel, 92 N.J. 158 (1983), referred to hereinafter as Mount Laurel II. This decision reaffirmed and refined the doctrine, first articulated by the Supreme Court in its 1975 decision in the same case, that municipalities like Mt. Laurel must "affirmatively afford" the opportunity for decent and adequate low and moderate income housing, "at least to the · extent of the municipality's fair share of the present and prospective regional need therefor", 67 N.J. 151 (1975) at 174 (hereinafter referred to as Mount Laurel I).

The determination of municipal fair share allocations involves three basic steps:

- identification of the relevant fair share housing region or regions.

- calculation of present and prospective housing needs of low and moderate income households in the region(s).

- allocation of these needs to the municipalities within the region(s) based upon predetermined criteria.

These three steps are outlined below using the consensus methodology. While major assumptions and justifications are generally noted, a more detailed discussion of the consensus methodology is contained in the Fair Share Report prepared by Carla Lerman for the Carteret case, dated April 2, 1984.

II. DEFINITION OF REGION

A fair share allocation region is a geographic area within which low and moderate income housing need is quantified and distributed to municipalities in an equitable and rational manner. Each municipality must meet both its present and prospective need. The major considerations leading to quantification and distribution differ, however, with respect to present and prospective need. Consequently, two separate regions - a prospective need region and a present need region - are used to determine a municipality's fair share allocation.

A. DEFINING THE FAIR SHARE REGION: PROSPECTIVE NEED

A municipality's relevant fair share region for determining prospective need must encompass the housing market area within which low and moderate income households seeking shelter would be expected to locate if affordable housing were available. The Supreme Court, in <u>Mount Laurel II</u>, reaffirming its previous decision in <u>Oakwood at Madison, Inc. v. Twp. of Madison</u>, defined region as

> that general area which constitutes, more or less, the housing market area of which the subject municipality is a part and, from which the prospective population of the municipality would substantially be drawn in the absence of exclusionary zoning.*

The most important determinant of residential location is accessibility to employment opportunities, and thus the composition of the relevant region depends primarily on the location of actual and prospective employment centers and the availability of transportation facilities. Low and moderate income households can be expected to seek housing

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* 92 <u>N.J.</u> 158 at 256, quoting 72 <u>N.J.</u> at 537.

readily accessible to their jobs. Accordingly, the area
within 30 minutes driving time from a municipality
approximates its prospective need region. This area is
known as the municipality's "commutershed".

The report prepared by planners involved in <u>Urban League of</u>
<u>New Brunswick v. Carteret</u> for Judge Serpentelli established
the following objective standards for determining
prospective need commutershed regions:

1) measurement of a municipality's commutershed will be
    from the municipality's approximate center;

2) the commutershed will be based on a 30-minute driving
    time measured at the following speeds:
    -- 30 miles per hour on local and county roads;
    -- 40 miles per hour on state and federal highways; and
    -- 50 miles per hour on interstates, the Garden State
        Parkway and New Jersey Turnpike

3) the entirety of any county entered within the 30-minute
    driving time will be considered part of the commutershed
    region for prospective need allocation.

The third criterion ensures that reliable data is available
from standard sources. In particular, reliable population
projections are not prepared for any geographic area smaller
than whole counties.

The 30-minute commutershed for Franklin Township encompasses
Somerset, Middlesex, Mercer, Hunterdon, Union and Monmouth
Counties. These counties constitute the prospective fair
share region for Franklin.

B. DEFINING THE FAIR SHARE REGION: PRESENT NEED

In contrast to prospective need, the major consideration in the determination of present need concerns existing housing conditions. The Supreme Court, in Mt. Laurel II, stated that:

> All municipalities' land use regulations will be required to provide a realistic opportunity for the construction of their fair share of the region's 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 that 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 municipalities' fair share being more than the present need generated within the municipality and in some cases less.*

In essence, the court postulates that a present need fair share region integrate the older urban core areas that are burdened by high levels of indigenous need and the less developed newer suburban areas that offer the resources to accommodate that need. In light of this, the following present need regions have been defined:

Region 1: Bergen, Passaic, Sussex, Morris, Essex, Hudson, Warren, Hunterdon, Somerset, Union and Middlesex Counties;

Region 2: Mercer, Burlington, Camden and Gloucester Counties

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*   92 N.J. 158 at 243.

Region 3: Monmouth and Ocean Counties; and
Region 4: Atlantic, Cumberland, Cape May and Salem Counties.

Franklin Township falls within the present need region for
the northern half of the state, or Region 1.

III. DETERMINATION OF PROSPECTIVE NEED

A. INTRODUCTION

In <u>Mount Laurel I</u> and <u>II</u> the Supreme Court set forth a
"municipal obligation to provide a realistic opportunity for
a fair share of the region's present and prospective low and
moderate income housing need".* However, prospective need
is only defined as "the number of units...needed for a
reasonable period of time in the future".**

For the purpose of this fair share plan a ten-year period
(1980 to 1990) appears to be most appropriate. While past
allocation plans have often projected housing need for a
twenty-year period, the reliability of such projections
decreases rapidly with increasing time. It appears that a
more sensible approach is to make shorter-term projections
which are then updated as soon as new baseline data becomes
available. In practical terms, the next opportunity to
obtain a detailed picture of regional housing conditions and
needs will be after the next Census is undertaken in 1990.
The most recent existing data was collected in 1980. Thus,
the ten-year period between these two dates was used.

A time frame ending in 1990 also makes sense as a reasonable
planning horizon for municipalities seeking to adjust their
land use regulations to provide for low and moderate income
housing needs. The New Jersey Municipal Land Use Law
mandates re-examination of each municipality's land
development regulations at least every six years.*** A

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*   92 <u>N.J.</u> 158 at 205.

**   <u>Id.</u> at 215.

*** <u>N.J.S.A.</u> 40:55D-89.

housing need projection to 1990 leaves a full six-year period prior to the next required re-examination of such ordinances.

The future need for low and moderate income housing is largely determined by the rate at which new low and moderate income households are formed or migrate to the region.* This, in turn, is largely a function of population growth, although many other variables, such as the age distribution of the population, marriage and divorce rates, family composition, social forces, employment patterns and the availability of housing all contribute to determine the number of households.

B. PROJECTED POPULATION AND HOUSEHOLD CHANGE

Relatively sophisticated county population projections for 1990 have recently been prepared by the New Jersey Department of Labor.** In addition to total numbers of persons expected to reside in each county in 1990, estimates of the numbers of persons by sex and age group have been calculated.

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* The Census defines "household" as all the persons who occupy a housing unit. Thus, by definition, there is a one-to-one relationship between the number of households and the number of housing units needed.

** Office of Demographic and Economic Analysis, Division of Planning and Research, N.J. Department of Labor, New Jersey Revised Total and Age & Sex Population Projections (1985-2000), July 1983.

Separate sets of projections were generated by four
different models of future growth patterns. Two models (the
ODEA Economic/Demographic and ODEA Demographic Cohort) are
"preferred" by the Department of Labor as theoretically
superior to the other two "regression" models. Both ODEA'
models are "cohort-component method" projections, however
the Economic/Demographic model differs from the Demographic
Cohort method in that migration of persons 65 years of age
and under is computed based upon projected labor market
conditions rather than on the basis of migration trends
during the previous decade.*

As the two models project ranges of future population
change, they have been combined to avoid extremities in the
projections. This composite is achieved by taking the
average of the two models for each age cohort. The total
number of households is then derived by multiplying each of
these age cohorts by the expected percentage of persons in
the cohort who will be heads of households, or a "headship"
rate.**

This method is used on a county-by-county basis for all
those counties in the commutershed region to obtain the base
number of households in the region. In the Franklin Town-
ship commutershed region the total number of households in
1990 is projected to be 901,584. This number represents an
increase of 155,071 new households over 1980 (see Table 1).

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* See Id. pp. 1-8 for a full discussion of the assumptions and
  methodologies used to generate these two sets of
  projections.

** This technique uses the methodology developed by the Rutgers
   Center for Urban Policy Research in Mount Laurel II,
   Challenge and Delivery of Low-Cost Housing.

TABLE 1

PROJECTED MT. LAUREL HOUSEHOLDS, 1990, BY COUNTY

FRANKLIN'S COMMUTERSHED REGION

County	1990 Households	Minus	1980 Households	x	.394	=	Mt. Laurel Households
Somerset	89,681	-	67,368	x	.394	=	8,791
Middlesex	245,989	-	196,708	x	.394	=	19,417
Mercer	118,997	-	105,819	x	.394	=	5,192
Hunterdon	37,857	-	28,515	x	.394	=	3,680
Union	194,487	-	177,973	x	.394	=	6,506
Monmouth	214,573	-	170,130	x	.394	=	17,510
TOTAL	901,584	-	746,513	x	.394	=	61,096

C. PROJECTED LOW AND MODERATE INCOME HOUSEHOLD GROWTH

The projected share of low and moderate income households is
based upon the current proportion of low and moderate income
households in the State of New Jersey. Low-income house-
holds are defined as those households with incomes no
greater than 50% of the median household income for the
state. Moderate income households are those households with
incomes that do not exceed 80%, and are no less than 50% of
the statewide median. In New Jersey, 39.4% of the house-
holds are classified as low or moderate income households.
The number of new low and moderate income households for the
commutershed region can therefore be projected by multiply-
ing the total number of new households by 39.4%. In
Franklin's commutershed region, there will be an estimated
61,096 new low and moderate income households by 1990 (see
Table 1).

IV. ALLOCATION OF PROSPECTIVE NEED

The <u>Mount Laurel II</u> decision requires that the housing
allocation process be tied to the concept land use maps
contained in the <u>State Development Guide Plan</u> (SDGP).* These
designate "Growth Areas" (including entire municipalities and
portions of municipalities) "where accessibility to employment
and services make them particularly suitable for development".**
The SDGP's three other major land use categories (limited
growth, conservation and agricultural) are collectively referred
to as "non-growth" areas by the <u>Mount Laurel II</u> decision,
although the <u>Guide Plan</u> recognizes that it is neither desirable
nor feasible to limit <u>all</u> future development to growth areas.

As a means of channelling development of low and moderate income
housing to the most suitable locations in the state, the Supreme
Court decided that "in non-growth areas...no municipality will
have to provide for more than the present need generated within
the municipality, for to require more than that would be to
induce growth in that municipality in conflict with the
SDGP".***

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*   Division of Planning, New Jersey Dept. of Community Affairs,
     May 1980.

**   <u>Id.</u>, p. 47. According to the <u>Plan</u> these areas were
     delineated using the following criteria: location within or
     adjacent to major population and/or employment centers;
     location within or in proximity to existing major water
     supply and sewer service areas; location within or in
     proximity to areas served by major highway and commuter rail
     facilities; absence of large concentrations of agricultural
     land; and absence of large blocks of public open space or
     environmentally-sensitive land.

*** 92 <u>N.J.</u> 158 at 244.

Regarding the appropriate criteria to use in allocating regional housing need to eligible municipalities, <u>Mount Laurel II</u> says only the following:

> Formulas that accord substantial weight to employment opportunities in the municipality, especially new employment accompanied by substantial ratables, shall be favored; formulas that have the effect of tying prospective lower income residents to the total population of a municipality shall be disfavored; formulas that have the effect of unreasonably diminishing the share because of a municipality's successful exclusion of lower income housing in the past shall be disfavored.*

The planners in the <u>Carteret</u> case agreed that availability of land, employment opportunities, recent job growth and the economic status of the municipal population are relevant considerations in allocating prospective housing need. Four allocation criteria were selected by the group as indicators of these considerations.

1) municipal employment growth as a percentage of commutershed employment growth for the period 1972 to 1982

2) present (1982) municipal employment as a percentage of present (1982) commutershed employment

3) municipal land in the growth area as a percentage of commutershed land in the growth area

4) municipal median household income as a percentage of median household income in the commutershed.

Municipalities with no land in State Development Guide Plan "Growth Areas" are exempt from an obligation to provide for the prospective regional housing need under the <u>Mount Laurel II</u> decision. In addition, there was a consensus that many of the state-designated "Urban Aid" municipalities should be exempt by virtue of their already considerable housing burdens.

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* 92 <u>N.J.</u> 158 at 256.

Employment in non-growth areas* and selected urban aid cities** must therefore be deducted from the commutershed totals (see Tables 2 and 3). Similarly, the urban aid cities must be deducted from the commutershed totals for land in the growth area (see Table 4).

These three adjusted factors (employment growth, current employment and land in the growth area) are then averaged to establish a preliminary allocation percentage. After this preliminary allocation factor is derived, the ratio of the municipality's median household income to the median income in the region is multiplied by the preliminary allocation factor to establish a "wealth factor". The wealth factor reflects municipalities' previous land use practices. A municipality which has not been exclusionary in its zoning will generally have a lower median household income than one which has been exclusionary and should therefore receive a smaller proportion of the prospective need allocation. The wealth factor is then averaged with the other three factors to develop the final composite allocation factor. This factor is in turn multiplied by the number of projected 1990 households in the commutershed to determine the preliminary prospective need for each municipality.

Over and above this preliminary prospective need, municipalities also need to accommodate the excess prospective need of communities without adequate vacant land to accommodate their allocations. A 20 percent factor is used to anticipate the need for such a reallocation. Although a more desirable procedure would use the actual amount of vacant developable land, the 20% factor has been substituted for two reasons: (1) the amount of vacant developable land is not readily available from any

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*   See Appendix 1.

** See Appendix 2.

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TABLE 2

TOTAL COVERED EMPLOYMENT, 1982, BY COUNTY

FRANKLIN TOWNSHIP COMMUTERSHED

County	1982 Covered Employment	Deduct Employment in Non-Growth Areas	Deduct Employment in Urban Aid Cities (Selected)	Total For Presend Need Allocation Formula
Somerset	82,891	161	0	82,730
Middlesex	240,794	0	32,322	208,472
Mercer	109,951	1,225	23,624	85,102
Hunterdon	20,465	6,987	0	13,478
Union	225,505	0	61,124	164,381
Monmouth	131,074	4,333	14,246	112,495
TOTAL	810,680	12,706	131,316	666,658

TABLE 3

EMPLOYMENT GROWTH, 1972 - 1982, BY COUNTY

FRANKLIN TOWNSHIP COMMUTERSHED

County	1972 Covered Employment (Excluding Employment in Non-Growth Areas & Urban Aid Cities)	1982 Covered Employment (Excluding Employment in Non-Growth Areas & Urban Aid Cities)	Net Covered Employment Growth 1972-1982 (Excluding Employment in Non-Growth Areas & Urban Aid Cities)
Somerset	56,942	82,730	25,788
Middlesex	141,251	208,472	67,221
Mercer	61,570	85,102	23,532
Hunterdon	9,066	13,478	4,412
Union	149,277	164,381	15,104
Monmouth	77,598	112,495	34,897
TOTAL	495,704	666,658	170,954

TABLE 4

STATE DEVELOPMENT GUIDE PLAN:

GROWTH AREA BY COUNTY, IN ACRES

FRANKLIN TOWNSHIP COMMUTERSHED

County	Growth Area	Deduct Growth Area in Urban Aid Cities	Net Total Growth Area for Reallocation Formula
Somerset	100,455	0	100,455
Middlesex	154,110	6,432	147,678
Mercer	105,086	4,800	109,286
Hunterdon	26,759	0	26,759
Union	65,875	13,050	52,825
Monmouth	156,624	4,832	151,792
TOTAL	608,909	29,114	579,795

reliable and easily accessible source, and (2) the 20% factor is of a magnitude similar to vacant land reallocation that occurred in 1978, the last time accurate vacant land data was available.

The allocation must also be increased by a vacancy factor to ensure market mobility. Generally, vacancy rates of 5.0% for rental housing and 1.5% for sales housing are considered adequate. As the construction of sales housing appears to be increasing at a greater rate than rental housing, an adequate vacancy rate for those two types has been determined to be approximately 3 percent. Thus, a 103 percent multiplier is used to derive the final prospective allocation number.

Table 5 calculates the preliminary prospective need allocation for Franklin Township. The most recent available employment figures reveal that there are 11,653 covered jobs in Franklin (col. 1). This constitutes 1.75% of the total number of jobs in the region (col. 3). The number of covered jobs in Franklin increased by 8,052 from 1972 to 1983 (col. 4). This represents 4.71 percent of the region's job growth over the same period (col. 6). Franklin was also found to have 14,330 acres of land in the growth area (col. 7) which represents 2.47% of the region's land in the growth area (col. 9).

The percentages in columns 3, 6 and 9 serve as the three preliminary allocation factors. Since each is given equal weight, they are averaged to derive a preliminary composite allocation factor of 2.98%, shown in column 10.

Table 5A demonstrates how the wealth factor affects the derivation of the preliminary composite factor. Because Franklin's median family income of $27,759 (col. 1) represents 87.8 percent of the median income in the region (col. 3), this percentage is multiplied by the preliminary composite factor to obtain a wealth factor of 2.61% (col. 5). This percentage is

TABLE 5

FRANKLIN TOWNSHIP

PROSPECTIVE ALLOCATION FACTOR

1982 Employment			Employment Growth, 1972-1982			Land in Growth Area (Acres)			
(1)	(2)	(3) Franklin as	(4)	(5)	(6) Franklin as	(7)	(8)	(9) Franklin as	(10) Preliminary Composite Factor
Franklin	Region	% of Region	Franklin	Region	% of Region	Franklin	Region	% of Region	(Percentage Average of Factors)
11,653	666,658	1.75	8,052	170,954	4.71	14,330	579,795	2.47	2.98

TABLE 5A

WEALTH FACTOR

(1)	(2)	(3) Franklin as		(4) Preliminary Composite		(5)	(6) Composite Factor (Percentage
Franklin	Region	% of Region	x	Factor	=	Wealth Factor	Average including Wealth Factor
27,759	31,609	.8782		2.98		2.61	2.89

then given the same weight as the other three factors (see Table 5, cols. 3, 6 and 9) such that the average of the four factors yields a final composite factor of 2.89% (col. 6).

The final composite factor is multiplied by the projected regional low and moderate income housing need of 61,096 units, shown in Table 6. This calculation results in a prospective need of 1,765 units (col. 3). In order to accommodate the unmet need of those municipalities with insufficient vacant land, the reallocation of a total of 353 units brings the prospective need to 2,118 units (col. 4). Finally, when the vacancy factor is added, this figure is increased by another 64 units (col. 5), yielding a total of 2,182 units. This represents Franklin's total prospective need for the period 1980 to 1990.

TABLE 6

PROSPECTIVE NEED: FRANKLIN TOWNSHIP

(1) Region's Mt. Laurel Households (1990)	x	(2) Composite Allocation Factor	(3) Prospective Need	x	(4) Reallocation Factor	x	(5) Vacancy Factor (1.03)	=	(6) Total Prospective Need
61,096		2.89%	1,765		2,118		2,182		2,182

V. DETERMINATION AND ALLOCATION OF PRESENT NEED

A. REGIONAL PRESENT NEED DETERMINATION

Indigenous need refers to a municipality's obligation to
correct its existing substandard housing situation. All
municipalities - except those which have indigenous housing
needs in excess of the overall standard of housing
deficiencies in the region (see Table 7) - must meet their
indigenous housing needs. They must also accommodate the
reallocated indigenous need of those municipalities with
excess housing needs.

The indigenous housing need within a region is computed
based upon three criteria: overcrowding (more than 1.01
persons per room), units lacking complete plumbing for
exclusive use of the occupants, and units lacking adequate
heat. The sum of these deficiencies represents the total
number of substandard units in the region. According to
Tri-State Regional Planning Commission studies,
approximately 82% of the region's substandard units are
occupied by lower income households. Therefore, it is
assumed that the total number of substandard units in the
region multiplied by 82% approximates the number of
substandard units in the region occupied by low and moderate
income households. The proportion of substandard units ,
occupied by low and moderate income households divided by
the total number of occupied units in the region represents
the percentage of substandard units occupied by low and
moderate income households, referred to as the regional
standard. All municipalities whose proportion of deficient
housing units occupied by low and moderate income households
exceeds the regional standard do not have to meet whatever
surplus needs they may have. Instead, this surplus need is

Table 7

SUBSTANDARD HOUSING UNITS: INDIGENOUS NEED, BY COUNTY, 1980

(overcrowded, lacking plumbing for occupants' exclusive use, lacking central heating, without flues)
(all overlapping excluded)

County	Total Occupied Units	Over-crowded	Units Lacking Complete Plumbing	Units Lacking Adequate Heating	Total Substandard Units	Total Substandard Mt. Laurel Households (total x .82	Percent Substandard Mt. Laurel Households of Total Occu-pied Units
Bergen	300,410	6,017	3,211	3,029	12,257	10,051	3.3
Essex	300,303	19,479	7,114	7,736	34,329	28,150	9.4
Hudson	207,859	15,117	7,025	7,721	29,863	24,488	11.8
Hunterdon	28,515	425	345	1,172	1,942	1,592	5.6
Middlesex	196,708	5,708	2,406	1,862	9,976	8,180	4.2
Morris	131,820	2,169	848	1,738	4,755	3,899	3.0
Passaic	153,463	8,028	3,100	5,007	16,135	13,231	8.6
Somerset	67,368	1,146	554	630	2,330	1,911	2.8
Sussex	37,221	796	337	1,686	2,819	2,312	6.2
Union	177,973	6,131	2,350	2,348	10,829	8,880	5.0
Warren	29,406	518	444	1,090	2,052	1,683	5.7
Total:	1,631,044	65,534	27,734	34,019	127,287	104,377	6.4

reallocated among eligible municipalities in the region
whose proportion of units occupied by low and moderate
income households is below the regional standard.

Table 7 indicates that the regional standard for low and
moderate income households is 6.4%. Using this figure, the
total unmet need among municipalities with surpluses is
35,014 units. This excess need must be reallocated to
eligible municipalities in the region, which includes
Franklin Township.

B. ALLOCATION OF PRESENT NEED

1. REALLOCATED NEED

   The formula for the reallocation of the surplus need
   combines three factors:

   (1) municipal employment as a percentage of total
       employment in the present need region (1982);

   (2) municipal land in the growth area as a percentage of
       total growth area land in the present need region;
       and;

   (3) municipal median household income as a percentage of
       total median household income in the present need
       region.

   In order to attain a composite factor among the three
   outlined above, the employment in non-growth and urban
   aid cities must first be deducted from the regional
   totals and the urban aid cities must be deducted from
   the regional total for land in the growth area. These

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two adjusted factors are averaged to establish the preliminary allocation factor. This preliminary factor is multiplied by the municipality's median household income ratio to ascertain the wealth factor. The wealth factor is then combined and averaged with the preliminary allocation factor to produce the present need allocation factor.

The present need allocation factor is multiplied by the regional surplus to determine the municipality's share of the reallocation. In order for municipalities to adjust gradually to this lower income population redistribution, their reallocations will be staged over three six-year periods. The share to be met by a municipality by 1990, therefore, is the total allocation divided by three. As with the prospective need, reallocations must be made to accommodate the needs of municipalities without sufficient land and to insure an adequate vacancy rate for market mobility before deriving the final reallocation number.

Table 8 shows the calculation of Franklin's present need composite allocation factor. Franklin's 11,653 covered jobs (col. 1) constitute .936% of the total number of jobs with the present need region (col. 3). Franklin's 14,330 acres of growth area (col. 4) represents 2.05% of the present need region's total growth area lands (col. 6). These two percentages are averaged to obtain the preliminary allocation factor of 1.493% (col. 7).

Table 8A derives the wealth factor. Franklin's median family income of $27,759 (col. 1) represents 90.32% of the region's median family income (col. 3). This income relationship is then multiplied by the preliminary composite factor, which yields a wealth factor of

TABLE 8

FRANKLIN TOWNSHIP

PRESENT NEED ALLOCATION FACTOR

(1) Franklin	(2) Region	(3) Franklin as % of Region	(4) Franklin	(5) Region	(6) Franklin as % of Region	(7) Preliminary Composite Allocation Factor
11,653	1,244,632	.936	14,330	699,163	2.050	1.493

TABLE 8A

WEALTH FACTOR

Median Family Income			Preliminary Composite Allocation Factor	=	Wealth Factor	Composite Allocation Factor (inc. Wealth Factor)
Franklin	Region	Franklin as % of Region				
$27,759	$30,735	90.32	1.493		1.3485	1.445

1.3485% (col. 5). This percentage is given the same weight as the other two factors (see Table 8, cols. 3 and 6) by taking the average of the three factors. This calculation results in a final composite factor of 1.445% (col. 6, Table 8A).

Table 9 shows the calculation of the prospective need. The composite factor multiplied by the regional excess (col. 1) equals Franklin's share of the reallocation. In order to allow for the gradual phasing of these households, Franklin is only required to meet one-third of this need by 1990. Its present reallocation need to 1990 is therefore 169 units (see col. 4). The reallocations necessary to accommodate the excess from municipalities without sufficient vacant land (col. 5) and to ensure market mobility (col. 6) are then added to increase this number to 208 units. This represents Franklin's share of the reallocated excess need to be met by 1990.

2. INDIGENOUS NEED

In addition to accommodating its fair share of the reallocated excess present need in the region, Franklin must accommodate the present lower income housing need within its own borders, also known as its indigenous need. Table 10 quantifies Franklin's indigenous need based on three indicators or deficient conditions. The Township's deficient units include 135 occupied housing units without complete plumbing, 100 occupied housing units with no or inadequate heat, and 214 occupied housing units that are overcrowded (more than 1.01 persons per room). In total, the Township has 449

TABLE 9

REALLOCATED NEED: FRANKLIN TOWNSHIP

	(1) Reallocated Excess in Region	x	(2) Composite Allocation Factor	=	(3) Share of Reallocation	(4) Share to be Met by 1990 $((3) \div 3)$	(5) Reallocation Allowance (x 1.2)	(6) Vacancy Allowance (x 1.03)
Franklin	35,014		1.445		506	169	202	208

TABLE 10

FRANKLIN TOWNSHIP: INDIGENOUS NEED

	Total Occupied Year-Round Housing Units	Without Complete Plumbing	With No or Inadequate Heat	Overcrowded Units	Total Substandard Units	Total Substandard Units Occupied By Low & Mod. Income Households (x .82)	Total Indigenous Need
Franklin	10,040	135	100	214	449	368	368

substandard units. Low and moderate income households
occupy an estimated 82% of these units. Thus,
Franklin's indigenous need is 368 units.

3. TOTAL PRESENT NEED

Franklin's total present need to be met by 1990 includes
its share of the region's allocated surplus and its own
indigenous need. Therefore, when the 368 indigenous
need units are added to the Township's share of the
reallocated excess to be met by 1990, Franklin's total
present need is 576 units.

VI. FRANKLIN'S FAIR SHARE ZONING OBLIGATION

Franklin Township's total lower income housing allocation is
2,758 units, including 2,182 units to meet prospective housing
needed between 1980 and 1990, and 576 units to meet present
housing needs as of 1980. According to the Mount Laurel II
decision the total allocation must be provided for by Franklin's
land use regulations. Ideally, this number of lower income
units will be constructed by 1990 to meet the identified housing
needs.

The Mount Laurel II decision indicates that rezoning to meet
indigenous and allocated present housing needs should occur
immediately, whereas provision for prospective lower income
households may be met by a "phase-in" over the period
encompassed by the fair share plan.* However, because the most
recent Census was in 1980, the housing need calculations in this
plan are already 4 years old. Unless 40 percent of the total
number of needed lower income housing units have already been
provided between 1980 and 1984, it appears only reasonable that
all or most of the prospective zoning obligation should be met
immediately, in addition to immediate provision for present
needed lower income units.

Although Franklin recently took a step towards meeting this
obligation by approving 400 low and moderate income units as
part of the Field Society Hill PUD off Route 27 south of
Claremont Road, the Township's land use regulations must be '
revised in order to make possible the provision of its entire
fair share obligation.

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*   92 N.J. 158 at 219.

VII. OTHER INDICATORS OF FRANKLIN'S OBLIGATION UNDER MT. LAUREL II

A. UNAVAILABILITY OF AFFORDABLE HOUSING

Another indication of the need for affirmative measures to provide for low and moderate income housing in Franklin is the current unavailability of units affordable to these income groups. The Mount Laurel II decision defines "affordable" housing to mean that households must pay no more than 25% of their income for such dwellings.*

Applying this definition to the current income ranges for low and moderate income households in the Somerset County area (as determined by the Department of Housing and Urban Development), Table 11 shows the maximum monthly shelter costs which can be afforded by households with one to six persons. These range from under $238 per month for a one-person low-income household up to a maximum of $591 per month for a six-person household at the top of the moderate income group.

In Franklin the most affordable housing, in terms of monthly cost, is offered by the Township's considerable stock of rental apartments.** Most of these are located in several large developments constructed since 1970. With one exception, however, these developments do not contain any apartments with more than 1 or 2 bedrooms. Consequently, they do not provide an adequate housing opportunity for households with more than four persons, such as families with children.

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* 92 N.J. 158 at 221, footnote 8.

** Approximately 28.5% of Franklin's housing, or 2,866 units, were occupied by renters in 1980.

TABLE 11

ANNUAL INCOMES AND MAXIMUM MONTHLY SHELTER COSTS
LOW AND MODERATE INCOME HOUSEHOLDS
NEWARK SMSA*, 1983

Household Size	Low-Income Households		Moderate-Income Households	
	Annual Income (1983)	Max. Monthly Shelter Costs**	Annual Income (1983)	Max. Monthly Shelter Costs**
1-Person	Below $11,450	Below $238	$11,450-$17,650	$238 - $368
2-Person	Below $13,100	Below $273	$13,100-$20,150	$273 - $420
3-Person	Below $14,700	Below $306	$14,700-$22,700	$306 - $473
4-Person	Below $16,350	Below $341	$16,350-$25,200	$341 - $525
5-Person	Below $17,650	Below $368	$17,650-$26,750	$368 - $557
6-Person	Below $18,950	Below $395	$18,950-$28,350	$395 - $591

* For most federal statistical purposes currently **Franklin Township**
  is included in the Newark Standard Metropolitan Statistical Area
  (SMSA) which incorporates Essex, Morris, Union and Somerset Counties.

** Assuming no more than 25% of gross household income is devoted to
   housing (excluding utilities)

SOURCE: Newark Area Office, U.S. Dept. of Housing and Urban Development
         Section 8 Income Limits effective March 1, 1983.

The current asking rents for apartments in Franklin are presented in Table 12. Although the lowest rents are offered at Edgemere Gardens, the demand for units there frequently exceeds the supply. Despite being located in an area with older, deteriorating housing, Edgemere consistently has a waiting list and very often does not accept additional applications.

The majority of the other projects have substantially higher rents. The asking rents for one-bedroom apartments range from $450 to $530 per month. This range clearly exceeds the reach of low-income households, and is beyond that of 2-person moderate income households and most 3-person moderate income households.

The affordability picture is even more dismal for two-bedroom apartments. While the lowest rents are at Franklin-Hamilton Gardens, which charges $383 per month, the normal range is from $500 to $710 per month. This is way beyond the means of low income households and would burden most moderate income families, including 4-person households.

In conclusion, Franklin's present housing stock does not appear to offer any units affordable to lower income households. For those existing apartments whose rents would be affordable to lower income households the demand so far exceeds the supply that rental applications are no longer being accepted. Except for a few smaller-sized units affordable to households at the upper limit of the moderate income range, the rest of the apartments in Franklin have rents that exceed the available resources of low and moderate income households. Moreover, Franklin does not offer rental apartments at all for larger households.

TABLE 12

ASKING RENTS AT APARTMENT PROJECTS
IN FRANKLIN TOWNSHIP*

Name of Project	# of Units	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom
Franklin Greens	648	$440	$470-$520**	$565-$570	-
Easton North	212	-	$450	$560	-
Douglas Gardens	188	-	$450	$550	-
Somerset Mews	508	-	$438	$528	-
Carriage Run	160	-	$490-$640	$590-$710	-
Hempstead Gardens	599	-	$450-$460	$500-$510	-
Edgemere	398	-	-	$315	$383
Franklin-Hamilton Gardens	80	-	$332	$383	-
Harrison Towers	315	$372-$380	$472-$530	$650-$700	-

Rents exclude all utilities unless otherwise noted.

* As of November 17, 1983.

** Includes heat and hot water but tenant pays for electricity.

SOURCE: Franklin Township Rent Leveling Board.

Clearly, there is an unmet need for low and moderate income
housing units of all sizes and affordable to households
earning well below the maximum for moderate income
households. Provision of multi-family housing that is not
affordable to low and moderate income households, even if
less expensive than other housing types, does not adequately
address Franklin's obligation under Mount Laurel II.

B. IMBALANCE BETWEEN EMPLOYMENT-GENERATING ZONES AND RESIDEN-
    TIAL ZONING

One of the underlying principles of both the Mount Laurel I
and Mount Laurel II decisions is that municipalities must
zone to permit housing for low and moderate income persons
presently working or expected to work within its borders.
Thus, in Mount Laurel I the Supreme Court states that,
"certainly when a municipality zones for industry and
commerce for local tax benefit purposes, it without question
must zone to permit adequate housing within the means of the
employees involved in such areas". The decision found that
the community had "over-zoned" for industry in order to
benefit the local tax rate without providing zones in which
low and moderate income industrial workers could afford to
live.

A similar situation exists in Franklin Township.
Approximately 7,650 acres, or over one-quarter of the
Township, is zoned for commercial activities, industry or
offices and research laboratories, yet there is no adequate
provision for housing which is affordable to the low and
moderate income employees who can be expected to work in
these zones.

In recent years Franklin has successfully sought and encouraged economic growth and job formation. Between 1970 and 1982 the number of private covered jobs in the Township increased by nearly 225%, from 3,601 to 11,653. Franklin continues to encourage and attract new economic development. In the first three months of 1984, for example, the Township approved 864,330 square feet of new office and commercial space.

Currently, over 6,400 acres of vacant land in Franklin is zoned for commercial, industrial and office uses. Using a highly conservative employment density factor of 7.5 workers per gross acre, development of this land would generate a total of nearly 50,000 jobs in Franklin. Even if only 20% of these jobs employed low and moderate income persons, approximately 10,000 lower income units would result. Yet, Franklin's residential land use regulations do not allow the provision of housing for this population.

A. <u>THE MOUNT LAUREL II DIRECTIVES</u>

In the <u>Mount Laurel II</u> decision the Supreme Court held that
each municipality in New Jersey must provide a realistic
opportunity for construction of its fair share of low and
moderate income housing. A municipality's "bona fide
attempt to provide a realistic opportunity" is not
sufficient. Only if a municipality has <u>in fact</u> provided a
realistic opportunity for construction of its fair share has
it met the <u>Mount Laurel</u> obligation.

The decision sets forth a series of actions which
municipalities must take in order to satisfy their <u>Mount
Laurel</u> responsibilities. These are meant to be implemented
in concert to the extent necessary to make the construction
of low and moderate income housing realistically possible.

The court's first directive is for municipalities to "remove
all municipally created barriers to the construction of
lower income housing", including "zoning and subdivision
restrictions and exactions that are not necessary to protect
health and safety". An appropriate set of standards for
such housing is the Department of Housing and Urban
Development's <u>Minimum Property Standards</u>. Any provisions
which exceed these minimums, and thereby generate
unnecessary costs, violate the Supreme Court's directive to
provide realistic opportunity for construction of lower
income housing.

Unless removal of excessive restrictions, by itself, creates
the housing opportunities called for, the court directs each

municipality to take _affirmative_ steps to make the
opportunity for lower income housing a real one. The _Mount_
Laurel II decision notes that "satisfaction of the _Mount_
Laurel doctrine cannot depend on the inclination of
developers to help the poor", but has to be assured by
"affirmative inducements".* The court identifies two
categories of affirmative measures municipalities must take:

(1) encouraging or requiring the use of available state or
     federal housing subsidies, and

(2) providing incentives for or requiring private developers
     to set aside a portion of their developments for lower
     income housing.**

The court recognizes that presently housing subsidies are in
extremely short supply and therefore turns to the second
category of affirmative measures under the heading
"inclusionary zoning devices". These consist of two basic
strategies which may be combined and modified.

(1) _Incentive Zoning_ - whereby an added increment of
     development density is granted to builders in return for
     their participation in a lower income housing program.

(2) _Mandatory Set-Asides_ - which require that a given
     percentage of units in new developments be made
     affordable to low and moderate income households.

The combination of a developer set-aside with an appreciable
density bonus is one of the most promising sources of new
lower income housing. However, the elimination of all

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*   92 _N.J._ at 261.

**   92 _N.J._ at 262.

unnecessary development restrictions is a prerequisite for such a mechanism

B. SUMMARY OF ZONE PROVISIONS

Franklin's zoning designates a total of 16 zones as follows:

R-R	Rural-Residential
R-A	Rural-Agricultural
R-40 & R-40(1)	Residential
R-20	Residential
R-15	Residential
R-10	Residential
R-7	Residential
B-1	Regional Business
B-2	General Business
B-3	Neighborhood Business
H-D	Highway Development
OPT	Office-Professional Transition
ROL	Research-Office-Laboratory
M-1	Light Manufacturing
M-2	Light Manufacturing
M-3	Mining & Manufacturing

The provisions of Franklin's residential zones are summarized in Table 13. The R-R, R-A, R-40/R-40(1), R-20, R-15 and R-10 each permit single family residential development. Both the OPT and R-7 permit two family residences as well as single family homes. Minimum lot sizes for detached, single family development range from 7,500 to 100,000 square feet. An open space modification is available in the R-R, R-40 and R-20 zones, but not in the higher density zones.

TABLE 13

MAJOR PROVISIONS OF FRANKLIN'S RESIDENTIAL ZONES

Zone	Permitted Uses	Conditional Uses	Minimum Lot Size	Maximum Density	Maximum Height	Minimum Frontage	Minimum Front Yard	Permitted Modifications
RR	Farming 1-Family DU's Churches Nursery Schools Golf Courses Stables	-	100,000 s.f.	1 DU/2.29 acres	35' 2½ stories	200'	50'	-
R-A	Same as RR	-	50,000 s.f.	1 DU/1.15 acres	35' 2½ stories	200'	40'	-
R-40/ 40(1)	1-Family DU's Churches Golf Courses Farming Prvt. Schools	Schools Membership Swimming	40,000 s.f. 32,000 s.f. (see permitted modifications)	1 DU/acre .8 DU/acre	35' 2½ stories	200' 160'	40'	Variable Lot Size/Open Space Reduction Planned Unit Development (see below)
R-20	1-Family DU's Churches Schools	Same as R-40/ R-40(1)	20,000 s.f. 16,000 s.f. (see permitted modifications)	2 DUs/acre 1.6 DU/acre	35' 2½ stories	130' 80'	35'	Variable Lot Size/Open Space Reduction
R-15	1-Family DU's	-	15,000 s.f.	3DUs/acre	35' 2½ stories	120'	30'	-
R-10	1-Family DU's	-	10,000 s.f.	4DUs/acre	35' 2½ stories	105'	25'	-
R-7	1-Family DU's 2-Family DU's	-	7,500 s.f. 10,000 s.f.	5DUs/acre 4DUs/acre	35' 2½ stories	90'	25'	-

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TABLE 13 (Cont'd.)

MAJOR PROVISIONS OF FRANKLIN'S RESIDENTIAL ZONES

Zone	Permitted Uses	Conditional Uses	Minimum Lot Size	Maximum Density	Maximum Height	Minimum Frontage	Minimum Front Yard	Permitted Modifications
B-1	Retail Stores and Services Funeral Homes Theaters, Laundromats Schools Nursing Homes Gen. Offices & Laboratories Motels Garden Apts.	-	5 acres	8 DUs/acre	40' 3 stories	300'	100'	-
B-2	Retail Stores Funeral Homes Theaters Laundromats Schools Prof. & Gen. Offices Auto Sales	Auto Service Stations Multi-Family Garden Apts.	20,000 s.f.	8 DUs/acre	30' 2 stories	100'	20'	-
H-D	Retail Gen. & Prof. Offices Science, Research Restaurants Theaters Funeral Homes Nursing Homes Garden Apts. Townhouses	Auto Service Stations	3 acres	8 DUs/acre (garden apts.) 7 DUs/acre (townhouses)	45' 3 stories	300'	75'	Planned Unit Development (see below)

MAJOR PROVISIONS OF FRANKLIN'S RESIDENTIAL ZONES

Zone	Permitted Uses	Conditional Uses	Minimum Lot Size	Maximum Density	Maximum Height	Minimum Frontage	Minimum Front Yard	Permitted Modifications
OPT	1-Family DUs	-	10,000 s.f.	4 DUs/acre	35'	100'	20'	-
	2-Family DUs		10,000 s.f.	8 DUs/acre	2½ stories			
	Church							
	Professional Offices							

	Min. Tract Size	Min. Single-Family Lot Size	Maximum Density
Planned Unit Development Option (permitted modification in the H-D and R-40/40(1) zones)	300 acres	15,000 s.f.	3.5 DUs/acre

Note: A residential developer is required to provide or cause others to provide low income dwelling units which shall not be less than 5% of the total number of dwelling units specified in the development plan and moderate income units which shall not be less than 15% of the total number of dwelling units specified in the development plan.

SOURCE: Franklin Township Zoning Ordinance.

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Multi-family development is limited to the following: townhouses are a permitted use in the H-D zone; garden apartments are a permitted use in B-1 and H-D zones and a conditional use in the B-2 zone. The permissible gross density in these zones is 7 units per acre for townhouses and 8 units per acre for garden apartments. In addition, under the PUD option (a permitted "modification" in H-D and R-40/R-40(1) zones), townhouses and garden apartments are permitted as part of the development mix. The PUD option requires a 300-acre minimum tract size and limits gross density to 3.5 units per acre.

The remaining five zones (B-3, ROL, M-1, M-2 and M-3) do not permit residential uses.

C. <u>DEFICIENCIES IN FRANKLIN'S RESIDENTIAL ZONING</u>

With respect to the requirements of <u>Mount Laurel II</u>, Franklin's residential zoning exhibits deficiencies in three key areas:

(1) Inadequate affirmative measures to induce construction of low and moderate income housing

(2) Excessive density, bulk and yard restrictions

(3) Prohibition of mobile homes.

These three major deficiencies are discussed in greater detail below.

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1. INADEQUATE AFFIRMATIVE MEASURES TO INDUCE CONSTRUCTION
   OF LOW AND MODERATE INCOME HOUSING

   Mount Laurel II requires that a municipality take
   affirmative measures - specifically density bonuses and
   mandatory set-asides - to ensure that a realistic
   opportunity for low and moderate income housing is
   provided. Franklin requires residential developers to
   provide 5% of the total dwellings for low income
   households and 15% for moderate income households.
   However, at the maximum prescribed density levels in
   Franklin, it is economically infeasible for developers
   to provide this set-aside.

2. EXCESSIVE DENSITY, BULK AND YARD RESTRICTIONS

   The Township's regulations pertaining to residential
   density exceed that which is necessary to protect public
   health and safety, and, in combination with mandatory
   set aside provisions, effectively preclude low and
   moderate income housing development. This situation is
   particularly harmful with respect to townhouses and
   garden apartments. The gross density requirement limits
   development to 7 and 8 units per acre for townhouses and
   garden apartments, respectively. Up to 14 and 22 units
   per gross acre would be appropriate maximum densities
   for these building types and would provide a realistic
   opportunity for low and moderate income housing
   development. In addition, minimum lot sizes of 5 acres
   (B-1 zone) and 3 acres (H-D zones), and minimum front
   setbacks of 100 feet (B-1 zone) and 75 feet (H-D zone)
   are excessive and unrelated to health and safety
   standards. Twenty-five feet setbacks for townhouses and
   garden apartments would be adequate.

Furthermore, even if bulk and density requirements were not excessive no realistic opportunity for low and moderate income housing development would exist in either the B-1 or B-2 zones due to the fact that each of these zones is already substantially developed. This contrasts sharply with Franklin's low density residential and agricultural zones, where ample vacant and developable land is available.

The PUD option requirements are also excessive and prohibitive in terms of the provision of low and moderate income housing. The 300-acre minimum tract size requirement is totally arbitrary and the density limit of 3.5 units per gross acre in combination with the mandatory 5%/15% set-aside renders low and moderate income housing development economically infeasible.

The minimum lot sizes for both single family and two family housing are also excessive. Although minimum lot sizes of 5,000 and 6,000 square feet for single and two family houses would meet health and safety standards, the Township's minimums are 7,500 and 10,000, respectively. They serve no purpose but to insure that development is more expensive and should be reduced accordingly to comply with Mt. Laurel II.

3. LACK OF PROVISIONS FOR MOBILE HOMES

Franklin does not permit mobile home development in any zones. This restriction violates the mandate of Mt. Laurel II which indicates that mobile homes are an acceptable means of providing low and moderate income housing. By prohibiting mobile homes, Franklin unnecessarily limits the realistic opportunities available to develop lower income housing.

4. MISCELLANEOUS COST-GENERATING REQUIREMENTS

In addition to the major deficiencies, Franklin's land
development ordinances prescribe numerous requirements
which are unnecessary to protect health and safety and
which impose considerable additional development costs.
These include the following:

- Excessive filing and review fees

- Excessive submission requirements

- Excessive requirements for environmental impact
  statements

- Excessive requirements in terms of landscaping,
  preservation of natural features, internal cir-
  culation and provision of sewerage.

- Discretionary standards in terms of project design.

5. CONCLUSION

Because of the deficiencies outlined above it is clear
that Franklin's zoning ordinance does not adequately
provide for low income housing. Thus, the zoning does
not conform with the Township's obligations under Mount
Laurel II.

D. NON-ZONING ACTIVITIES TO MEET THE MOUNT LAUREL II OBLIGATION

In addition to affirmative zoning devices, Franklin is
obligated to use whatever other measures are feasible to

meet their <u>Mount Laurel</u> obligation. These should include, but are not limited to, the following:

1. Use of federal Community Development Block Grant funds to facilitate provision of low and moderate income housing. Such funds could be used for site acquisition, infrastructure improvements or financing assistance.

2. Granting of tax abatement to valid non-profit, publicly-assisted housing developments.

3. Facilitating the development of subsidized housing through the passage of a Resolution of Need, provision of technical support, seed money, etc.

4. Donation of municipally-owned land for low and moderate income housing.

5. Coordination of infrastructure improvements with low and moderate income housing development through the capital budgeting process.

APPENDIX A

NON-GROWTH AREAS

The <u>State Development Guide Plan</u> designates land under the
following categories: public open space, agricultural lands,
limited growth areas, and growth areas. In accordance with <u>Mt.</u>
<u>Laurel II</u>, the following municipalities which have no land
within the "growth areas" have been excluded from the fair share
computations for Franklin Township:

<u>Hunterdon County</u>

Alexandria	Hampton	
Bethlehem	Holland	
Bloomsbury	Kingwood	
Califon	Lambertville	
Delaware	Lebanon Twp.	
East Amwell	Milford	
Franklin	Stockton	
Frenchtown	Tewksbury	
Glen Gardner	Union	
West Amwell		

<u>Morris County</u>

Chester Boro
Chester Township
Mendham Boro
Mendham Township

<u>Mercer County</u>

Hopewell Boro
Pennington Boro

<u>Monmouth County</u>

Allentown	Roosevelt
Farmingdale	Sea Bright
Millstone	Upper Freehold

<u>Somerset County</u>

Rocky Hill Boro

<u>Passaic County</u>

Ringwood Boro

Sussex County

Andover	Montague
Branchville	Ogdenburg
Byram	Sandyston
Frankford	Sparta
Franklin	Stanhope
Green	Stillwater
Hamburg	Sussex
Hardyston	Vernon
Hopatcong	Wollpack
Lafayette	Wantage

Warren County

Allamuchy
Belvidere
Blairstown
Franklin
Frelinghuysen
Hardwick
Hope
Knowlton
Liberty
Oxford
Pahaquany
White Township

APPENDIX B

URBAN AID MUNICIPALITIES

Urban Aid Municipalities are designated by the State of New Jersey based on 5 criteria:

(1) the municipal population must exceed 15,000, or the municipality must have a population density in excess of 10,000 per square mile;

(2) the municipality must have at least one (1) publicly financed dwelling unit for low income families;

(3) the municipality must have at least two hundred fifty-one (251) resident children enrolled in school, the families of whom participate in the Aid to Families of Dependent Children Program. If population exceeds 20,000, population density exceeds 7,000 per square mile, and municipal equalized valuation per capita is at least $4,500 lower than the State equalized valuation per capita, this requirement does not apply;

(4) The municipal equalized real estate tax rate must exceed that of the State of New Jersey. If population exceeds 25,000, and municipal equalized valuation per capita is at least $2,000 lower than the State equalized valuation per capita, this requirement does not apply; and

(5) The municipal equalized real estate valuation per capita must be less than that of the State of New Jersey. If the municipality's equalized tax rate exceeds the State equalized tax rate by $0.75 or more, this requirement does not apply.

Many, but not all, of the Urban Aid municipalities are highly developed older cities containing disproportionately high shares of the State's existing low and moderate income housing, with much of it in poor condition. These "core" cities are generally not well-equipped to accommodate even more low and moderate income housing and population.

However, the State Urban Aid criteria were broadened in 1984 to also include some municipalities which are neither highly urbanized nor overburdened with housing and economic woes. Some Urban Aid municipalities are semi-rural with high growth rates and extensive amounts of underdeveloped land which can appropriately accommodate new residential development. Thus, the following criteria were applied to the list of Urban Aid communities to determine which should be exempted from any Mount Laurel obligation, beyond providing for a reasonable portion of their own indigenous housing needs.

All "selected" Urban Aid municipalities must be one of the actual municipalities that have been designated "Urban Aid" by the State for funding year 1985. In addition, they must meet one of the following threshold criteria:

1. Level of existing housing deficiencies, according to the Fair Share formula, that exceeds the regional standard of the relevant Present Need Region;

2. Population density of 10,000 per square mile or greater; .

3. Population density of 6,000-10,000 per square mile plus designation in A Revised Statewide Housing Allocation Report for New Jersey as having "0" acres of vacant developable land.

Based on these criteria the following selected Urban Aid municipalities have been excluded from the calculation of Franklin's fair share allocation:

Bergen County	Hudson County	Monmouth County
Garfield	Bayonne	Asbury Park
Lodi	Hoboken	Keansburg
	Jersey City	Long Branch
Essex County	North Bergen	
Belleville	Union City	Passaic County
Bloomfield	Weehawken	Passaic
East Orange	West New York	Paterson
Irvington		
Montclair	Mercer County	Union County
Newark	Trenton	Elizabeth
Orange		Hillside
	Middlesex County	Plainfield
	New Brunswick	
	Perth Amboy	