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**ASSESSMENT  
OF 4TH  
ROUND  
NUMBER**



**BOROUGH OF  
FLORHAM PARK**

***MORRIS COUNTY, NJ***



**SARMAD  
PLANNING  
GROUP**

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On March 20, 2024, Governor Murphy signed P.L.2024, c.2. into law, establishing a new framework for determining and enforcing municipalities' affordable housing obligations under the New Jersey Supreme Court's Mount Laurel doctrine and the State's Fair Housing Act. The law required that the Department of Community Affairs (DCA) perform a calculation of regional need and municipal present and prospective obligations in accordance with the formulas established in the law. These non-binding calculations were published by the DCA on October 20, 2024, with supplemental data releases provided through November 23, 2024, with the publication of the Land Capacity Analysis GIS Composite Layer.

The Borough of Florham Park is located in Morris County, which is categorized as Region 2, along with Essex, Union, and Warren counties. The Regional Prospective Need for Housing Region 2 was calculated at 20,506. The calculation for regional need on a municipal-basis included 3 main factors that were averaged - (1) the Equalized Nonresidential Valuation Factor; (2) the Income Capacity Factor; and (3) the Land Capacity Factor.

The purpose of this memorandum is to provide an assessment of these factors and the overall non-binding calculations for Prospective Need Obligation for the Fourth Round of Affordable Housing, published by the NJ Department of Community Affairs for the Borough of Florham Park.

Under the prepared calculations, the DCA has presented a non-binding prospective need obligation for the Borough of Florham Park of 344. The following assessment reviews the component data of the DCA calculation methodology with localized data to either confirm or revise the figures presented by DCA.

Additionally, DCA has presented a non-binding present need obligation for the Borough of Florham Park is 66. This may be reviewed by a window-survey by the Borough's code or housing inspector.

The Income Capacity Factor is calculated pursuant to N.J.S.A. 52:270-304.3.C.3 and is determined by averaging the municipal share of the regional sum of differences between median household income and the same calculation but weighted by number of households within the municipality.

To calculate this value, the DCA used the 2018-2022 5-year Estimates (in 2022 inflation-adjusted dollars) as published by the Census Bureau's American Community Survey program. For the Borough of Florham Park, this Income Capacity Factor was calculated as 1.12%. Based upon an analysis of the published Census data, the is correct numbers were used by the DCA, and there is no impact on the Borough of Florham Park

Separately from the Borough, but more general to the formula, there are issues with the median income calculated for municipalities identified in at least Morris County. These municipalities have a median income that is greater than 250,000, but has been capped in the DCA formula workbook because Census data does not track these numbers above this threshold. In the Census data it simply appears as \$250,000+. Therefore, these municipalities should have a greater income capacity factor against the region, which should marginally decrease all other municipalities' factor. This should be considered by the DCA in any future amendments to the formula, and should be assessed in its impact on the regional totals.

The Equalized Nonresidential Valuation Factor is calculated pursuant N.J.S.A. 52:270-304.3.C.2 and is determined by calculated the changes in nonresidential property valuations in the municipality, since the beginning of the gap period in 1999. The change in the municipality's nonresidential valuations is divided by the regional total change in nonresidential valuations to determine the municipality's share of the regional total change, which is the resulting factor.

The data utilized is from the Division of Local Government Services in the DCA, which aggregates local assessment information from all municipalities.

Under the DCA calculation, the Borough of Florham Park had an equalized nonresidential valuation growth of \$558,549,906 between 1999 and 2023. This represents 2.16% of all the growth experienced during this period across Region 2.

The numbers utilized by the DCA should be verified by the Borough Tax Assessor. However, it is not anticipated that there will be an impact on the Borough's Equalized Non-Residential Valuation Factor number.

# **EQUALIZED NON-RESIDENTIAL VALUATION FACTOR**

The Land Capacity Factor is calculated pursuant to N.J.S.A. 52:270-304.3.C.4, and is determined by estimating the area of developable land within the municipality's boundaries, and regional boundaries, which may accommodate development. The DCA conducted the analysis using Land Use/Land Cover data from the NJ DEP, MOD-IV Property Tax Data from the Dept. of Treasury, and construction permit data from the DCA. The DCA calculations of land that may accommodate development exclude lands subject to development limitation, including open space, preserved farmland, category one waterways and wetland buffers, steep slopes, and open waters. DCA preserved all areas that remained that were greater than 2,500 SF in size, presuming a 25 by 100-foot area could be a developable property.

Under the analysis, the DCA estimates that the Borough of Florham Park presently has 93.626 acres of land that may accommodate development. This represents 1.75% of the amount of developable land across the entire Region 2. The total regional developable land was calculated as 5,358.483.

The DCA published the "Land Capacity Analysis GIS Composite Layer" (the "DCA dataset") on November 22, 2024. The description of this dataset notes that:

*"The land areas identified in this dataset are based on an the best available data using publicly available data enumerated in N.J.S.A. 52:27D-304.3c.(4) to estimate the area of developable land, within municipal and regional boundaries, that may accommodate development. **It is important to note that the identified areas could be over or under inclusive depending on various conditions and that municipalities are permitted to provide more detailed mappings as part of their participation in the Affordable Housing Dispute Resolution Program.** The data are not intended to identify specific development sites or sites that may be available for the production of affordable housing. Rather, the identified land areas are intended to identify potential unconstrained developable land capacity, weighted by planning area types set forth in the legislation, for each municipality and as a corresponding percentage of the same for the housing region within which each municipality lies for the purpose of establishing one of three factors used to allocate municipal affordable housing production targets for the period 2025 through 2035."*

Based upon an evaluation of the DCA dataset, as downloaded on November 22, 2024, there is local data that should be considered in the calculation of the Borough's Land Capacity Factor. To assess the Land Capacity Factor, the DCA dataset was clipped to the municipal extents of Florham Park, and then overlaid in the software with the following layers: (1) Borough of Florham Park parcels; (2) 2020 NJDEP Wetlands; (3) and FEMA National Flood Hazard effective FIRM panels. Additionally, local information related to the status of the parcels were accounted for, such as the presence of encumbrances including: easements for County and State DOT projects, ROSI or Open Space, Farmland Assessment, National or State Historic Register, municipal utility, or 3rd Round Affordable Housing sites.

The DCA dataset included 37 unique objects to derive the total developable acreage. Based upon this parcel-by-parcel review, it is estimated that the entirety of 27 of the 37 unique objects, as well as a portion of 4 of the 37, should not be included in the land capacity factor; for a sum of 57.063 acres of the of the 93.26 acres calculated by DCA. A summary of the analysis of Land Capacity Analysis GIS Composite Layer in the form of a table is provided under Appendix A, and in the form of a map is provided under Appendix B.

Thus, the estimated amount of developable land within the Borough of Florham Park should be revised to 36.563 Acres. This would represent a reduction in the Land Capacity Factor from 1.75% to 0.690% within Region 2. This derived number from the updated acreage likewise accounts for a reduction in the same amount to the Region 2 to 5,301.42, and thus the calculation does not account for the land that was removed as part of this analysis.

Based upon this evaluation and the recommended changes to the Land Capacity Factor, the Borough’s Average Allocation Factor was calculated by the DCA as 1.68%, which drops to 1.32% as a result of the change to the Land Capacity Factor. The Borough’s Prospective Need is therefore calculated to be 271.

Based upon this analysis, the Borough has calculated a fourth round obligation in accordance with the required formula as adopted by law. This number is based solely upon the required parameters of the formula, and is not any indication that the Borough agrees that this number is appropriate or represents development that can be accommodated. The Borough reserves its right to any durational adjustment or vacant land adjustment - where land, sewer, or water may be a scarce resource - as part of its Housing Element and Fair Share Plan.

# CONCLUSION

PARAMETER	DCA CALCULATION	PROPOSED
Equalized Non-Residential Assessment Factor	2.16%	2.16%
Income Capacity Factor	1.12%	1.12%
Land Capacity Factor	1.75%	0.690%
Average Allocation Factor	1.68%	1.32%
Prospective Need	344	271



Appendix A: Assessment of Parcels in DCA Land Capacity

Appendix B: Prospective Need Calculations

Appendix C: References Map

C.1 Map of DCA Dataset Overlaid with Wetlands, 50 Foot Wetlands Buffer, FEMA NFHL

C.2 Map of DCA Dataset with Reference Numbering

C.3 Map of Parcels Determined to be Excluded from DCA Dataset

C.4 Map of Parcels Determined to be Excluded from DCA Dataset with Reference Numbering

C.5 Map of Parcels Determined to be Excluded from DCA Dataset without Aerial Imagery

# APPENDIX

# APPENDIX A

<b>APPENDIX A. Assessment of Parcels in DCA Land Capacity</b>			
<b>Reference Number</b>	<b>Weighted Acres</b>	<b>Proposed</b>	<b>Commentary</b>
1	0.067130072	0.0	Excluded. Entire property in FHA
2	0.097185909	0.0	Excluded. Entire property in FHA
3	0.079392993	0.0	Excluded. Entire property in FHA
4	0.506952646	0.0	Excluded. Entire property in FHA
5	0.910972052	0.9109	Included.
6	0.111263409	0.0	Excluded. Entire property in FHA
7	0.49674347	0.0	Excluded. Most of property in FHA, remainder is undersized
8	0.697111703	0.0	Excluded. Most portions of the mapped area are not 25 feet wide
9	0.677718011	0.677	Included.
10	0.431171486	0.431	Included.
11	0.259631609	0.0	Excluded. Entire property in FHA
12	0.267649208	0.267	Included.
13	0.096486944	0.096	Included.
14	0.187084568	0.0	Excluded. Entire property in FHA

# APPENDIX A

Reference Number	Weighted Acres	Proposed	Commentary
15	0.103972519	0.1039	Included.
16	10.43395881	0.0	Excluded. Hedges-Fish Homestead Property is farmland assessed and on the NJ Historic Register.
17	0.249635657	0.0	Excluded.. Most portions of the mapped area are not 25 feet wide
18	1.930099979	0.0	Excluded. Borough Owned Property for Emergency Services/Billboard
19	12.52959137	1.727	Partially Included. Most of property in FHA. Portion outside of FHA and buffer included.
20	0.091217271	0.0	Excluded. Entire property in FHA
21	4.269648463	2.38	Partially Included. Most of property in FHA. Portion outside of FHA and buffer included.
22	0.060365298	0.0	Excluded. Most portions of the mapped area are not 25 feet wide
23	0.806633404	0.0	Excluded. Part of Stobaeus Park (ROSI)
24	37.19015743	25.45	Partially Included. Most of property in FHA. Portion outside of FHA and buffer included.
25	1.425555475	0.0	Excluded. Part of Borough Sewerage Authority facilities.
26	0.060166509	0.0	Excluded. Most portions of the mapped area are not 25 feet wide

# APPENDIX A

Reference Number	Weighted Acres	Proposed	Commentary
27	0.331019584	0.0	Excluded. Entire property in FHA or buffers.
28	0.949172551	0.0	Excluded. Part of Borough Library property and school bus parking lot.
29	0.67571083	0.0	Excluded. Part of Volunteer's Park
30	1.0190046	1.019	Included.
31	0.777817773	0.77	Included.
32	0.188776196	0.0	Excluded. Entire property in FHA or buffer.
33	2.157765259	0.0	Excluded. Part of Volunteer's Park
34	3.827648304	2.91	Partially Included. Approx. 0.91 acre portion is County easement for future improvements to Columbia Turnpike
35	0.607933454	0.0	Excluded. Site is in Borough's Third Round Affordable Housing Plan. Having it contribute to the developable land here would effectively be "double counting" it towards affordable housing purposes.
36	8.327084346	0.0	
37	0.726630953	0.0	Excluded. Property is developed with an electric transformer and utility.

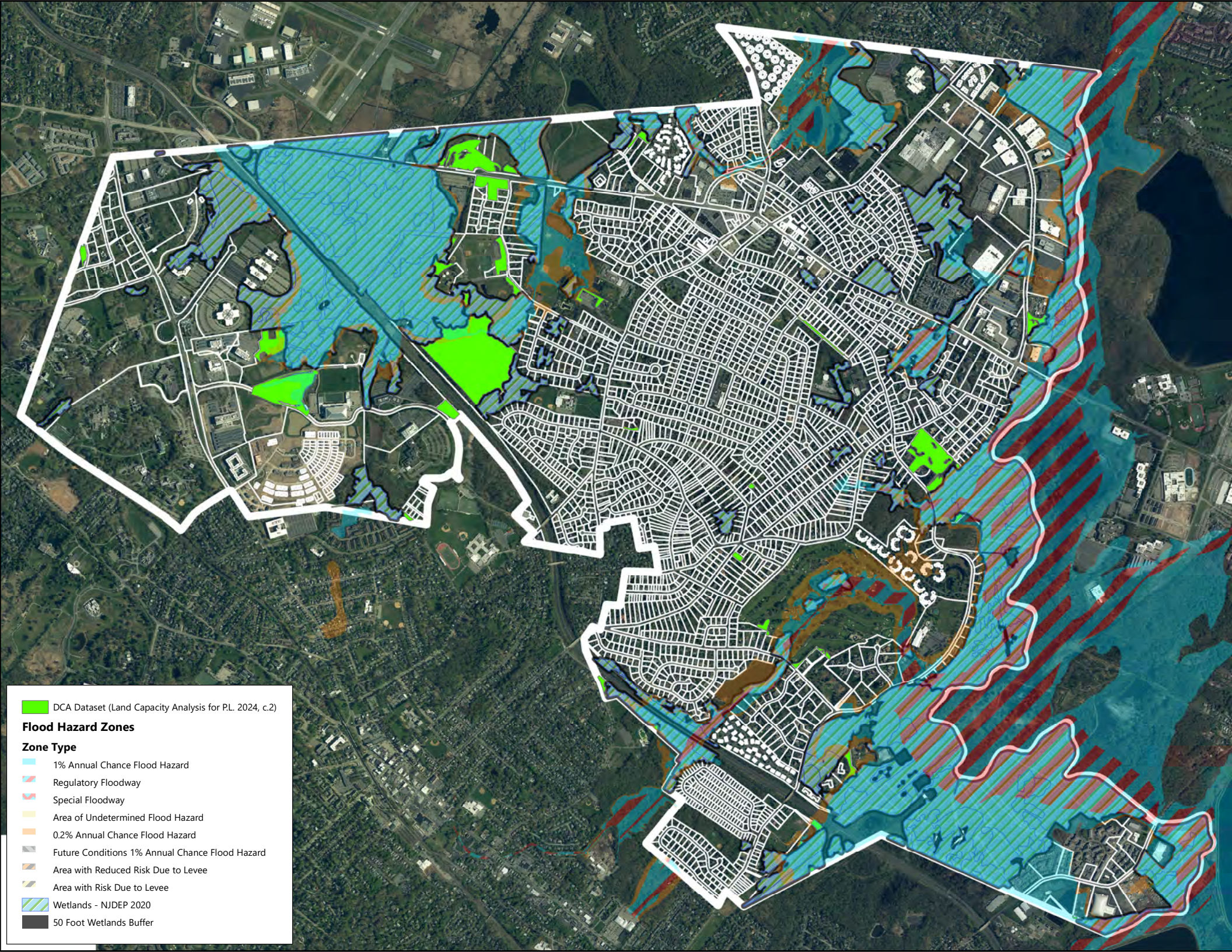
The following provides a breakdown of the calculations utilized to derive the updated Land Capacity Factor, updated Average Allocation Factor, and updated Prospective Need number for Florham Park.


Step 1: Region 2 Total Vacant Land Output Per DCA Fourth Round Workbook	
County	Vacant Land
Morris	2,728.872
Essex	566.502
Union	346.801
Warren	1,716.308
Total Region 2 Vacant Land	5,358.483

Step 2: Florham Park Borough Vacant Land Analysis Results		
DCA "Vacant Land Output"	Excluded Land from Municipal-Based Analysis	Updated Vacant Land
93.626	57.063	36.563

Step 3: Florham Park - Updated Inputs for Fourth Round Calculation			
Updated Region 2 Vacant Land	Updated Land Capacity Factor Calculation	Updated Average Allocation Factor	Updated Prospective Need
5,358.48 - 57.063 = 5,301.42	36.56 / 5,301.42 = 0.69	$(1.12 + 0.69 + 2.16) / 3 = 1.32$	0.0132 x 20.506 = 314
5,301.42	0.690%	1.32%	271











# **APPENDIX C**

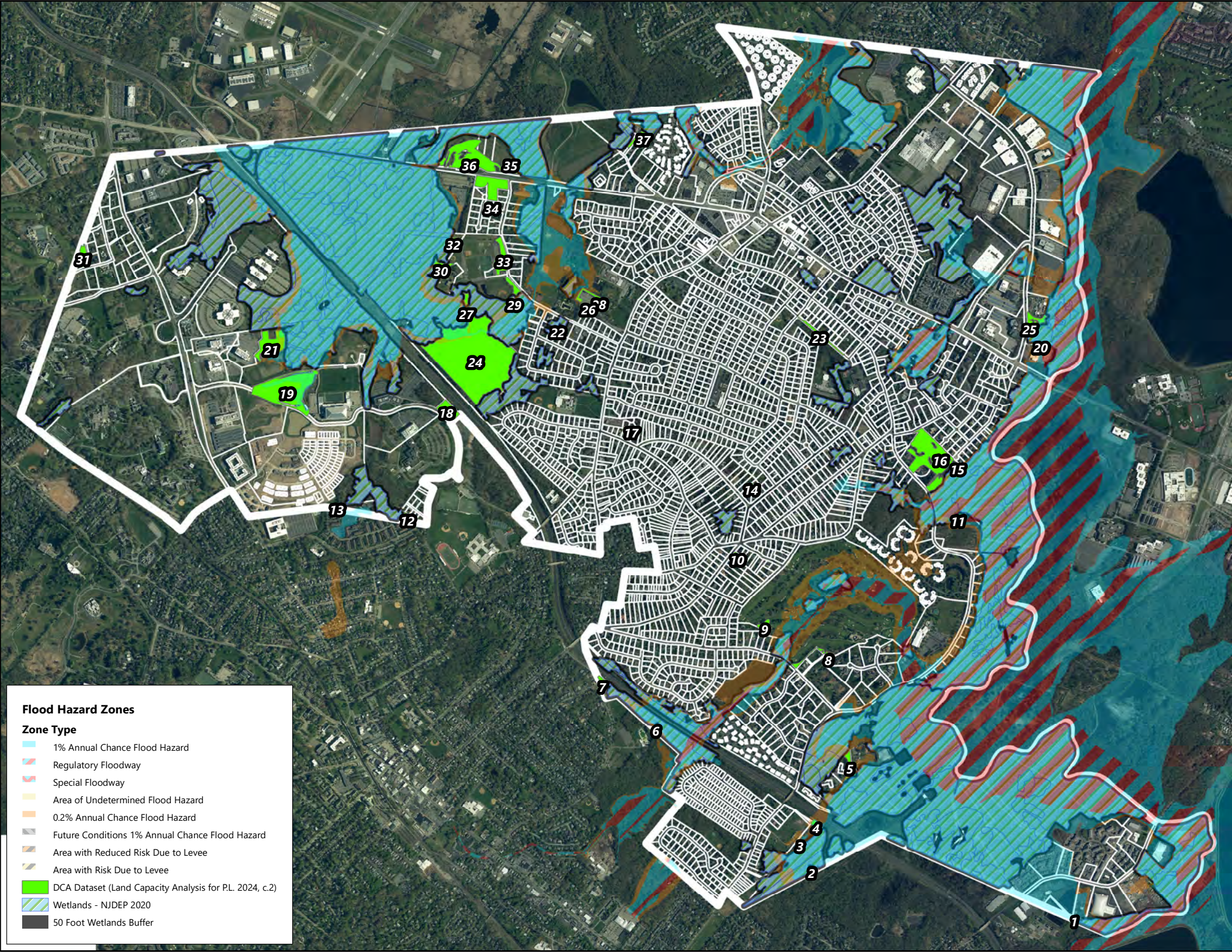


 DCA Dataset (Land Capacity Analysis for PL 2024, c.2)

**Flood Hazard Zones**

**Zone Type**

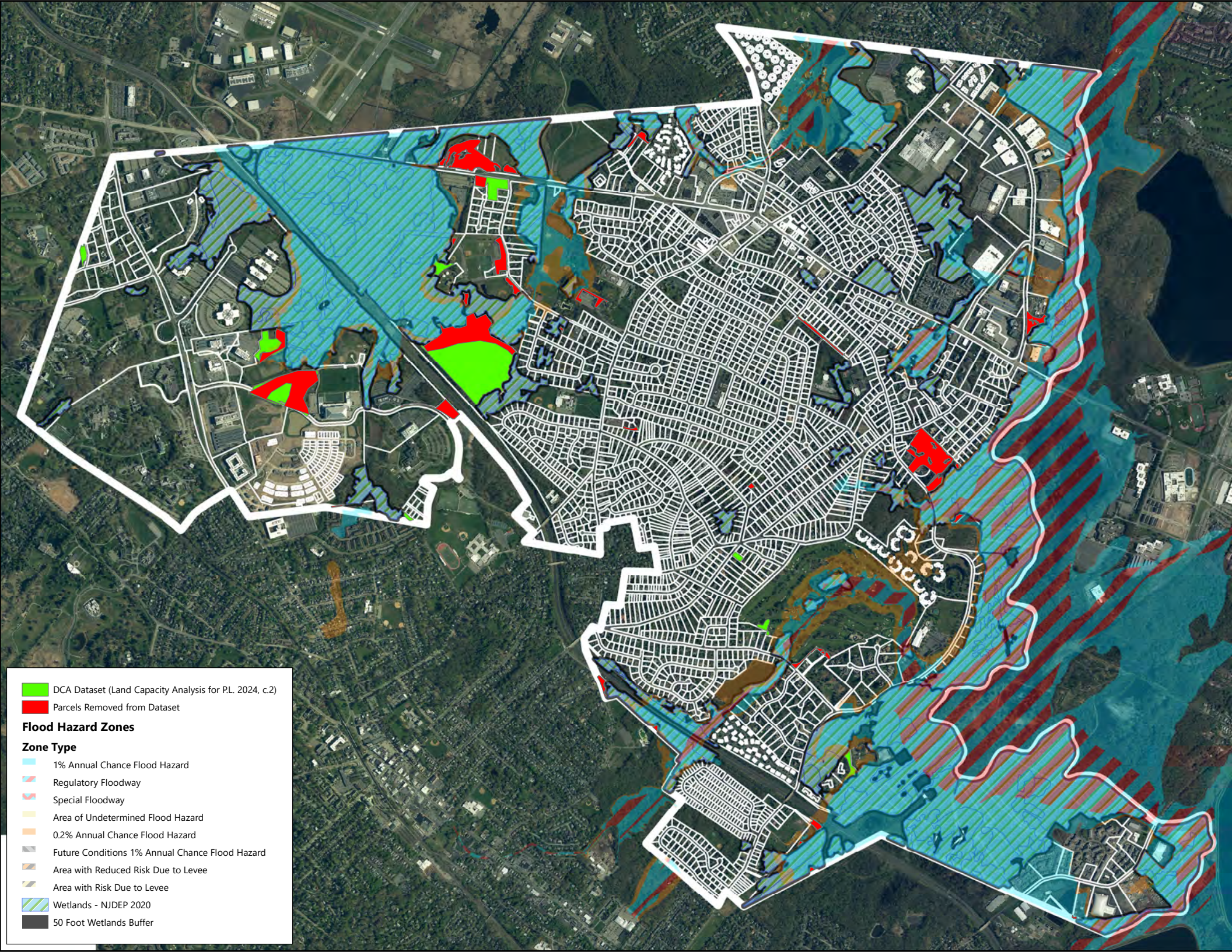
-  1% Annual Chance Flood Hazard
-  Regulatory Floodway
-  Special Floodway
-  Area of Undetermined Flood Hazard
-  0.2% Annual Chance Flood Hazard
-  Future Conditions 1% Annual Chance Flood Hazard
-  Area with Reduced Risk Due to Levee
-  Area with Risk Due to Levee
-  Wetlands - NJDEP 2020
-  50 Foot Wetlands Buffer



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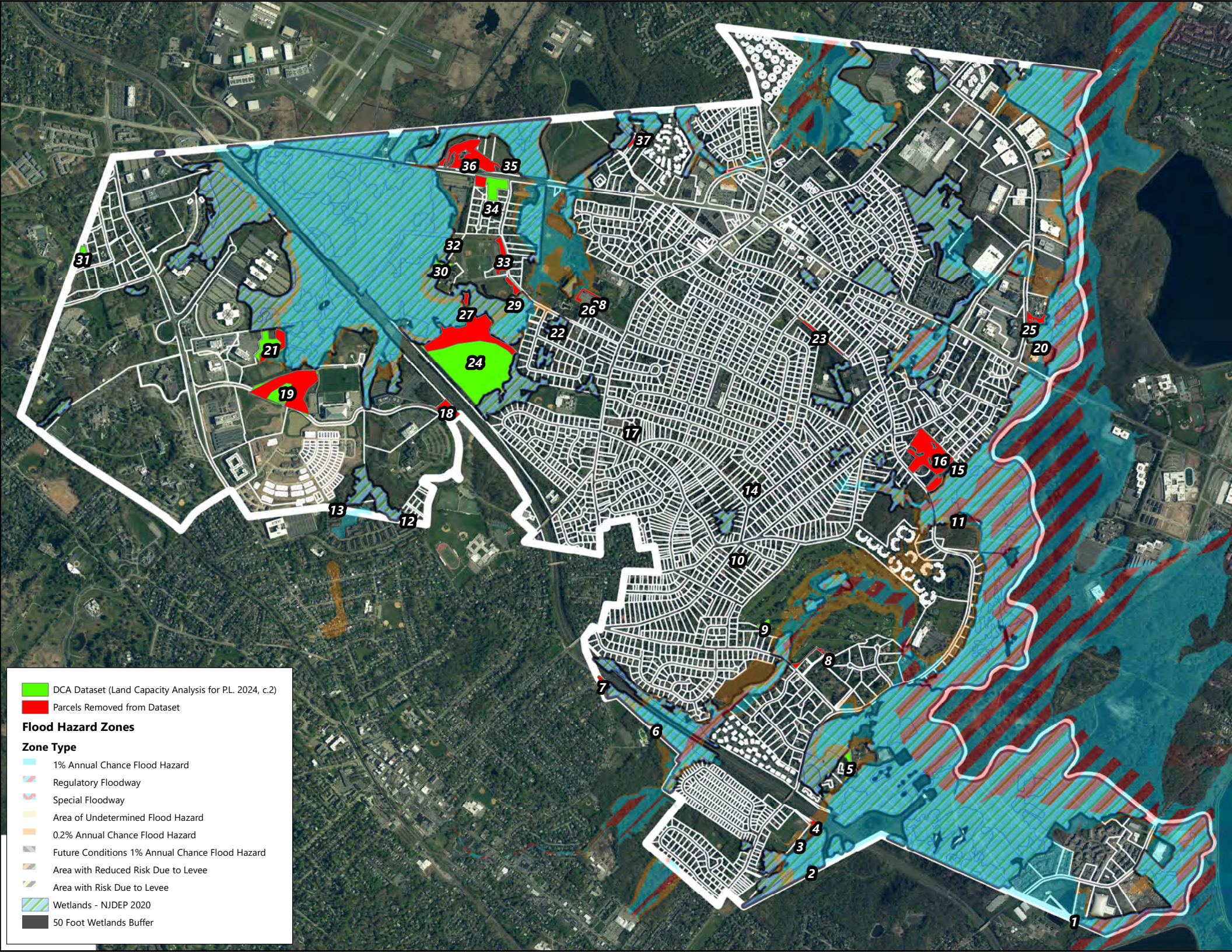




- DCA Dataset (Land Capacity Analysis for P.L. 2024, c.2)
- Parcels Removed from Dataset

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- Zone Type**
- 1% Annual Chance Flood Hazard
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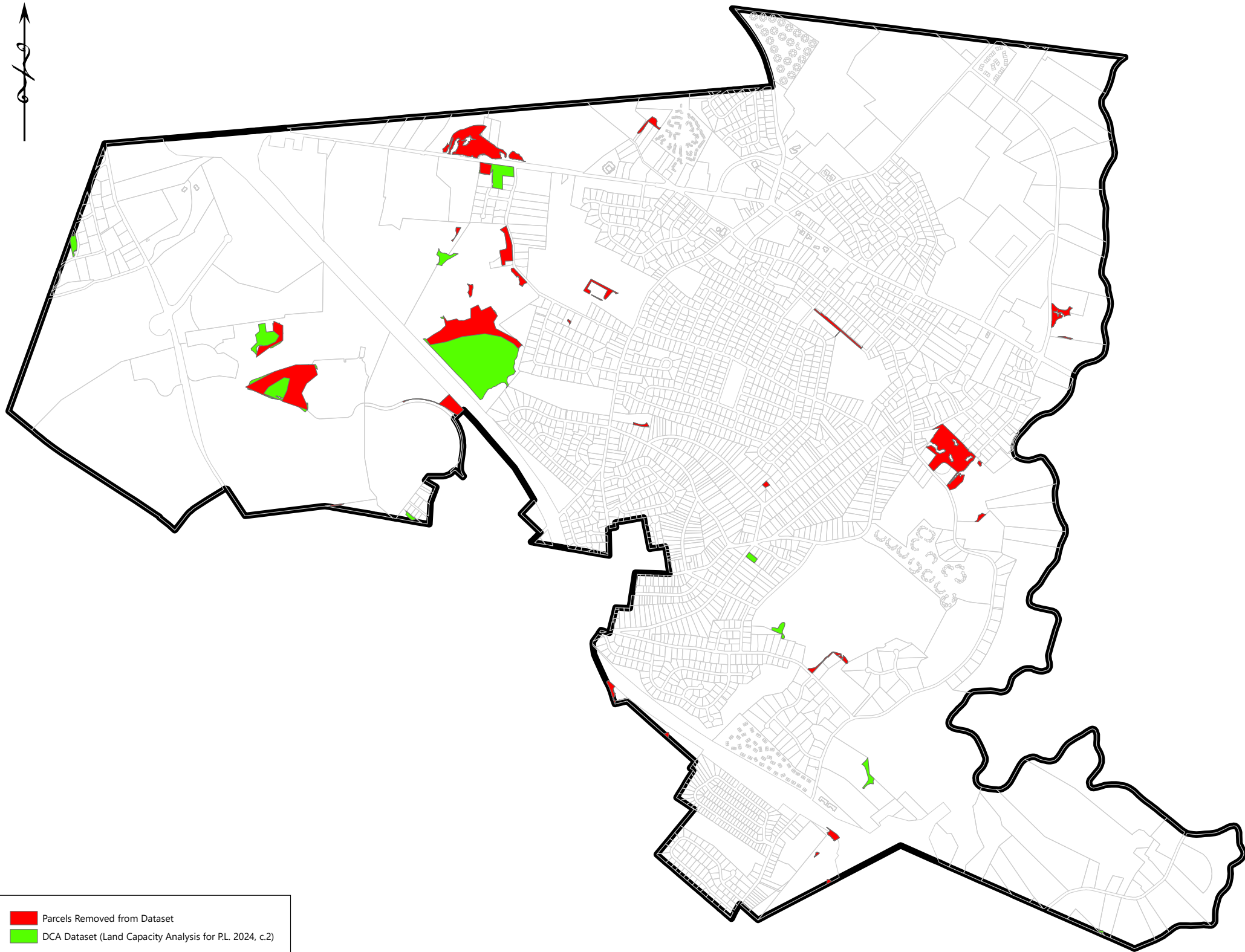
■ DCA Dataset (Land Capacity Analysis for P.L. 2024, c.2)

■ Parcels Removed from Dataset

**Flood Hazard Zones**

**Zone Type**

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- Parcels Removed from Dataset
- DCA Dataset (Land Capacity Analysis for P.L. 2024, c.2)