

MEMORANDUM

To:	Mark Healey, Planning Director, Franklin Township
from:	James N. Bell, PP, AICP; Senior Project Manager
date:	7/28/08
re:	Draft Growth Share Calculation

We have prepared two different Growth Share Calculations based on the adopted COAH Planning Number and the Proposed COAH Planning Number. These calculations are based on our interpretation of COAH's rules regarding crediting and bonus credits. Therefore, we refer to these calculations as draft due to the fact that COAH has not reviewed the credits that we are suggesting are valid. These are also draft because we have not yet gathered the necessary information to show these are valid credits. Our preliminary review shows these to be valid credits but COAH Staff has not yet certified them.

The first calculation is based on the planning numbers already adopted. We have not attempted to reduce these numbers except by credits. The calculation is as follows:

Growth Share Based on Currently Adopted Planning Numbers

Prior Round Obligation = 766 Units
Growth Share (From Housing) = $(2,886 \times .20 = 577.2)$ 577 Units
Growth Share (From Jobs) = $(3,925 \div 16 = 245.3)$ 245 Units
Recalculated Rehabilitation Component = 142 Units
Total Obligation = 1,730 Units

Prior Round Obligation = 766 Units
- 402 Home Ownership Units
364
- 192 Rental Component
172
- 140 Excess Rental Units (Constructed)
32
- 140 Rental Bonus Credits
+ 108 Units in excess of Prior Round Obligation
+ 29 Units Transferred in an RCA
+ 137 Units in excess of the Cycle I & II Obligation

**Calculation of Total Obligation
Based on Adopted COAH Numbers**

Total Obligation = 1,730 Units

- 766 **Prior Round Obligation (Has Been Met)**
964 Units (3rd Round Obligation)
- 137 **Units In Excess of Prior Round Obligation**
827 Units (Net 3rd Round Obligation)
- 142 **Rehabilitation Component**
685 Growth Obligation (To Be Addressed)
- 171 **Rental Component (.25 x 685)**
514 Growth Share Obligation (To Be Addressed)
- 205 **New Home Owner Units 3rd Round**
309 Growth Share Obligation (To Be Addressed)
- 171 **Senior Component (.25 x 685)**
138 Growth Share Obligation (To Be Addressed)
- 47 **Units in Excess of Rental Component**
91 Growth Share Obligation (To Be Addressed)
- 47 **Units in Excess of Rental Component**
44 Final Growth Share Obligation

Based on COAH's currently adopted rules and the adopted Growth Share assigned by COAH, the Township would need to provide 44 affordable units in the 3rd Round.

The calculation below is based on the proposed planning numbers to be assigned by COAH. This number has not been reduced by any other means (such as a "Growth Share Adjustment" or the "1,000 Unit Cap").

Growth Share Based on Currently Adopted Planning Numbers

Prior Round Obligation = 766 Units

Growth Share (From Housing) = $(3,583 \times .20 = 716.6)$ 717 Units

Growth Share (From Jobs) = $(6,853 \div 16 = 428.3)$ 428 Units

Recalculated Rehabilitation Component = 142 Units

Total Obligation = 2,053 Units

Prior Round Obligation = 766 Units

- 402 Home Ownership Units
364
- 192 Rental Component
172
- 140 Excess Rental Units (Constructed)
32
- 140 Rental Bonus Credits
+ 108 Units in excess of Prior Round Obligation
+ 29 Units Transferred in an RCA
+ 137 Units in excess of the Cycle I & II Obligation

**Calculation of Total Obligation
 Based on Adopted COAH Numbers**

Total Obligation = 2,053 Units

- 766 Prior Round Obligation (Has Been Met)
1,287 Units (Gross 3rd Round Obligation)
- 137 Units In Excess of Prior Round Obligation
1,150 Units (Net 3rd Round Obligation)
- 142 Rehabilitation Component
1,008 Growth Share Obligation (To Be Addressed)
- 252 Rental Component (.25 x 1,008 = 252)
756 Growth Share Obligation (To Be Addressed)
- 265 New Home Owner Units 3rd Round
491 Growth Share Obligation (To Be Addressed)
- 153 Units in Excess of Rental Component
338 Growth Share Obligation (To Be Addressed)
- 153 Rental Bonus Credits
185 Growth Share Obligation (To Be Addressed)
- 35 Redevelopment Bonus Credits
150 Final 3rd Round Growth Share Obligation

COAH has directed all municipalities to utilize the proposed planning numbers that will be voted on in early October. This calculation is outlined above. Based on this number it appears that Franklin Township will need to provide an additional 150 Affordable Housing Units between now and 2018.

The Township is required to address 131 Units (13%) of its obligation in units that will be affordable to households under 30% of median income for Somerset County. This is a new requirement as per the newly enacted law commonly referred to as A-500. The Township will address at least 46 Units of this obligation through the Housing Authority's project that will replace +/- 106 Units and add an additional 46 Units. This leaves 85 Units in this category that must be addressed.

This leaves 65 Units that the Township will need to address in addition to the units outlined above. These units can be addressed with the remaining 65 units of Senior Housing the Township is still allowed to develop based on its 25% Senior Component ($1008 \times .25 = 252 - 187$ (already included) = 65 units remaining).

The Township still has 99 Bonus Credits it can claim based on the 25% Bonus Unit Cap ($1008 \times .25 = 252 - 153$ (Bonus Claimed) = 99 Bonus Credits Available).

If the Township were to address the remaining 85 Units of very low income housing (as required) and the 65 units of Senior Housing (still allowed under the 25% Senior Component), this will address the Township's remaining Growth Share Obligation of 150 Units. However, it is not recommended to address exactly the number assigned by COAH. Based on previous growth trends in the Township and based on the potential growth in the "Pipeline" we recommend that the Township maximize any additional proposals for affordable housing and create a "cushion" of excess units in case of any additional future requirements by COAH.