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Region, Housing Needs and Fair Share Allocation for Franklin
Township

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Fair Share Report

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Region, Housing Needs and

Fair Share Allocation

for

Franklin Township (Somerset County), New Jersey

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May 8, 1984

Revised - June 12, 1984

Note:

The original report dated May 8, 1984 gave the figure of 705,823 acres as the growth area of the 5-County prospective region (on p. 19). At the same time, in footnote 12 on the same page, it referred the reader to Table 1 in the Appendix where the growth area for the same region was given as 428,003 acres. Since the latter figure is the correct one, this report modifies Franklin Township's fair share accordingly, using the same 11,743-acre figure as the extent of the growth area in Franklin Township as was used in the original report.

Since preparation of the May 8 report, I have become aware of certain large-scale map atlas sheets on which the staff of the New Jersey Department of Community Affairs delineated the boundaries of the state's growth areas in greater detail than is perceptible using the small maps that are a part of the State Development Guide Plan. Using these delineations increases the growth area within Franklin Township from 11,743 to 15,635. This affects the Township's fair share of both the reallocated excess need and the prospective regional needs. The result of using this revised growth area are shown in footnote 18, on page 24.

This revised version of the report also corrects the references in footnotes 6 and 7 on page 16.

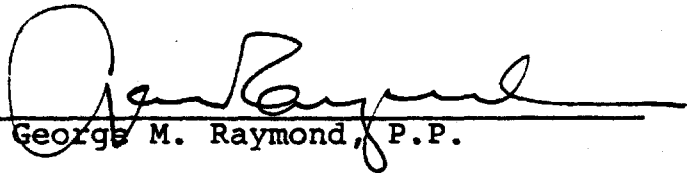

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Appendix

A. Introduction

The purpose of this report is to help quantify Franklin Township's housing obligations under Mount Laurel II (92 N.J. 155). Pursuant to that decision, each municipality in the State of New Jersey must "provide a realistic opportunity" for "low and moderate income housing in terms of the number of units needed immediately, as well as the number needed for a reasonable period of time in the future " (92 N.J. 215 et seq.). The specific "number of units" which represents this obligation must provide a realistic opportunity for

- (1) "...decent housing for at least some part of its resident poor who now occupy dilapidated housing " (92 N.J. 214)-emphasis supplied;
- (2) its fair share of the amount of housing needed to help reduce the incidence of "indigent poor" who, presumably, also occupy dilapidated housing, in those municipalities in which "they represent a disproportionately large segment of the population as compared with the rest of the region" (92 N.J. 215); and
- (3) "a fair share of the region's...prospective low and moderate income housing need" (92 N.J. 214).

As the Supreme Court noted, "the determination of fair share...(is) the most troublesome issue in Mount Laurel" (92 N.J. 248). The Court felt the need for a firm determination of "the regions of New Jersey, their present and prospective lower income housing needs, and the allocation of those needs among all of the municipalities of the state charged with the Mount Laurel obligation" to end the uncertainty which undermines the very "constitutional doctrine" underlying its decision (92 N.J. 253). Absent such a determination, "parties (can)...continue to prove region, need, and fair share with (a)...profusion of facts and expert opinions but without knowing whether the court would regard the evidence as persuasive or even relevant" (92 N.J. 252).

To help resolve this perplexing issue of the appropriate methodology for arriving at the necessary determinations, planners involved directly or indirectly in the case of Urban League of Greater New Brunswick v. Carteret attempted jointly to assist the Court-appointed expert, Carla L. Lerman, P.P. to produce a "consensus" approach (hereinafter referred to as the "consensus methodology"). The resulting report¹ prepared for the Court by Ms. Lerman is made a part hereof. Having participated in its development, I am

¹Carla L. Lerman, Fair Share Report, Urban League of Greater New Brunswick v. Carteret et. al., April 2, 1984.

accepting the reasoning and conclusions advanced in that report in all instances other than those which are specifically questioned and dealt with in this report.

B. Determination of Franklin Township's Fair Share

1. The Consensus Methodology

The consensus methodology is set forth in detail in the Lerman Report.

For determining the fair share of the reallocated surplus present need, it relies on a formula using two independent factors and one derived factor:

Factor A = 1982 covered employment in the municipality as a percentage of the present need region (referred to hereinafter as the "existing employment factor")

Factor B = Land area in the municipality which is mapped in the SDGP growth area as a percentage of all such land in the present need region (referred to hereinafter as the "growth area factor")

Factor C = The ratio of the 1980 Census median income in the municipality to that of the region

multiplied by the average of factors A and B (hereinafter referred to as the "wealth factor").

For determining the fair share of the prospective need, the consensus formula adds to factors A and B (using the prospective need region) a third independent factor:

Factor D = 1972-1982 average annual employment growth in the municipality as a percentage of that in its prospective need region (hereinafter referred to as the "employment growth factor").

To derive factor C for purposes of the prospective need formula, the local to regional median income ratio is multiplied by the average of all three independent factors A, B and D.

The Supreme Court recognized that the determination of fair share is "the most troublesome issue in Mount Laurel litigation...It...produces...a morass of facts, statistics, projections, theories and opinions sufficient to discourage even the staunchest supporters of Mount Laurel" (92 N.J. 248). Viewed against this

background, the consensus methodology appears as the very soul of reason. Nevertheless, its components are not universally accepted, thus leaving room for alternative, perhaps equally reasonable, approaches.

No one has questioned the use of the existing employment factor or of the employment growth factor, both of which are specifically urged by Mount Laurel II: "Formulas that accord substantial weight to employment opportunities in the municipality, especially new employment accompanied by substantial ratables, will be favored..." (92 N.J. 256). The other two factors--the growth area factor and the wealth factor--have been questioned as discussed below.

a. Use of the growth area factor in the consensus formula. The consensus formula for determining the municipal fair share of both, the prospective and reallocated excess present need, includes the following (with certain adjustments):

- (1) Municipal land in growth area (as delineated in the State Development Guide Plan) as a percent of such land in the region (Lerman Report, p. 21); and

(2) A 20 percent addition to the actual computed fair share of all municipalities in anticipation of the probability that some will lack sufficient vacant land to accommodate theirs (Lerman Report, p. 12).

The inclusion of the growth area factor was originally suggested because of the absence of reliable data regarding the availability of vacant developable land, municipality by municipality. Nowhere in Mount Laurel II does the Court imply, however, that a municipality which has a sufficient quantity of vacant developable land to satisfy its obligation has any right to pass it on, in whole or in part, to another municipality simply because the latter has more of its land in the "growth area" or because it has more vacant developable land. In fact, the Court very specifically stated that "there is (no) justification for allocating a particular regional need equally among municipalities simply because they have enough land to accommodate such equal division. There may be factors that render such a determination defensible, but they would have to be strong factors, and certainly not the simple fact that there is enough land there" (92 N.J. 350).

The devising of a formula that does not result in such shifting of responsibilities finds sanction in the Supreme Court's clear emphasis on the employment factor--"especially new employment accompanied by substantial ratables..." (92 N.J. 256) (emphasis supplied)--in its instructions as to the proper fashioning of a fair share formula. If a heavy Mount Laurel responsibility results from use of a formula which emphasizes employment growth, the reason must be sought in the affected municipality's past favoring of a major influx of ratables but not of the workers which make them possible. Such a municipality should be permitted to shift its obligation onto others only upon conclusive proof that its fair share cannot be accommodated within its borders despite the use for this purpose of all the suitable vacant developable land in its growth area at the highest appropriate density.

As stated in the Lerman Report (p. 12), the 20% surcharge added to the fair share of all municipalities in the region in anticipation of the probability that some will lack sufficient vacant land to accommodate theirs "will preclude the (need for) upward adjustment of any municipality's

allocation based solely on the unavailability of vacant land in another municipality." The formula thus assures that the accommodation of the entire regional need will not be thwarted by lack of vacant land.

It is also important to point out that the amount of local land in the growth area is a most inadequate surrogate for vacant developable land. As an example, let us assume that two municipalities have equal amounts of land in the growth area. In one of the two all of such land may be fully developed whereas in the other it may be substantially vacant.

The Supreme Court's concern with the growth area as delineated in the State Development Guide Plan is limited to assuring that "remedial solution(s)...impose the Mount Laurel obligation only in those areas designated as "growth areas" by the SDGP" (92 N.J. 236). In other words, attention to the availability of land to satisfy a fair share obligation must be paid in fashioning a compliance mechanism and not in determining what the fair share itself should be.

The elimination of the "growth area" factor would result in a formula which emphasizes primarily recent job growth (which is a reliable indicator of need for housing) and currently existing jobs in the municipality (which is an equally reliable indicator of the relative breadth of job opportunities for lower income persons who might be moving into the new Mount Laurel-type housing). Such a formula would "accord substantial weight to employment opportunities, especially new employment" (92 N.J. 256) as the Supreme Court urged be done.

b. Use of the wealth factor in the consensus formula.

The Lerman Report bases use of this factor on its being "a valid expression of financial capability." Municipal financial capability, however--which is what matters when it comes to financing housing assistance programs or infrastructure--is not synonymous with personal financial capability. Median income is a most inadequate surrogate for ratables. The evidence that a community that is rich is, or has been, more exclusionary than one with a lower median income is not convincing, considering that Mount Laurel Township itself is far from being a wealthy municipality. Some

underpopulated but wealthy communities are also very rural (albeit mapped in the SDGP growth area), with no sewers and depending upon almost primitive trails rather than roads for circulation. Thus, even if they are financially able to fund the construction of sewers, it may be that their doing so would contribute to the scattering of people "without regard to the enormous cost of the public facilities needed to support them" (92 N.J. 256) and to the placing of Mount Laurel households in areas devoid of employment and not connected by public transportation to job centers.

Personal wealth does represent a reasonably reliable indicator of the residents' financial ability, but not their willingness, to assist the non-profit sector in the municipality or surrounding area in providing a social support structure to serve any special needs of Mount Laurel households.

To clarify the impact of the use or omission of various factors, Franklin Township's fair share derived through the consensus methodology is compared with that resulting from several alternative approaches.

2. Franklin Township's Region

- a. Franklin Township's prospective need region, based on the commutershed concept explained in the Lerman Report (p. 4ff) consists of five counties: Hunterdon, Mercer, Middlesex, Somerset, and Union.²
- b. Franklin Township's present need region consists of the 11-county Northeastern Region that includes Bergen, Passaic, Hudson, Essex, Union, Morris, Sussex, Middlesex, Somerset, Hunterdon, and Warren Counties (Lerman Report, p. 8).

3. Franklin Township's Fair Share of the Regional Need

a. Present Need

The present need in the region consists of the aggregate of units in all the municipalities in the region which are overcrowded or lack adequate plumbing or heating and which are occupied by lower income households (hereinafter referred to

² Philip B. Caton, Court-appointed expert in Centex Homes v. Township of East Windsor, suggested that, where the 30-minute commuting distance barely penetrates the boundary of a given county, it may not be appropriate to include it in the prospective need region (East Windsor Township, Fair Share Housing Report, Clarke & Caton, March, 1984, p.6). Application of this concept would eliminate from Franklin Township's prospective need region both Hunterdon County (which is penetrated for about 2 miles along Route 514) and Union County (which is penetrated for a distance of less than 2 miles along Route 27).

as Mount Laurel households)--(Lerman Report, Appendix A, A.(1), p.1).

(1) Franklin Township's Indigenous Need.

Franklin Township's indigenous portion of the present need, as defined above, consists of the following, (based on the 1980 U.S. Census, Summary Tape File 3A, Tables 111, 117 and 142):

Deficient Plumbing	67
Deficient Heating	<u>94</u>
Sub-Total	161*
Overcrowded, but otherwise standard	207**

*May or may not be also overcrowded

**156, or 75.4% of these were built since 1940.

Occupied by Mt. Laurel households (82% of above): ³	
Physically deficient	132
Overcrowded, but otherwise standard	170

Units of the type identified above as deficient are not necessarily in need of replacement. Unless the unit is physically dilapidated beyond economical redemption, plumbing and heating deficiencies can usually be corrected. In fact, the availability of

³Lerman Report, p. 8.

subsidies frequently neutralizes even the economic factor (as when financial assistance to the homeowner can be provided under the federal Community Development Block Grant program).

The problem of overcrowded units that are otherwise standard can be corrected by the creation of a sufficient vacancy rate in the lower income housing supply to create mobility, thus providing the larger households with the opportunity of finding more appropriate quarters. This view of what needs to be done about standard but overcrowded units seems to be sanctioned by the Supreme Court's stress (cited above) on the inclusion of resident poor "who now occupy dilapidated housing" (emphasis supplied).

Given that, as detailed below, the satisfaction of Franklin Township's Mount Laurel obligation will require a major amount of new construction, I do not believe it to be appropriate to consider the 302 units which represent that Township's indigenous need on a par with the fair share of its excess

present need and its prospective need. The latter must be provided essentially in the form of additional housing units. A remedy for Franklin Township's indigenous need problem should be sought first through a municipal survey of the actual conditions and the mounting of a local rehabilitation or other program tailored specifically to the needs so identified. Given the large number of units involved, however, the Township may be forced to channel rehabilitation resources (which are bound to be limited) toward the better structures in need of rehabilitation, thus requiring the replacement of the less salvageable units. It is important to stress, however, that, since the Mount Laurel II obligation is a continuing one, it is possible to envisage the re-occupancy of units vacated by households moved from deficient or overcrowded units into affordable new housing by low- and moderate-income households of equal size who will be moving into the municipality from elsewhere. This could thus generate an inexhaustible source of "indigenous need" which could only be stemmed by the

rehabilitation of the deficient units (if not their complete elimination from the housing supply) and a prohibition against reoccupancy of any vacated units by more than 1.01 persons per room which seems to be legally unattainable.

It is to be hoped that a local program directed at the solution of the indigenous need problem will result in all of Franklin Township's "resident poor" being provided with "decent housing." Recognizing, however, that the problem presented by the housing conditions of the resident poor is a moving target over time, I believe that a serious and sustained effort to remedy substandard conditions but which, for good and sufficient reasons, falls short of total success would still comply with the Court's directive that the municipality assure the provision of decent housing to "at least some part of its resident poor"--(emphasis supplied).

(2) Franklin Township's Fair Share of the Reallocated Excess Present Need.

Regional excess present need	35,014 units ⁴
Franklin Township's 1982 covered employment	11,653
1982 covered employment--present need region	1,244,632 ⁵
Local employment as percentage of region	0.94
Franklin Township's growth area	11,743 acres
Growth area--present need region	699,163 acres ⁶
Local growth area as percentage of region	1.68
Franklin Township's median income (1979)	\$25,912
1979 median income--present need region	\$24,177 ⁷
Ratio of local to regional median income	1.0718

Based on the above, Franklin Township's fair share of the reallocated excess present need, based on the consensus methodology, is as follows:

⁴ Fair Share Housing Analysis, Bedminster Township, New Jersey, Richard T. Coppola, March 21, 1984, Plate 9, pp. 16-16a.

⁵ Adjusted for purposes of allocation formula--Lerman Report, Table 4.

⁶ Adjusted for purposes of allocation formula--Lerman Report, Table 5.

⁷ See Lerman Report, Table 6.

$$\frac{0.94 + 1.68}{2} \times 1.0718 = 1.40$$

$$\frac{0.94 + 1.68 + 1.40}{3} \times \frac{35,014}{100} = 469$$

20% Surcharge	94
Sub-total	563
3% added for vacancies	17
Total	580 units

$$\text{To be satisfied by 1990}^8 \quad \frac{580}{3} = 193 \text{ units}$$

Excluding the growth area factor:

$$0.94 \times 1.0718 = 1.007$$

$$\frac{0.94 + 1.007}{2} \times \frac{35,014}{100} = 341$$

20% Surcharge	68
Sub-total	409 units
3% added for vacancies	12
Total	421 units

$$\text{To be satisfied by 1990} \quad \frac{421}{3} = 140 \text{ units}$$

Excluding the wealth factor:

$$\frac{0.94 + 1.68}{2} \times \frac{35,014}{100} = 459$$

20% Surcharge	92
Sub-total	551
3% added for vacancies	16
Total	567 units

$$\text{To be satisfied by 1990} \quad \frac{567}{3} = 189 \text{ units}$$

⁸Lerman Report, p.16.

Excluding both, the growth area factor and the wealth factor:

$0.94 \times \frac{35,014}{100} =$	329
20% Surcharge	66
Sub-total	395
3% added for vacancies	12
Total	407 units
To be satisfied by 1990	$\frac{407}{3} = 136$ units

b. Franklin Township's Fair Share of the Prospective Need.

The prospective increase in Mount Laurel households by 1990 in Franklin Township's five-county prospective need region amounts to 110,631.⁹ Exclusive of Hunterdon and Union counties the number would be reduced to 84,774.⁹ The Mount Laurel households (at 39.4% of the total) amount to 43,589 and 33,401, respectively.

⁹ See Appendix, Table 3.

Franklin Township's 1982 covered employment	11,653
1982 covered employment	
Five County--prospective need region	554,163 ¹⁰
Local employment as percentage of region	2.10
Three County prospective need region	376,304
Local employment as percentage of region	3.10
Franklin Township's 1972-82 average annual employment growth ¹¹	732
1972-82 average annual employment growth--	
Five-County prospective need region	14,797
Local employment growth as a percentage of region	4.95
Three-County prospective need region	12,551
Local employment growth as a percentage of region	5.83
Franklin Township's growth area	11,743 acres
Growth area--prospective region ¹²	428,003 acres
Local growth area as percentage of region	2.74

¹⁰ Adjusted for purposes of allocation formula--See Appendix, Table 4.

¹¹ See Appendix, Table 5.

¹² See Appendix, Table 1.

Franklin Township's median income (1979)	\$25,912
1979 median income	
Five-County prospective need region ¹³	\$23,357
Ratio of local to regional median income	1.1094
Three-County Prospective Need region	24,355
Ratio of local to regional median income	1.0639

Based on the above, and using the consensus methodology, Franklin Township's fair share of the 1980-1990 need in its five-county prospective need region is as follows:

$$\frac{2.10 + 4.95 + 2.74}{3} \times 1.109 = 3.26 \times 1.109 = 3.619$$

$$\frac{2.10 + 4.95 + 2.74 + 3.619}{4} \times \frac{43,589}{100} = 3.352 \times \frac{43,589}{100} = 1,461$$

20% Surcharge	292
Sub-total	1,753
3% added for vacancies	53
Total	1,806 Units

¹³ Clarke & Caton, op. cit., Table 7, p.28.

Excluding the growth area factor:

$$\frac{2.10 + 4.95}{2} \times 1.109 = 3.91$$

$$\frac{2.10 + 4.95 + 3.91}{3} \times \frac{43,589}{100} = 3.65 \times \frac{43,589}{100} = 1,591$$

20% Surcharge	318
Sub-total	1,909
3% added for vacancies	57
Total	1,966 units

Excluding the wealth factor:

$$\frac{2.10 + 4.95 + 2.74}{3} \times \frac{43,589}{100} = 3.26 \times \frac{43,589}{100} = 1,421$$

20% Surcharge	284
Sub-total	1,705
3% added for vacancies	51
Total	1,756 units

Excluding both, the growth factor and the wealth factor:

$$\frac{2.10 + 4.95}{2} \times \frac{43,589}{100} = 3.53 \times \frac{43,589}{100} = 1,539$$

20% Surcharge	301
Sub-total	1,840
3% added for vacancies	54
Total	1,894 units

As pointed out in footnote 2 above, the 30-minute commuting time barely penetrates Hunterdon and Union Counties. A good case can therefore be made for excluding them from

Franklin Township's prospective need region.

The modified factors would be as follows:

Local 1982 covered employment as percentage of region	3.10
Average annual local employment growth as a percentage of region	5.83
Local growth area as percentage of region ¹⁴	3.37
Ratio of local to regional median income (\$24,365 ¹⁵)	1.064

Based on the above and using the consensus methodology, Franklin Township's fair share of the need of its three-County prospective need region would be as follows:

$$\frac{3.10 + 5.83 + 3.37}{3} \times 1.064 = 4.10 \times 1.064 = 4.36$$

$$\frac{3.10 + 5.83 + 3.37 + 4.36}{4} \times \frac{33,401}{100} = 4.16 \times \frac{33,401}{100} = 1,389$$

20% Surcharge	278
Sub-total	1,667
3% added for vacancies	50
Total	1,717 units

¹⁴ See Appendix, Table 1.

¹⁵ See Appendix, Table 2.

Excluding the growth area factor:

$$\frac{3.10 + 5.83}{2} \times 1.064 = 4.47 \times 1.064 = 4.76$$

$$\frac{3.10 + 5.83 + 4.76}{3} \times \frac{33,401}{100} = 4.56 \times \frac{33,401}{100} = 1,523$$

20% Surcharge	304
Sub-total	1,827
3% added for vacancies	55
Total	1,882 units

Excluding the wealth factor:

$$\frac{3.10 + 5.83 + 3.37}{3} \times \frac{33,401}{100} = 4.10 \times \frac{33,401}{100} = 1,369$$

20% Surcharge	274
Sub-total	1,643
3% added for vacancies	49
Total	1,692 units

Excluding both, the growth factor and the wealth factor:

$$\frac{3.10 + 5.83}{2} \times \frac{33,401}{100} = 4.46 \times \frac{33,401}{100} = 1,490$$

20% Surcharge	298
Subtotal	1,788
3% added for vacancies	54
Total	1,842 units

4. Summary and Conclusion--Franklin Township's Mount Laurel Obligation

Set forth in the table below is a comparison and summation of the results of the above analysis.

Factors Used ¹⁶	ABCD ¹⁷		ACD ¹⁷		ABD ¹⁷		AD ¹⁷	
	5 County	3 County	5 County	3 County	5 County	3 County	5 County	3 County
Prospective Need	1,806	1,717	1,966	1,882	1,756	1,692	1,894	1,842
Reallocated Present Need ¹⁷	193	193	140	140	189	189	136	136
Total	1,999	1,910	2,106	2,022	1,945	1,881	2,030	1,978

Thus, depending upon the factors used, Franklin Township's obligation ranges between a low of 1,881 and a high of 2,106. I believe that the mid-point, which is 1,993, is as close to a fair allocation of Mount Laurel units to Franklin Township as it is possible to derive using the conceptual framework of the consensus methodology.¹⁸

Added to the above should be the 302 indigenous need units, as detailed in Section B.3.a.(1) of this report.

¹⁶ See Section B.1 above.

¹⁷ Factor D, the "employment growth factor" is inapplicable to the reallocation of excess present need.

¹⁸ Using 15,635 acres as the extent of Franklin Township's growth area, as explained in the Note on Page I of this revised report would change the Township's fair share estimates as follows:

Factors Used ¹⁶	ABCD ¹⁷		ACD ¹⁷		ABD ¹⁷		AD ¹⁷	
	5 County	3 County	5 County	3 County	5 County	3 County	5 County	3 County
Prospective Need	1,971	1,877	1,966	1,882	1,992	1,847	1,894	1,842
Reallocated Present Need ¹⁷	204	204	140	229	229	229	136	136
Total	2,175	2,081	2,106	2,022	2,151	2,076	2,030	1,978

The mid-point of the above range (2,022-2,175) is 2,098.

C. The Limits of Effectiveness of the 20% Mandated Set-Aside Zoning Technique

It is generally agreed that, in the absence of Federal and/or State subsidies in major quantities and of innovative local programs, Mount Laurel-type housing will be produced almost if not entirely by means of the mandatory 20% set-aside in developments on land rezoned to densities that will make production of such housing economically feasible. In fact, this is the objective of all Mount Laurel law suits.

It is, therefore, important to examine Franklin Township's fair share in the light of the limits of effectiveness of the zoning tool in achieving Mount Laurel housing.

As indicated in Section 3.b. above, the total 1990 Mount Laurel need for the five-county region is 43,589 units. This number represents 39.4 percent of the projected increase in the region of households of all types between 1980 and 1990 of 110,631. The 39.4 percent is based on the statewide proportion of households in the Mount Laurel income range.

Deducting 43,589 Mount Laurel-type units from the total of 110,631 leaves 67,042 as the number of unsubsidized units

for which a ready market was expected to exist between 1980 and 1990. It must be borne in mind that the household increase projected by the New Jersey Department of Labor would normally be expected to materialize at a fairly steady rate over a 10-year period. While it can be assumed that the Mount Laurel portion of that market has been satisfied to only a very small degree, if at all, it is reasonable to assume that the market rate portion of that market has been satisfied all along in the form of a substantial number of market rate units that have been built since 1980. Also, there will be a substantial demand for market rate units outside the framework of Mount Laurel implementation mechanisms (single family subdivisions, individually-built units, conversions of non-residential to residential uses, etc.). Under the circumstances, it would be conservative to assume that, between now and 1990, the market in Franklin Township's prospective need region could absorb not more than some 50,000 unsubsidized units in the type of relatively dense developments that would make possible a 20% set-aside for the production of Mount Laurel units. Based on this assumption, the maximum number of units affordable to Mount Laurel households which can be produced by 1990 through zoning, alone, would amount to some 12,500. This would remain true regardless of the amount of land zoned for higher densities throughout the region except for such reasonable "over-zoning" as would increase the probability

that all the market rate units for which a market will exist will actually be produced.

Assuming, further, that such overzoning should amount to 50 percent, the land which it is reasonable to rezone would accommodate 93,750 units, of which 20 percent or 18,750 would be intended for Mount Laurel households.

Franklin Township's minimum responsibility in terms of making land available for its fair share of the maximum number of Mount Laurel units possible of achievement in its prospective need region through zoning, alone--based on the fair share of prospective need formula used in Section B.3.b. above--would be as follows:

<u>Factors Used</u>			
<u>ABCD</u>	<u>ACD</u>	<u>AED</u>	<u>AD</u>
559	684	544	662

With a three-County region the total 10-year market amounts to 84,774 units. Deducting the corresponding 33,401 Mount Laurel households leaves 51,373 as the maximum number of market rate units which could be absorbed by 1990. Allowing for units built since 1980 and for those to be built outside of the Mount Laurel framework leaves, say, 40,000. The maximum number of Mount Laurel units which can be produced is thus reduced to 10,000. With 50% overzoning, the amount

of land needed for developments with a 20% Mount Laurel set-aside would have to accommodate 75,000 units, of which 15,000 would be affordable to Mount Laurel households. Franklin Township's minimum responsibility would then be as follows:

<u>Factors Used</u>			
<u>ABCD</u>	<u>ACD</u>	<u>ABD</u>	<u>AD</u>
624	684	615	669

The mid-point between the high and low estimates, using either the three- or five-county region is 614 units.

The difference between the aggregate Mount Laurel need in the region and the maximum number achievable through zoning alone would have to be satisfied by other means, such as 100% Mount Laurel-type projects (e.g. Section 202 Senior Citizen Housing, units built locally with the help of Housing Trust Fund moneys, etc.).

D. The Effects of Reallocation of Present Need on the Spread Between the Fair Share and the Achievable Number.

Contributing to the need for moderating the results of the fair share analysis is the fact that the Mount Laurel units which are to be provided as part of the reallocation of excess present need are additional to the market derived

from the New Jersey Department of Labor projections of increases in the number of households in a given receptor region. This reallocation tends to reduce the number of units needed to satisfy the Mount Laurel market in areas with excess present need. Since the number of market rate units which can be absorbed in the receptor region remains unaffected, this increases still further the spread between the theoretical fair share and the number of units that can be achieved in the absence of direct subsidies.

Table 1

Net Growth Area (in Acres)
 Prospective Need Region--Franklin Township

	Area (acres)	Growth Area in Urban Aid Municipalities (Selected)	Net Growth Area
Five-County Region			
Hunterdon	26,759	--	26,759
Mercer	105,086	4,800	100,286
Middlesex	154,110	6,432	147,678
Somerset	100,455	--	100,455
Union	<u>65,875</u>	<u>13,050</u>	<u>52,825</u>
	452,285	24,282	428,003
Three-County Region			
Mercer	105,086	4,800	100,286
Middlesex	154,110	6,432	147,678
Somerset	<u>100,455</u>	--	<u>100,455</u>
	359,651	11,232	348,419

Table 2

Regional Median Household Income--1980 Census
Prospective Need Region--Franklin Township, New Jersey

	Number of Households	Median Household Income	Aggregate County Household Income (\$000's)
<u>Five-County Region</u>			
Hunterdon	37,857	24,115	912,921
Mercer	71,839	22,918	1,646,406
Middlesex	169,847	24,217	4,113,142
Somerset	67,101	26,243	1,760,933
Union	<u>194,487</u>	21,625	<u>4,205,781</u>
<u>Region</u>	541,131	<u>23,357</u>	12,639,183
<u>Three-County Region</u>			
Mercer	71,839	22,918	1,646,406
Middlesex	169,847	24,217	4,113,142
Somerset	<u>67,101</u>	26,243	<u>1,760,933</u>
Region	308,787	<u>24,355</u>	7,520,481

Table 3

Projected Household Growth
Prospective Need Region--Franklin Township, New Jersey

	Projected Population 1990 ¹	Projected Households 1990 ²	Existing Households 1980 ³	Projected Household Growth 1980-90
Mercer County	323,150	118,998	105,819	13,179
Middlesex County	645,600	245,989	196,708	49,281
Somerset County	224,250	89,682	67,368	<u>22,314</u>
Subtotal				84,774
Hunterdon County	99,700	37,858	28,515	9,343
Union County	497,250	194,487	177,973	<u>16,514</u>
Total				<u>110,631</u>

¹ New Jersey Revised Population Projection 1985-2000, N.J. Department of Labor and Industry, July 1983 (Average of Model 1 and Model 2 projections).

² Headship conversion factors in Mount Laurel II, Challenge & Delivery of Low Cost Housing, Center for Urban Policy Research, Rutgers University.

³ U.S. Census, 1980.

Table 4

1982 Covered Employment
Prospective Need Region--Franklin Township

<u>Five-County Region</u>	1982 Covered Employment	Less Employment in		Total
		Non-Growth Areas	Selected Urban Aid Cities	
Hunterdon	20,465	6,987	--	13,478
Mercer	109,951	1,225	23,624	85,102
Middlesex	240,794	--	32,322	208,472
Somerset	82,891	161	--	82,730
Union	225,505	--	61,124	164,381
Total, 5-County Region				554,163
 <u>Three-County Region</u>				
Mercer	109,951	1,225	23,624	85,102
Middlesex	240,794	--	32,322	208,472
Somerset	82,891	161	--	82,730
Total, 3-County Region				376,304

Table 5

1972-1982 Average Annual Employment Growth
(Excluding Selected Urban Aid and Non-Growth Municipalities)

	Franklin Township and Its Prospective Need Region							Franklin Township
	Hunterdon County	Mercer County	Middlesex County	Somerset County	Union County	3-County ¹ Totals	5-County ² Totals	
1972	9,070	61,570	141,251	56,942	149,277	259,763	418,110	3,601
1973	9,615	67,914	154,966	55,599	156,035	278,479	444,129	5,124
1974	10,217	70,627	162,733	60,271	153,263	293,631	457,111	6,419
1975	9,953	69,585	157,769	62,879	145,722	290,233	445,908	7,946
1976	11,607	73,978	165,864	62,850	149,780	302,692	464,079	8,655
1977	11,523	76,578	177,263	70,341	155,559	324,182	491,264	8,026
1978	12,160	82,790	190,262	74,971	160,468	348,023	520,651	8,388
1979	11,585	83,637	199,095	79,716	165,108	362,448	539,141	9,324
1980	12,059	83,071	200,852	79,146	164,305	363,069	539,433	10,718
1981	12,661	86,640	209,192	82,338	167,216	378,170	558,047	11,342
1982	13,478	85,277	208,510	82,730	164,515	376,517	554,510	11,653
Average Annual Growth						12,551	14,797	732

¹ Mercer, Middlesex and Somerset.

² Hunterdon; Mercer, Middlesex, Somerset and Union.