

THE IMPACT OF *MOUNT LAUREL* INITIATIVES: AN ANALYSIS OF THE CHARACTERISTICS OF APPLICANTS AND OCCUPANTS

*Naomi Bailin Wish, Ph.D. & Stephen Eisdorfer, Esq.*¹

In 1975, the New Jersey Supreme Court ruled in *Southern Burlington County NAACP v. Mt. Laurel*², that suburban municipalities have an obligation to plan and provide for their fair share of the unmet regional

¹ This article has been adapted by Stephen Eisdorfer from the report *The Impact of the Mt. Laurel Initiatives: An Analysis of the Characteristics of Applicants and Occupants* prepared by the authors. The full report is available from the Center for Public Service, Seton Hall University. The authors wish to thank the Ford Foundation and the Fund for New Jersey for their generous support. They would also like to express their appreciation to the Seton Hall University School of Law Affordable Housing Colloquium for defining the need for an empirical study of the impact of the *Mt. Laurel* judicial decisions and the Fair Housing Act. Members of the colloquium who reviewed various drafts of the study included Professors Paula Franzese, Bernard Freamon, Tracy Kaye of Seton Hall University School of Law and Professor John Payne of Rutgers University Law School, as well as Judge David Furman.

Many other individuals participated in the research project. Dr. Balu Swaminathan, Assistant Professor, Center for Public Service, served as Phase I Project Coordinator with Miriam Lyons Frolow and Melissa Trugman as graduate assistants. Stephen O'Connor, Executive Director of New Brunswick of Tomorrow and member of the research team, was responsible for the second phase of the data gathering process. Seth W. Hamalian and Maria T. Drelich also provided data collection assistance.

During the second phase, Dr. Javier Cabrera, Professor of Statistics at Rutgers University, served as a statistical consultant. Alice May B. Isidro and Theresa M. DiGuglielmo, graduate assistants, prepared all tables for the final report and presentation. Geoffrey Urbanik assisted in analyzing DCA data and Joyce Smith, secretary of the Center for Public Service, spent her last three weeks before vacation word processing, cutting, pasting, and word processing again. Shirley Bishop, Executive Director of the Council on Affordable Housing, and her staff also provided some needed support.

Last but not least, the principal investigators thank Jane Kenney, Commissioner, and the many people of the Department of Community Affairs who have provided us with assistance during this study. They include: Anthony Cancro, Director, Division of Housing and Community Resources; Mario Diaz, Senior Technician, Management Information Services; Ronald Intile, Program Specialist; John Lago, Manager, Housing Research; and Meyer Pincelli, Administrator, Office of Housing Advocacy. Finally, this study could not have been done without the support of Jane Wheatley, Program Director, Affordable Housing Management Services. She provided us with the AHMS data and answered all of our questions with honesty, intelligence and patience. She has been an invaluable source of information for us.

² 67 N.J. 151, 336 A.2d 713 (1975) [hereinafter *Mt. Laurel I*].

need for safe, decent housing affordable to low- and moderate-income households. This decision, elaborated by subsequent decisions and then codified in state statute and administrative regulations, has indisputably had an impact on the state. Nonetheless, it is not clear to what extent these anti-exclusionary zoning initiatives, as thus far actually implemented, have accomplished the original goals of the New Jersey courts and the New Jersey Legislature. This is a question that, at least potentially, could be answered through empirical study. This study seeks, at least in part, to answer this question.

I. HISTORICAL CONTEXT

From its inception, local land use regulation has been concerned with keeping persons deemed undesirable out of areas deemed desirable.³ Only in the 1950s, however, did suburban communities widely begin to regulate land uses specifically to prevent the construction in the suburbs of housing affordable to lower income households.⁴ Such regulation, generically known as "exclusionary zoning," had become extremely widespread in suburban New Jersey by the late 1960s. It included prohibitions on the construction of garden apartments and townhouses, minimum lot size requirements, minimum house size requirements, minimum frontage requirements, cost-increasing design standards, prohibitions on publicly subsidized housing, and excessive zoning for industrial or commercial uses. At its peak, 98% of the vacant land in suburban New Jersey was restricted by one or more of these types of regulations.⁵ The New Jersey courts routinely upheld the legality of these types of zoning requirements.⁶

³ See *Buchanan v. Warley*, 245 U.S. 60 (1917) (striking down municipal ordinance designed to preserve white neighborhoods); S. TOLL, *ZONED AMERICAN* 78-187 (1969) (describing early efforts in New York to use municipal regulation to preserve upper class residential areas in Manhattan). See generally C. PERRIN, *EVERYTHING IN ITS PLACE* (1979) (analyzing social dynamics of local land use regulation).

⁴ See, e.g., *Fischer v. Bedminster*, 11 N.J. 194, 93 A.2d 378 (1952) (minimum house size zoning); *Lionshead Lake v. Wayne*, 10 N.J. 165, 89 A.2d 693 (1952), *appeal dismissed*, 334 U.S. 919 (1953) (large lot zoning); C. Haar, *Zoning for Minimum Standards: The Wayne Township Case*, 66 HARV. L. REV. 1951 (1953).

⁵ N.J. Dep't of Community Affairs, *THE RESIDENTIAL LAND SUPPLY* (1972); Norman Williams, Jr. & Thomas Norman, *Exclusionary Land Use Controls: The Case of North-Eastern New Jersey*, 22 SYRACUSE L. REV. 476 (1971).

⁶ See *Fischer v. Bedminster*, 11 N.J. 194, 93 A.2d 378 (1952) (minimum lot size); *Lionshead Lake, Inc. v. Wayne*, 10 N.J. 165, 89 A.2d 693 (1952), *appeal dismissed* 344 U.S. 919 (1953) (minimum house size); *Vickers v. Gloucester Township*, 37 N.J. 232, 181 A.2d 129 (1962) (prohibition on mobile home parks); see also *Pierro v. Baxendale*, 20 N.J. 17, 118 A.2d 401 (1955).

Although New Jersey was a leader both in the spread of exclusionary zoning and in judicial approval of this type of regulation, it was not alone. As documented, for example, by the National Advisory Commission on Urban Problems (also known as the Douglas Commission) in 1968, suburban communities in metropolitan areas throughout the nation adopted similar requirements.⁷

In 1975, the New Jersey Supreme Court held that exclusionary zoning by developing suburban communities violated the New Jersey Constitution in *Mt. Laurel I*. Eight years later, it reaffirmed and expanded this holding.⁸ The court held that every municipality in state-designated growth areas has an affirmative constitutional obligation to provide realistic opportunities for the creation of sufficient housing affordable to low- and moderate-income households. The court declared that each such municipality must provide sufficient realistic opportunities for the creation of affordable housing to satisfy both the unmet needs of its own poor and its fair share of the unmet needs of the poor in the region in which it is located.⁹ To fulfill this obligation municipalities must modify their policies to accommodate publicly subsidized housing, must rezone to create affirmative incentives for the construction of lower income housing, and must allow mobile homes and mobile home parks.¹⁰

As a result of these decisions, civil rights organizations, the New Jersey Department of the Public Advocate, and various housing developers filed over 100 lawsuits against 68 suburban towns in New Jersey alleging unconstitutional exclusionary zoning between 1975 and 1985.¹¹ Many of these lawsuits were resolved by judgments or negotiated agreements calling for municipalities to engage in "inclusionary" zoning, i.e., zoning that provides affirmative incentives for the construction of low- and moderate-income housing in economically integrated developments.¹²

⁷ National Advisory Commission on Urban Problems, *Building the American City*, H.R. Doc. No. 34, 91st Cong. (1968); see also RICHARD F. BABCOCK & FRED P. BOSSELMAN, *EXCLUSIONARY ZONING: LAND USE REGULATION AND HOUSING IN THE 1970s* (1973); 1 NORMAN WILLIAMS, *AMERICAN PLANNING LAW* § 66 (1974); Lawrence G. Sager, *Tight Little Islands: Exclusionary Zoning, Equal Protection, and the Indigent*, 21 *STAN. L. REV.* 767 (1969).

⁸ *Southern Burlington County NAACP v. Mt. Laurel Township*, 92 N.J. 158, (1983).

⁹ *Id.* at 214-19.

¹⁰ *Id.* at 258-78.

¹¹ N.J. Administrative Office of the Courts, *Press Advisory* (Dec. 5, 1985). The history of this litigation and its consequences is reviewed in some detail in C. HAAR, *SUBURBS UNDER SIEGE: RACE, SPACE, AND AUDACIOUS JUDGES* (1996) and DAVID L. KIRP ET AL., *RACE, HOUSING AND THE SOUL OF SUBURBIA* (1996).

¹² See, e.g., *Alan-Deane Corp. v. Bedminster Township*, 205 N.J. Super. 87, 500 A.2d 49 (1985); *Morris County Fair Housing Council v. Boonton Township*, 197 N.J. Super. 359, 484 A.2d 1302 (Law Div. 1984), *aff'd*, 209 N.J. Super. 108, 506 A.2d 1284

In response to the *Mt. Laurel* decisions and the resulting litigation, the New Jersey Legislature enacted the Fair Housing Act of 1985.¹³ This statute required every municipality to adopt and implement a housing plan that would address the municipality's fair share of the unmet regional need for housing affordable to low- and moderate-income households.¹⁴ It also created a state agency, the New Jersey Council on Affordable Housing (COAH), with the power to determine municipal fair share housing obligations, establish policies as to what types of municipal actions are necessary to create realistic opportunities for the provision of housing affordable to low- and moderate-income households, and, upon request, to review housing plans submitted to it by municipalities.¹⁵ Approval by COAH of a municipal housing plan immunizes the municipality from litigation for a period of six years. COAH has adopted extensive regulations.¹⁶ As of June 1997, it has received and acted upon petitions by 219 municipalities for review of municipal housing plans.¹⁷

As a result of cases before the courts and before COAH, municipalities have adopted and implemented plans intended to create approximately 50,000 units of housing affordable to low- and moderate-income households. About 16,000 new units have actually been constructed pursuant to these plans since 1985 and an additional 6500 have been rehabilitated.¹⁸

A number of other states have also sought to promote the construction of affordable housing in the suburbs by encouraging or requiring suburban municipalities to engage in inclusionary zoning or to otherwise foster the construction of such housing. Some, such as Pennsylvania, New York, and New Hampshire, have done so by court decision.¹⁹ Others, such as Massachusetts, Connecticut, Oregon, Rhode Island, and California, have done so by statute.²⁰ In addition, many counties and

(App. Div. 1986); *Urban League of Essex County v. Mahwah*, 207 N.J. Super. 169, 504 A.2d 66 (Law Div. 1984). See generally *Hills Dev. Corp. v. Bernards Township*, 103 N.J. 1, 510 A.2d 621 (1986).

¹³ N.J. STAT. ANN. § 52:27D-301 et seq. (West 1986 & Supp. 1997).

¹⁴ See *id.* §§. 29, 30.

¹⁵ See *id.* §§ 7, 14.

¹⁶ See N.J. ADMIN. CODE tit. 5, secs. 91, 92, 93 (1997).

¹⁷ N.J. Council on Affordable Housing, *People, Places and Progress: The COAH Story 1996-97* at 5 (June 1997).

¹⁸ J. Lagos, *1995 Survey of Mt. Laurel Housing* (N.J. Dep't of Community Affairs 1995) (on file with authors).

¹⁹ See *Britton v. Chester*, 595 A.2d 497 (N.H. Sup. Ct. 1991); *Berenson v. New Castle*, 341 N.E.2d 236 (N.Y. Ct. App. 1975); *Surick v. Zoning Board*, 382 A.2d 105 (Pa. Sup. Ct. 1977).

²⁰ CAL. GOV'T CODE §§ 65008, 65583, 65584, 65913.1, 65913.2 (West 1997), amended by SB No. 2274 (Sept. 28, 1990); MASS. GEN LAWS Ann. ch. 40B, sec. 20-23 (West 1994 & Supp. 1997); OR. REV. STAT. secs. 197.295-197.313 (1997); R.I. GEN.

municipalities have adopted inclusionary strategies through local zoning or creation of housing trust funds.²¹

Decisions under the federal Fair Housing Act,²² have struck down suburban exclusionary zoning as racially discriminatory and ordered suburban communities to take affirmative steps to create affordable housing.²³ The most dramatic use of the federal civil rights laws to foster housing opportunities was in the *Hills v. Gautreaux* litigation, which challenged racial segregation in Chicago's public housing.²⁴ The suit resulted in a settlement agreement that made federal housing certificates available for use by residents of Chicago's housing projects in white or racially integrated neighborhoods.²⁵ The effects upon poor families of moving from racially segregated public housing either to the suburbs or racially integrated neighborhoods in the city has been extensively documented and studied.²⁶ Other civil rights litigation has secured similar relief.²⁷

During the past decade, the federal government has repeatedly urged that state and local governments reverse past policies of exclusionary

LAWS SECS. 45-53 (1991 & Supp. 1997), amended by P.L. ch. 91-154 (June 1991); 1989 Conn. Acts 311 (Reg. Sess.). The California, Connecticut, and Rhode Island statutes are described in some detail in *Anti-Nimby Legislation, Housing L. Bul.* 183 (Nov.-Dec. 1990), and *Rhode Island Adopts 'Anti-Snob' Zoning Legislation, Housing L. Bul.* 72 (May-June 1992).

²¹ See MARY BROOKS, A SURVEY OF HOUSING TRUST FUNDS (1989); Robert W. Burchell et al., U.S. Dept. of Hous. & Urb. Devel., *Regional Housing Opportunities for Lower Income Households: A Resource Guide for Affordable Housing and Regional Mobility Strategies* (1994); A. MALLACH, INCLUSIONARY ZONING (1984).

²² 42 U.S.C. § 3601 et seq. (1994 & Supp. 1997)

²³ See, e.g., *Huntington Branch, NAACP v. Huntington*, 844 F.2d 926 (2d Cir. 1988), *aff'd*, 488 U.S. 15 (1988); *Metropolitan Housing Dev. Corp. v. Village of Arlington Heights*, 558 F.2d 1283 (7th Cir. 1977); *United States v. City of Black Jack*, 508 F.2d 1179 (8th Cir. 1976); *Kennedy Park Homes Assoc., Inc. v. City of Lackawanna*, 436 F.2d 108 (2d Cir. 1970). See generally Florence W. Roisman & Philip Tegeler, *Improving and Expanding Opportunities for Poor People of Color: Recent Developments in the State and Federal Courts*, 24 CLEARINGHOUSE REV. 312 (1990).

²⁴ See *Hills v. Gautreaux*, 425 U.S. 284 (1976). See generally Alexander Pollikoff, *Gautreaux and Institutional Litigation*, 64 CHI.-KENT L. REV. 451 (1988) (recounting the history of the *Gautreaux* litigation).

²⁵ The agreement and its implementation are described in Mary Davis, *The Gautreaux Assisted Housing Program*, in HOUSING MARKETS AND RESIDENTIAL MOBILITY (G.Thomas Kingsley & Margery A. Turner eds., 1993).

²⁶ See Kathleen Peroff et al., U.S. Dept. of Hous. & Urb. Devel., *Gautreaux Housing Demonstration: An Evaluation of its Impact on Participating Households* (1979); PAUL B. FISCHER, IS HOUSING MOBILITY AN EFFECTIVE ANTI-POVERTY STRATEGY?: AN EXAMINATION OF THE CINCINNATI EXPERIENCE (1991); Florence W. Roisman & Hilary Botein, *Housing Mobility and Life Opportunities*, 27 CLEARINGHOUSE REV. 335-51 (1993).

²⁷ See *id.* (reviewing litigation).

zoning.²⁸ Seeking to reproduce the success of the *Gautreaux* agreement, the federal government has actively promoted the use of housing vouchers and certificates to enable low-income urban residents to move to housing in the suburbs.²⁹

II. THE PROBLEM: ARE NEW JERSEY'S ANTI-EXCLUSIONARY ZONING INITIATIVES MEETING THE ORIGINAL GOALS OF THE COURTS AND THE LEGISLATURE?

New Jersey's anti-exclusionary zoning initiatives have generated an enormous polemical and scholarly literature among lawyers, planners, economists, and sociologists. Almost all of this literature, however, has been theoretical or doctrinal in character, debating whether these initiatives are theoretically sound as a matter of law, planning, economics, or social policy. There has been surprisingly little empirical research on the actual effects of these initiatives.

Most of the empirical research on the anti-exclusionary zoning initiatives in New Jersey has focused on the question of whether housing has in fact been produced in suburban New Jersey. Based upon a state-wide survey conducted in 1995, for example, 15,733 units of new housing were completed or under construction, 1982 vacant units had been or were being rehabilitated through "gut" rehabilitation, and 4679 owner occupied units had been or were being rehabilitated.³⁰ This estimate is generally consistent with other recent studies.³¹

²⁸ See generally U.S. Dep't of Hous. & Urb. Devel., *Not in My Back Yard: Removing Barriers to Affordable Housing* (1991); REPORT OF THE PRESIDENT'S COMMISSION ON HOUSING (1982); 42 U.S.C. §. 12705(b)(4) (1995 & Supp. 1997).

²⁹ U.S. Dept. of Hous. & Urb. Devel., *Issue Brief No. 5: Federal Rental Assistance Should Promote Mobility and Choice* (May 1995); U.S. Dept. of Hous. & Urb. Devel., *Urban Policy Brief No. 1: Residential Mobility Programs* (1994); U.S. Dept. of Hous. & Urb. Devel., *Creating Communities of Opportunity: Priorities of U.S. Department of Housing and Urban Development* (1993); U.S. Dept. of Hous. & Urb. Devel, *FY 1995 Budget: Executive Summary* (1994).

³⁰ J. Lagos, *1995 Survey of Mt. Laurel Housing* (N.J. Dep't of Community Affairs) (on file with authors).

³¹ For example, based upon a 1992 survey, Burchell et al. estimated that 13,831 new *Mt. Laurel* units had been constructed or were under construction in 193 municipalities. See Robert W. Burchell et al., *Affordable Housing Need Data* (FNMA 1992). Based upon a similar survey, Fitzpatrick estimated in 1992 that 13,592 new *Mt. Laurel* units had been constructed or were under construction. See Robert Fitzpatrick, *The Math of Mount Laurel*, N.J. Dep't of Community Affairs (Mar. 1993). A recent report by the COAH estimates that 18,549 units have been built or are under construction as of June 1997 and that another 6746 units have been rehabilitated. See N.J. Council on Affordable Housing, *supra*, at 5. These studies supersede earlier, more limited studies of the extent of the production of *Mt. Laurel* housing. See, e.g., Martha Lamar et al., *Mount Laurel at Work: Affordable Housing in New Jersey, 1983-88*, 41 RUTGERS L. REV. 1197 (1989);

Relatively little research has been done on the characteristics of the households who have applied for or occupy this housing.³² Lamar et al. sought to assess the characteristics of the occupants of approximately 400 *Mt. Laurel* housing units in six developments that had been occupied by 1987.³³ The Urban Coalition of Greater New Brunswick sought to assess the racial and ethnic characteristics of occupants of 940 *Mt. Laurel* housing units in Middlesex County in central New Jersey that were occupied by 1991.³⁴

There, is, however, good reason to expect that more detailed and comprehensive research on the characteristics of the households who have applied for or occupy *Mt. Laurel* housing would be illuminating. To understand why this is so, it is useful to set the *Mt. Laurel* decisions in their larger policy context.

The *Mt. Laurel* decisions emerged out of and reflect a relatively coherent set of contemporaneous criticisms of exclusionary zoning. Critics argued that it is wrong in principle to utilize the power of the state to deny people the opportunity to choose where they live on the basis of their incomes. Critics also, however, argued that exclusionary zoning has harmful practical consequences³⁵ that should be eliminated:

Steinberg, *Providing Affordable Housing in Central New Jersey, 1990: Consequences of the Mount Laurel II Decision and the Fair Housing Act* (MSM Regional Council, 1990).

These studies, which are statewide or regionwide in their focus, may obscure the extent to which production of affordable housing has been affected by the policy choices concerning the implementation of the *Mt. Laurel* doctrine made at the local level.

³² See R. Larinni, *Little Evidence To Say if Mt. Laurel Housing Has Changed Basic Housing Patterns*, STAR LEDGER, Nov. 17, 1992, at 1, (describing lack of empirical data on beneficiaries of *Mt. Laurel* housing). One small scale study is contained in Civic League of Greater New Brunswick, *Final Report to the U.S. Dept. of Housing and Urban Development: Private Enforcement Monitoring Program* (1991). This study sought to ascertain the race and ethnicity of occupants of *Mt. Laurel* housing in twenty-five municipalities in Middlesex County, New Jersey, based upon a survey of municipal officials.

³³ See MARTHA LAMAR ET AL., AFFORDABLE HOUSING IN NEW JERSEY: THE RESULTS OF THE *MT. LAUREL II* AND THE AFFORDABLE HOUSING ACT 62-70 (1988); Martha Lamar et al., *Mt. Laurel at Work: Affordable Housing in New Jersey, 1983-88*, 41 RUTGERS L. REV. 1197, 1249-58 (1989).

³⁴ See Urban League of Greater New Brunswick, *Assessment of Mt. Laurel Affordable Housing in Middlesex County 5* (1991).

³⁵ For examples of contemporaneous critiques of exclusionary zoning on policy grounds, see Gov. William Cahill, *A Blueprint for Housing in New Jersey* (Special Message to the Legislature, Dec. 7, 1970); N.J. Dep't of Community Affairs, *The Housing Crisis in New Jersey, 1970* (1970); National Advisory Commission on Urban Problems, *Building the American City*, H.R. Doc. No. 91-34 (1968) (also known as the Douglas Commission Report); National Advisory Commission on Civil Disorders, *Report* (1968) (also known as the Kerner Commission Report); National Committee Against Discrimination in Housing, *Jobs and Housing: Final Summary Report on the Housing Component* (1972); National Committee Against Discrimination in Housing, *Jobs and Housing* (1970); National Committee Against Discrimination in Housing, *Impact of Housing Pat-*

Exclusionary zoning fosters a pattern of economic segregation by restricting lower income families to the cities.

Because poor people in suburbanizing states such as New Jersey are disproportionately African American or Latino, exclusionary zoning has the foreseeable effect of restricting African-Americans and Latinos to the cities, fostering and perpetuating racial segregation as well as economic segregation.

Since jobs have been migrating in large numbers from the cities to the suburbs, exclusionary zoning has the effect of denying lower income persons access to employment in the suburbs. It also has the effect of denying employers access to the lower income labor pool.

Because the cities provide poorer quality public services, such as education, recreation, health care, public safety, than the suburbs, exclusionary zoning has the effect of denying lower income persons access to these public services.

Exclusionary zoning artificially inflates housing prices, both for the poor and perhaps for the middle class as well. For the poor, these inflated housing prices mean that they must search longer for housing, accept housing of poorer quality, or pay a larger proportion of their income for housing. The burden falls heaviest on those already least well served by the housing market—African Americans and Latinos, very low-income households, households with children, female-headed households.³⁶

Reversing policies of exclusionary zoning, critics suggested, would not only right a moral wrong but also at least ameliorate these social problems.

Over the past twenty-five years, the various participants in, critics of, and commentators on, New Jersey's anti-exclusionary zoning decisions and legislation have offered different and competing accounts of what the goals of the decisions and legislation are and, accordingly, how success in achieving those goals should be measured. Indeed, it can plausibly be argued that the goals of the New Jersey Supreme Court itself changed over time, that the Fair Housing Act expressed goals different from those of any of the court decisions, and that COAH tacitly embodied in its regulations and policies yet a different set of goals.³⁷

terns on Job Opportunities (1968); LYNNE SAGALYN & GEORGE STERNLIEB, *ZONING AND HOUSING COSTS* (1972).

³⁶ Some critics also made an argument of a different character, namely that exclusionary zoning contributes to suburban sprawl, with its attendant undesirable environmental and land use consequences. See Council on Environmental Quality, *The Costs of Sprawl* (1975).

³⁷ Kirp provides a suggestive, albeit incomplete, account of the changing goals of New Jersey's anti-exclusionary zoning initiative. See generally David L. Kirp et al., *supra* note 11.

In part these differences involved large policy issues:

Should the goal be merely to neutralize the effect of exclusionary zoning or to create affordable housing that would not have been created even if there had been no zoning obstacles?

Should the goal be to maximize statewide production of affordable housing or to create housing opportunities in the suburbs?

Should the goals include stabilizing or revitalizing urban neighborhoods or should they focus solely on the suburbs?

Should the goals include the production of middle income housing, or should it focus solely on low and moderate-income housing?

Yet within these various sets of goals, there is an identifiable subset of goals that all the participants and observers who were sympathetic to the *Mt. Laurel* decisions and the Fair Housing Act would acknowledge as being at the core of the judicial decisions and the legislation. Among these are the following:

To increase housing opportunities for low- and moderate-income households.

To provide housing opportunities in the suburbs for poor urban residents who had been excluded by past suburban zoning practices.

To ameliorate racial and ethnic residential segregation by enabling blacks and Latinos to move from the heavily minority urban areas to white suburbs.

Thus, one way of measuring the success of the *Mt. Laurel* decisions and the Fair Housing Act—albeit an incomplete one—is to assess the extent to which these three goals have been achieved. This study seeks to cast some light on the extent to which *Mt. Laurel*, as implemented, is actually achieving these goals.

It is useful as a preliminary matter to consider the state of research literature on how these assertions can be tested. The basic demographic characteristics of New Jersey are well documented. The poor, African-Americans, and Latinos are disproportionately concentrated in a small number of urban areas and are dramatically under-represented in the suburbs.³⁸

³⁸ See, e.g., RODERICK J. HARRISON & DANIEL H. WEINBERG, CHANGES IN RACIAL AND ETHNIC RESIDENTIAL SEGREGATION 1980-1990 (U.S. Bureau of the Census 1992); Douglas S. Massey & Nancy A. Denton, *Hypersegregation in U.S. Metropolitan Areas: Black and Hispanic Segregation Along Five Dimensions*, 26 DEMOGRAPHICS 373 (1989); Regional Plan Association, *Housing Segregation in the Tri-State Region: A Report to the Tri-State Planning Commission (Tri-State Planning Comm'n 1978)*; LAKE, THE NEW SUBURBANITES (1981); R. Roper, *Racial Isolation in Six Cities in New Jersey: Report Prepared for Submission to the Court in Abbott v. Burke* (1986), *New Jersey's Urban Centers*, in N.J. Economic Policy Council, *16th Annual Report 1* (1984).

The poor in New Jersey also suffer disproportionately from serious housing problems—homelessness, living in housing that is physically substandard, living in severely overcrowded conditions, or living in housing that they cannot afford without giving up other necessities of life.³⁹

Over the past thirty years employment has increased dramatically in the suburbs while declining in the cities.⁴⁰ New Jersey's largest cities have changed from net job exporters to net job importers.⁴¹ Unemployment is high among urban residents and low among suburban residents.⁴²

Poor urban residents suffer from low quality public schools, high crime rates, inadequate police and fire protection, and insufficient access to health care.⁴³

There is less empirical evidence on how much exclusionary zoning contributes to these problems and whether initiatives to undo exclusionary zoning can make any contribution toward ameliorating them.

First, despite the prevalence of exclusionary zoning, there remains a significant debate as to whether income differences themselves explain the concentration the poor in urban areas.⁴⁴ By contrast, there is strong

³⁹ New Jersey suffers from exceptionally high housing prices. The burden of these high prices falls especially heavily on the poor. Approximately 575,000 lower income households in New Jersey are obliged to pay more for housing than they can afford without giving up other necessities. Another 50,000 suffer from other severe housing problems. See N.J. State Planning Commission, *supra*, at 7; N.J. Dep't of Community Affairs, *New Jersey Comprehensive Housing Affordability Strategy (CHAS)* 54, 56 (1991).

⁴⁰ Employment in New Jersey has shifted heavily from the cities to the suburbs. Between 1960 and 1985, the number of jobs in New Jersey rose by 70%, but the number of jobs in the six largest cities declined by over 35%. New Jersey cities, once net job exporters, have become net job importers. See N.J. State Planning Commission, *1 Communities of Place: Preliminary State Development and Redevelopment Plan for the State of New Jersey* 7 (1988); J. Hughes & J. Seneca, *New Jersey Cities in the 1980s: An Employment Report Card—Rutgers Regional Report Issue Paper No. 3* (1992); *New Jersey's Urban Dilemma: Decline within Growth*, in New Jersey Economic Policy Council, *14th Annual Report* 52 (1984).

⁴¹ See *New Jersey's Urban Dilemma: Decline Within Growth*, in New Jersey Economic Policy Council, *14th Annual Report* 52 (1984).

⁴² Poor residents of the cities have diminished access to employment and employers have diminished access to the lower income labor pool. For example, the unemployment rate for the Newark labor region in January 1992 was 7.6%. Within this region, the unemployment rate in Essex County, which is dominated by Newark, East Orange, Orange, and Irvington, was 8.5% while the employment rate for Morris County, which consists almost entirely of affluent suburban communities that have engaged in exclusionary zoning, was 5.6%. See N.J. Dep't of Labor, *101 Employment and the Economy: Northern New Jersey Region* 18 (Mar. 1992).

⁴³ See R. Roper, *Racial Isolation in Six Cities in New Jersey: Report Prepared for Submission to the Court in Abbot v. Burke* (1986)

⁴⁴ See John F. Kain, *The Influence of Race and Income on Racial Segregation and Housing Policy*, in *RACIAL SEGREGATION AND FEDERAL HOUSING POLICY* 99 (J.M. Goer-

empirical evidence that racial discrimination limits the opportunities for African-Americans and Latinos in the suburbs.⁴⁵

Second, there is debate as to whether low-income urban residents desire to move to the suburbs or would prefer to do so if given the choice.⁴⁶ Although some early studies suggested that low-income urban residents prefer to remain where they are,⁴⁷ recent studies have suggested that when low-income urban residents are given what they perceive to be real choices, they strongly prefer to live in the suburbs.⁴⁸ Obviously if current poor urban residents, like current affluent urban residents, live in the cities as a matter of freely exercised choice, anti-exclusionary zoning initiatives will have no social impact at all.⁴⁹

Third, there is a substantial body of research literature that seeks to assess the extent to which unemployment among the urban poor is the result of their spatial separation from suburban jobs, rather than other causes, such as racial discrimination by employers. In the words of David Ellwood, is it really a question of "place" rather than "race"? Recent studies suggest that "place" is a significant causal factor.⁵⁰ How-

ing ed., 1986); S. Hwang et al., *The Effect of Race and Socioeconomic Status on Residential Segregation in Texas 1970-80*, 1985 SOC. FORCES 737.

⁴⁵ See ROBERT W. LAKE, *THE NEW SUBURBANITES: RACE AND HOUSING IN THE SUBURBS* (1981); MARGERY A. TURNER ET AL., *HOUSING DISCRIMINATION STUDY* (HUD 1991).

⁴⁶ It should be noted that this debate is related to, but distinct from, the debate over whether African Americans or Latinos prefer to live in integrated communities rather than segregated ones. See Reynolds Farley et al., *Chocolate City, Vanilla Suburbs: Will the Trend Toward Racial Separation Continue?* 7 SOC. SCI. RES. 317 (1978); Reynolds Farley et al., *Continued Racial Residential Segregation in Detroit: Chocolate City, Vanilla Suburbs, Revisited*, 4 J. HOUSING RES. 1 (1993). The research suggests that middle-class African Americans, when given the opportunity, have, like Whites, generally chosen to move to the suburbs. Sometimes, however, they have chosen to move to racially segregated suburbs. There is some debate as to whether this reflects an active preference for racially homogenous neighborhoods, lack of opportunity to move to racially integrated suburbs, or some combination of the two. *But see* John O. Calmore, *Spatial Equality and the Kerner Commission Report: A Back to the Future Essay*, 71 N.C. L. REV. 1487-1518 (1993).

⁴⁷ See, e.g., Francis J. Cronin & David W. Rasmussen, *Mobility, in HOUSING VOUCHERS FOR THE POOR: A NATIONAL EXPERIMENT* 107 (1981).

⁴⁸ Kim McClain & David Desiderato, *Regional Housing Mobility: A Survey of the Need in Hartford* (Citizens Research Education Network 1992); Paul B. Fisher, *Is Housing Mobility An Effective Anti-Poverty Strategy? An Examination of the Cincinnati Experience* (Wilder Foundation 1991).

⁴⁹ The difficulty of assessing preferences in a context in which the participants perceive themselves to without real choices or only with choices that are sharply constrained by discrimination or social pressure are self-evident, even if frequently ignored in policy debates. For a useful discussion of this point, see Paul Gerwitz, *Choice in the Transition: School Desegregation and the Corrective Ideal*, 86 COLUM. L. REV. 728, 735 (1986).

⁵⁰ K. Ihlanfelt, *The Special Mismatch Between Jobs and Residential Locations Within Urban Areas*, 1 CITYSCAPE 219 (1994); John F. Kain, *The Spatial Mismatch Hypothesis*

ever, if there is no "spatial mismatch" between the location of jobs and the location of low-income members of the labor force who might fill those jobs, then anti-exclusionary initiatives are unlikely to result in the movement of urban residents to suburban employment centers.

Finally, there is the larger and related question of whether, even if poor urban residents move to the suburbs, they actually experience any of the putative benefits of suburban living. A number of studies have suggested, for example, that when African-Americans move to the suburbs from the cities, they end up in racially segregated suburban communities rather than racially integrated ones.⁵¹ On the other hand, recent studies of the effects of the *Gautreaux* case and other similar remedies have suggested that moving to the suburbs is accompanied by dramatic long-term improvements in the quality of life for poor families, including decreased opportunities for employment and education, and reduced dependence on public assistance.⁵² The significance of the *Gautreaux* study is, however, difficult to assess because of the intensely self-selected character of the participants.⁵³

Three Decades Later, 3 HOUSING POL'Y DEBATE 371 (1992); Harry J. Holzer, *The Spatial Mismatch Hypothesis: What the Evidence Shows*, 28 URB. STUD. 105-22 (1991). *But see* C. Jencks & S. Mayers, *Residential Segregation, Job Proximity and Black Job Opportunities*, in INNER CITY POVERTY IN THE UNITED STATES 187 (Laurence E. Lynn & Michael G.H. McGreary eds., 1990); D. Ellwood, *The Spatial Mismatch Hypothesis: Are There Teenage Jobs Missing in the Ghetto?*, in THE BLACK YOUTH EMPLOYMENT CRISIS 147 (Richard Freeman & Harry J. Holzer eds., 1986).

⁵¹ See ROBERT W. LAKE, *THE NEW SUBURBANITES: RACE AND HOUSING IN THE SUBURBS* (1981) (examining patterns of suburbanization in northern New Jersey); Philip L. Clay, *The Process of Black Suburbanization*, 14 URB. AFF. Q. 405 (1979); Douglas S. Massey & Nancy A. Denton, *Suburbanization and Segregation in U.S. Metropolitan Areas*, 94 AM. J. SOC. 592 (1988).

⁵² James E. Rosenbaum et al., *Can the Kerner Commission's Housing Strategy Improve Employment, Educational, and Social Integration for Low-Income Blacks?*, 71 N.C. L. REV. 1519 (1993); James E. Rosenbaum & Susan J. Popkin, *Employment and Earnings of Low-Income Blacks Who Move to Middle-Class Suburbs*, in THE URBAN UNDERCLASS 342 (Christopher Jencks & Paul E. Peterson eds., 1991); Paul B. Fischer, *Is Housing Mobility an Effective Anti-Poverty Strategy?: An Examination of the Cincinnati Experience* (Wilder Foundation 1991)

⁵³ See generally Amy S. Wells, *The Sociology of School Choice: Why Some Win and Others Lose in the Educational Marketplace*, in SCHOOL CHOICE: EXAMINING THE EVIDENCE 29 (Edith Rasell & Richard Rothstein eds., 1993) (assessing the differences between families whose children participated in voluntary city to suburb school assignment program); Donald R. Moore & Suzanne Davenport, *School Choice: The New Improved Sorting Machine*, in CHOICE IN EDUCATION: POTENTIAL AND PROBLEMS 187 (William L. Boyd & Herbert J. Walberg eds., 1990) (assessing differences between "active choosers" and passive participants in public school choice programs); B. Stobert, *Factors Influencing Parental Choice in Selection of a Magnet School in the Montclair, New Jersey, Public Schools 97-103* (unpublished dissertation, Columbia Teachers College, UMI Order No. 9121214, 1991) (same); Amy S. Wells, *Public School Choice: Is-*

This study seeks to illuminate the extent to which *Mt. Laurel*, as thus far implemented, is actually achieving the goals of its original proponents by determining the demographic characteristics of applicants for and occupants of low- and moderate-income *Mt. Laurel* housing. Previous researchers have recognized that the demographic characteristics of the occupants of subsidized housing are affected by the objectives, policies, and practices leading to the construction and occupancy of such housing and that studying such demographic characteristics can illuminate those objectives, policies, and practices.⁵⁴ Study of applicants for, and occupants of, *Mt. Laurel* housing has the potential to illuminate some of the questions as to whether New Jersey anti-exclusionary zoning initiatives are in fact achieving the goals their early proponents hoped for.

To what extent is this housing available to residents of major urban areas? To what extent is it this housing occupied by former residents of major urban areas?

To what extent is this housing available to African-Americans and Latinos? To what extent is it occupied by African-Americans and Latinos?

To what extent is this housing available to households who suffer the most acute housing burdens—female-headed households, large households, very low-income households? To what extent is it occupied by these households?⁵⁵

In addition, analysis of this data may suggest modifications in New Jersey's current policies and procedures that would better accomplish the original goals of the anti-exclusionary zoning initiatives.

sues and Concerns for Urban Educators, ERIC/CUE Digest No. 63, EDRS 322275 (1990) (reviewing literature).

⁵⁴ See, e.g., CONNIE H. CASEY, CHARACTERISTICS OF HUD-ASSISTED RENTERS AND THEIR UNITS IN 1989 (HUD 1992); Robert Gray & Steven Tursky, *Location and Racial/Ethnic Occupancy Patterns for HUD-Subsidized Housing in Ten Metropolitan Areas*, in HOUSING DESEGREGATION AND FEDERAL POLICY (John Goering ed., 1985); SANDRA J. NEWMAN & ANN B. SCHNARE, LAST IN LINE: HOUSING ASSISTANCE FOR FAMILIES WITH CHILDREN (FNMA 1993); A. SCHLAY & C. KING, BENEFICIARIES OF FEDERAL HOUSING PROGRAMS: A DATA RECONNAISSANCE (FNMA 1995).

⁵⁵ There are several other questions that one would hope that examination of the characteristics of applicants for and occupants of *Mt. Laurel* housing would illuminate: Is *Mt. Laurel* housing constructed in the suburbs actually affordable to low and moderate income households in New Jersey? To what extent is this housing available to households that include persons who hold jobs in the suburbs but live in urban areas, thus giving them the opportunity to move closer to their jobs? To what extent is it occupied by these households? Because of limitations in the data recorded by AHMS, it proved impossible in this study to extract any useful data on these issues.

III. METHODOLOGY OF THE STUDY

The most comprehensive collection of data on applicants for and occupants of recently constructed low- and moderate-income housing in New Jersey is the files of the New Jersey Affordable Housing Management Service (AHMS). AHMS is a state agency established pursuant to the New Jersey Fair Housing Act of 1985⁵⁶ to assist municipalities and developers administer occupant eligibility standards and affordability controls for low- and moderate-income housing. AHMS maintains lists of prescreened applicants for low- and moderate-income housing and contracts with municipalities and developers to qualify applicants for particular housing developments. To carry out this function, AHMS maintains two computerized databases: one of households that have rented or purchased housing through AHMS; the second of households that applied for low- and moderate-income housing and have been pre-screened for income eligibility but have not yet rented or purchased housing through AHMS.⁵⁷

As of April 1996, the AHMS databases contained records for a total of approximately 43,500 households: approximately 7500 occupants of low- and moderate-income housing and approximately 36,000 pre-screened applicants for such housing. The AHMS database necessarily changes continually. The analysis in this study is based upon the data in the AHMS databases as of March 1996.

The databases include applicants for, and occupants of, both urban and suburban housing. They include urban and suburban housing funded through the "Neighborhood Preservation—Balanced Housing Fund," which is New Jersey's principal state housing subsidy program. Since 1990, applicants for all housing subsidized through this program have been selected from the AHMS list and qualified by AHMS. In addition, they include other urban and suburban low- and moderate-income housing for which the municipality or the developer has contracted with AHMS to perform these functions.

Applicant data is maintained on a regional basis. Households on the applicant list are eligible for any low- and moderate-income housing available through AHMS located anywhere in the region in which the applicant lives or works. Not all applicants, however, wish to apply for housing anywhere in the region. Applicants may specify whether they wish to be referred to housing anywhere in the region, only within a particular county, only within a particular municipality, or only to housing

⁵⁶ L. 1985 c. 222, sec. 21.

⁵⁷ Information on AHMS practices and policies was provided by AHMS staff in interviews with the authors.

within a particular project. Applicants are notified of available units as they become available on a project by project basis based upon their location preference and upon criteria relevant to the housing in each project, such as household size, income level, local occupant selection standards, and sometimes other criteria.

AHMS updates its applicant database annually and deletes applicants who do not respond to notices. Thus, the applicant database consists of households seeking low- and moderate-income housing during the first quarter of 1996. It may or may not reflect the characteristics of households who were seeking housing at other times.

AHMS deletes from the applicant database households who acquire housing through AHMS. These households are entered in the occupant unit database. There is therefore no duplication between the applicant and occupant unit databases.

Unlike the applicant database, the occupant unit database only reflects the characteristics of current occupant households who have acquired housing through AHMS from approximately 1991 through the first quarter of 1996.

AHMS engages in continuous outreach to encourage eligible households to apply for housing that it administers. The effort is statewide, but is especially concentrated in urban areas. The applicant database may be affected, however, by the specifics of locations and projects that are currently under development. Applicants may respond to advertisements or word of mouth information as to the availability of particular projects.

Developers are responsible for advertising their own projects; the location and characteristics of applicants may be influenced by the extent and nature of that advertising. Municipalities often maintain lists of residents who have expressed an interest in low- and moderate-income housing within the municipality. Households on these lists who satisfy AHMS's pre-screening requirements are added to the AHMS database.

It is the perception of the AHMS staff that senior citizens have not applied in numbers proportional to their housing need in response to AHMS general outreach efforts. They more frequently apply for a specific project at the time of development.

The AHMS occupant unit database includes newly constructed housing and newly rehabilitated housing that was previously vacant. It also includes housing that has been rehabilitated by its owner-occupant under a municipally sponsored housing rehabilitation program. These programs are locally administered, but AHMS may, under contract with the municipality, qualify the owner-occupants as income-eligible. These owner occupants are not recorded in the AHMS applicant database. It is the perception of the AHMS staff that a large proportion of the house-

holds qualified under municipal housing rehabilitation programs are senior citizens.

As a matter of policy, AHMS staff counsels households at very low income levels, e.g., households receiving public benefits, that they are unlikely to be able to afford housing administered by AHMS without an additional source of subsidy, such as a federal Section 8 certificate or housing voucher. Some very low-income households do choose to submit applications in the hopes that their incomes will rise sufficiently by the time they are referred for specific projects to enable them to afford the housing. The effect of this policy is to reduce the number of very low-income households in the AHMS applicant database.

AHMS does not qualify applicants for public housing, housing subsidized under the federal Section 8 program, the federal Farmers Home Administration programs, for the elderly or for the handicapped subsidized under the federal Section 202 program. Rents for these types of housing are set by federal law at 30% of the occupants' adjusted gross income, however low that may be, rather than COAH's housing affordability standards. It is therefore affordable to households with incomes much lower than the housing administered by AHMS.

AHMS applicant data are available to developers and municipalities for planning purposes. To an unknown extent, the characteristics of the AHMS applicant may affect the location and characteristics of the affordable housing that is produced (that in turn affects the characteristics of the households who apply for housing through AHMS).

The data in the AHMS database are provided by the applicants or occupants completing the form. Although AHMS staff advise applicants that the personal information provided—especially the income and household size data—will have to be documented and verified before an applicant actually will be referred for any housing unit, some applicants may nonetheless make innocent errors or may falsify data to survive the pre-screening process. Data on race and ethnicity are based upon the applicant's or occupant's own self-description and may not conform to the standards generally used by demographers or the Bureau of the Census.

Individual records in the AHMS databases may be incomplete. While AHMS does not accept any application that lacks income and household size data, applicants and occupants fill out requests for demographic data voluntarily. In addition, AHMS has changed its application form several times since 1987 to collect additional data. Records for households that applied before 1987 do not show all the types of data now collected.

Assessing the success of the *Mt. Laurel* decisions and the Fair Housing Act—even in this partial and incomplete form—is complicated

by the fact that the various public agencies and researchers who have sought to collect or analyze data that might bear on these issues have used a diversity of criteria for identifying and counting "*Mt. Laurel* housing" units.

The narrowest definition, for example, includes only new low- and moderate-income housing constructed in the suburbs that satisfies municipal fair share housing obligations.⁵⁸

A somewhat less narrow definition includes both new housing and rehabilitated low- and moderate-income housing in the suburbs that satisfies municipal fair share housing obligations.

A yet broader definition includes new and rehabilitated low- and moderate-income housing in the suburbs that satisfies municipal fair share housing obligations in addition to units constructed in urban areas utilizing funds provided through regional contribution agreements authorized by the Fair Housing Act.⁵⁹

A broader definition still includes all new and rehabilitated low- and moderate-income housing constructed both in suburban and urban municipalities that satisfies municipal fair share housing obligations.

The broadest definition includes all low- and moderate-income housing constructed or rehabilitated in the suburban or urban municipalities, regardless of whether it satisfies municipal fair share housing obligations.

As described above, the AHMS database does not correspond precisely to any of these definitions of "*Mt. Laurel* housing." For this reason, this study does not use the term "*Mt. Laurel* housing" in its analysis of the AHMS database. Rather, we will speak of urban AHMS-administered housing units and suburban AHMS-administered housing

⁵⁸ This definition corresponds approximately to housing that meets the statewide "prospective need" and "present reallocated need" as those terms are defined by COAH. See N.J. ADMIN. CODE, tit. 5, sec 93-1.3 (definitions of "prospective" and "present reallocated" need.) In this context and throughout this report, "low and moderate income housing" refers to housing that is affordable to low and moderate income households, restricted to low or moderate income households, affordable, and subject to long-term controls to assure that it remains restricted and affordable to such households. See N.J. STAT. ANN. § 52:27D-3 (West 1995) (defining low- and moderate-income housing).

⁵⁹ Regional contribution agreements are agreements between sending municipality and a receiving municipality in which the sending municipality pays the receiving municipality to construct low- and moderate-income housing to satisfy a portion of the sending municipality's fair share housing obligation. As part of the Fair Housing Act, the New Jersey Legislature authorized municipalities to meet up to one-half of their fair share housing obligations through regional contribution agreements. See L. 1985 ch. 222, sec. 12. Thus, the rationale of this definition is that units constructed in suburban communities plus units constructed in urban areas utilizing regional contribution agreement funds make up the totality of the units that meet suburban fair share housing obligations.

units.⁶⁰ Suburban AHMS housing units all fall within the second definition of *Mt. Laurel* units set forth above and can legitimately be described as suburban *Mt. Laurel* housing. The urban AHMS units may include urban *Mt. Laurel* units under the fourth or fifth definitions above, but they also include low- and moderate-income housing funded through the Balanced Housing program.

Because the AHMS units constitute only a subset of the recently constructed or rehabilitated low- and moderate-income housing in New Jersey, it is useful to attempt to ascertain how representative it is of the State's entire stock of recently constructed or rehabilitated low and moderate housing. The 7487 occupant records in the AHMS database can be compared with the best and most recent descriptive study of New Jersey's affordable housing units. In March 1995, the Division of Codes and Standards of New Jersey's Department of Community Affairs (DCA) mailed a questionnaire to local government officials and planning consultants responsible for affordable housing in New Jersey's municipalities. The DCA questionnaire did not solicit responses about applicants and occupants. The municipal officials who responded, however, indicated that they were aware of 3021 units managed by AHMS and 21,782 non-AHMS units that had been completed or were under construction.

It is important to note that, because the DCA data are preliminary and were gathered by mailed questionnaire, they are not complete. However, they make a useful data set by which to judge the representativeness of the AHMS data set used in the current study. For this purpose it is useful to compare the 7487-household AHMS occupant data set with the non-AHMS units on which the DCA gathered information from the municipalities.

As shown in Table 1, DCA reports 21,310 non-AHMS units, 9254 (43%) rentals, 7656 (36%) sales, and 4399 (21%) rehabilitated units. The AHMS 7487 occupant database is 45% rental, 32% sales, and 23% owner-occupied rehabilitated units.⁶¹ These percentages show a very similar pattern and tend to confirm that the AHMS database is somewhat

⁶⁰ In this context, "urban" refers to municipalities that satisfy any one of the various sets of criteria developed by the New Jersey Department of Community Affairs to define an urban area. A list of the urban municipalities and the criteria they satisfy is set forth in Appendix A. "Suburban" refers to all municipalities other than those classified as "urban". This is consistent with the practice of defining suburban as non-urban municipalities in Metropolitan Statistical Areas as defined by the Bureau of the Census. In New Jersey, all municipalities lie within Metropolitan Statistical Areas. Nonetheless, this definition is over-inclusive, because New Jersey does have genuine rural communities.

⁶¹ This data has not been published in the aggregate form utilized here. It has been published in a different format in N.J. Dep't of Community of Affairs, *Guide to Affordable Housing in New Jersey* (1996 ed.)

representative of the affordable housing picture in all of New Jersey. The only major difference is that the non-AHMS database is more suburban. There are 5100 urban units in the non-AHMS database, representing 24% of the total non-AHMS sample. Forty percent of the AHMS units are urban.⁶²

IV. RESULTS

A. Characteristics of AHMS-Administered Units

Tables 2, 3, and 4 show the location of the AHMS-administered units in the six housing regions established by COAH⁶³ and utilized by AHMS in establishing its applicant pools during 1986 to 1994. Table 5 summarizes the characteristics of the AHMS-administered units by location. There are 2368 sales units out of a total of 7487 AHMS-administered units for which we have occupant information. This represents about 32% of the data set. Of the sales units, 71% are in suburban communities, leaving only 30% in the urban communities. Forty-two percent are occupied by low-income residents, leaving 58% for moderate-income residents. About 45% or 3363 units are rental, split approximately equally between urban and suburban communities. However, 82% of these are low-income rentals, leaving 18% for those of moderate-income. The AHMS data set has 23% owner-occupied rehabilitated units, 72% of which are in the suburbs. Fifty-seven percent of the rehabilitated units have low-income occupants.

In summary, the 7487 units in the AHMS data set can be represented as follows:

	SUBURBAN	URBAN
SALES (2368)	1671	697
RENTAL (3363)	1599	1764
REHABS (1756)	1272	484

⁶² Because of the large number of cases in the AHMS database and the data being such a large proportion of the whole population of affordable units, all differences reported in this study are significant to the .01 level. Individual tests of significance and power testing are therefore not separately reported.

⁶³ See N.J. ADMIN. CODE, tit. 5, § 92-2.1 (1997).

B. Characteristics of Applicants for AHMS Administered Housing

1. Regional Patterns of Applicants for AHMS and AHMS Units

Table 6 compares the location of the AHMS units in the six housing regions established by COAH and utilized by AHMS in establishing its applicant pools during 1986-1994 (column 4) with two other variables, the percent of applicants from each region, and the percent of income eligible households in each region to determine whether there is, in the broadest sense of the term, a match.

For the purposes of this report, the universe of income-eligible households is households whose gross household incomes are below 80% of the county-wide median gross household income for households of similar size as reported in the 1990 Census. Where noted, we have supplemented the published census data with data from the public use microdata sample.⁶⁴

The percentage of applicants from each region is very similar to the percentage of income-eligible population of each region. Over one-half of the income-eligible and applicant populations live in Regions 1 and 2. Regions 3, 4, and 5 of central New Jersey follow in income eligibility and applicants.

Regions 3, 5, and 6 have larger shares of the state's AHMS units than applicants or income-eligible populations, while Regions 1, 2, and 4 have smaller shares of the state's AHMS units than their shares of the state's applicants or income-eligible population. However, in Regions 1 and 5, the gaps are clearly the largest. Region 1 has only 13% of the ARMS units, while it has 28% of the applicant population and 27% of the eligible population. Region 5 has only 13% of the applicants, 16% of the income-eligible population, while it has 26% of the state's AHMS units.

This data indicates that in regions containing the state's largest cities—Newark, Elizabeth, Jersey City, and Paterson—there are proportionately more applicants than available affordable units. On the other hand, in the regions that show the strongest patterns of suburban growth, there are proportionately fewer applicants than affordable units. As will be discussed, this pattern of regional mismatch between applicants and available low- and moderate-income housing units appears to have a number of policy consequences.

⁶⁴ The public use microdata sample is a subset of the 1990 Census data. It was analyzed by Research Services, Office of Computing and Information Technology, Princeton University, N.J.

2. Race and Ethnicity of Applicants

As indicated in Table 7, although Whites comprise approximately 70% of the income-eligible households in New Jersey (Column 5), they only represent approximately 33% of the applicant households (Column 4). This statewide figure, however, masks important geographic differences. If one excludes Essex and Hudson counties, the regional proportion of applicant households who are White as compared to the proportion of income-eligible households who are White is much higher than the statewide figure throughout northern and central New Jersey (Regions 1 to 4). The pattern in Essex and Hudson, the state's most urbanized and minority counties, is very different. In those counties, the proportion of applicant households who are White is less than 20% of the proportion of income-eligible households who are White.

In part, this reflects the facts discussed below that Blacks and Latinos apply for AHMS housing at higher rates in urban counties. It also reflects, however, different behavior of Whites in different geographic locations. The ratio of White applicant households to White income-eligible households is lowest in Region 6, which is dominated by rural South Jersey communities, and in Regions 1 and 2, which include the state's largest cities. Within Regions 1 and 2, it is lowest in Essex and Hudson Counties, the state's most urbanized counties. By contrast, it is highest in Regions 3 and 4, the state's suburban growth areas. Thus, suburban lower income White households apply for AHMS housing at a much higher rate than similar urban or rural households.

As indicated by Table 8, although Blacks represent approximately 21% of the income-eligible households in New Jersey (Column 5), they represent approximately 45% of the applicant households (Column 4). Similarly, as indicated by Table 9, although Latinos represent approximately 4% of the income-eligible households in New Jersey (Column 5), they represent approximately 12% of the applicant households (Column 4). The high proportion of Black applicants appears in part to be the consequence of the relative absence of White applicants from Regions 1 and 2. It may be the result of a very successful affirmative marketing strategy. Alternatively, Blacks might be especially willing to seek out affordable housing programs when they are potentially available. As discussed below, however, it may also reflect the fact that low-income Black and Latino households suffer from especially severe housing problems.

3. Applicants with Severe Housing Problems

Both the federal government and New Jersey have developed measures of households with housing problems. Although federal and state

guidelines differ on the measurement of housing need, both include three indicators that a household is suffering from a severe housing problem:

Percentage of the household income spent for mortgage, or rent, and utilities (housing costs).

Occupancy of physically substandard housing.

Serious lack of housing or hopelessness.

In New Jersey, unlike some other parts of the country, the dominant housing problem is affordability. Approximately 90% of the low- and moderate-income households with severe housing problems are paying excessive amounts of their income for housing. The AHMS application provided a space where an applicant could voluntarily declare that he or she was living in physically substandard housing, but few applicants marked that space. For purposes of this study, the extent of applicant housing need is based solely on the percentage of the household income spent on housing costs.

Although federal and state guidelines use slightly differing percentages for these terms, for purposes of this study serious housing need is defined as households that spend 31% to 50% of their gross household income on housing costs. Worst case housing need is defined as those that spend more than 50% on housing costs. Based upon this definition, 26% of applicants for AHMS-administered housing have serious housing need, and another 16% have a worst case housing need, i.e., they spend more than 50% on their housing costs.⁶⁵

The applicant households with serious or worst case housing needs were particularly concentrated in particular subsets of the applicant population.

a. Income

As indicated by Tables 10a and 10b, 88% of those with serious or worst case housing needs are in the low-income category. Specifically, 82% of those with serious housing need are in the low-income category, and 97% of those with worst housing need are in the low-income category. Of the 24,730 applicants in the low-income category, about one-half can be categorized as having serious or worst case housing need, 30% are in the serious housing need category, and 21% are in the worst case housing need category. In contrast, only 2% of moderate-income applicants are in the worst case housing need category, and 18% have se-

⁶⁵ Of the 34,034 applicants for whom data as to prior household costs are available, 8979, or 26.4%, had serious housing needs and 5517, or 16.2%, had worst case housing needs.

rious housing need. Moderate-income applicants comprise only 20% of the applicants with serious or worst case housing needs.

The concentration of serious and worst case housing needs in the low-income applicants mirrors the characteristics of the income-eligible population as a whole.⁶⁶

b. Age

Serious housing problems are also concentrated in the oldest and youngest groups of applicants. As indicated by Table 11, of the applicants who are 62 years or older, 22% are in the worst case category, and 24% have serious housing need. These results, too, mirror the characteristics of the income-eligible population.⁶⁷ Of the 17,844 applicants in the youngest cohort (18 to 35 years of age), 14% are classified as having the worst housing need and 25% are in the serious housing need category.

c. Race and Ethnicity

Tables 12a and 12b show the relationship between housing need and race and ethnicity. Blacks comprise about one-half of the 4850 applicants who spend more than 50% of their income on housing. Whites comprise 32% and Latinos, 18%. Blacks comprise 52% of those with serious housing need, Whites comprise 35%, and Latinos, 13%. Comparing these figures with the racial and ethnic make-up of the applicant database, it is clear that neither Black nor Latino applicants display a disproportionate concentration of households with serious housing needs. Latinos applicants do, however, display a disproportionate concentration of households with worst case housing needs.

This point is highlighted by Table 12b. Among Whites, Blacks, and Latinos, about one-quarter of each group pays 31% to 50% of their income for housing costs. While 16% of the Black applicants and 14% of the White applicants are in the worst case group, however, 22% of the Latino applicants are in the worst case group. This pattern, too, mirrors patterns in the income-eligible population as a whole.⁶⁸

d. Female-Headed Households

As indicated by Table 13, approximately 43% of the females applicants have serious or worst case housing needs but only 35% of male ap-

⁶⁶ U.S. Dep't of Housing & Urban Development, *Rental Housing Assistance at a Crossroads: A Report to Congress on Worst Case Housing Needs* ix (1995) [hereinafter *Worst Case*].

⁶⁷ *Id.* at x.

⁶⁸ *Id.* at 14.

plicants have such housing needs. Here, too, the key differences involve the proportion of applicants who have worst case housing needs. Female applicants comprise 73% of the applicants and 72% of the applicants with serious housing needs; they comprise 81% of the applicants with worst case problems. It is obvious from Table 13 that among applicants for AHMS-administered housing, housing need is related to gender.

4. Income of Applicants

Approximately 56% of the income-eligible households have low incomes. Low-income households represent approximately 70% of the applicants in the AHMS database⁶⁹. Even though low-income households only represent 56% of the income-eligible population, they represent 88% of the applicants with serious or worst case housing problems. One might therefore expect that low-income households would represent a much higher proportion of applicants than the moderate-income households.

The proportion of low-income applicants differs among Whites, Blacks and Latinos, as shown in Tables 14 and 15. While 60% of White applicants are low-income, 73% of Black and 85% of Latino applicants are low-income. Table 15 shows that about one-half of the low-income applicants are Black, and about one-third are White. The moderate-income applicants are split almost equally between Black and White, with only 7% being Latinos.

5. Elderly Applicants

Although approximately 50% of all income-eligible households are headed by elderly persons, i.e., 62 years of age or older, only 10% of the applicant households are headed by elderly persons.⁷⁰ The reasons for this disparity, which is consistent with the experience reported to us by the AHMS staff, are not clear. At least in part, it may be a consequence of our comparing the AHMS data with Census data. AHMS qualifies households on the basis of both income and wealth, imputing income based upon wealth under standards prescribed by COAH. The Census

⁶⁹ Of the 36,021 applicants, 25,121 or 69.73%, were low-income households. Low-income households comprise 55.56% of the income-eligible households in New Jersey.

⁷⁰ Of the 36,021 applicants, 3692, or 10.25%, are 62 years of age or older. Households headed by persons 62 years of age or older comprise 49.84% of the income-eligible population. This last figures is substantially higher than that reported elsewhere and, as noted previously, appears to be an artifact of the use of a single median income for all households in each region, regardless of size. Burchell et al., who calculated the number of income-eligible households separately for each household size, utilizing the HUD Section 8 income table, found that in 1980, elderly households made up 19.2% of the income-eligible population. See Burchell et al., *Mt. Laurel II*, *supra* note 21, at 165.

records only income. National data indicate that among the lowest quintile of households ordered by income, which corresponds roughly to low-income households, households headed by a person sixty-five or older have a median net worth 70% higher than the next most wealthy age cohort. Among the second quintile, which corresponds roughly to moderate-income households, such households have a median net worth 40% higher than the next most wealthy age cohort.⁷¹ Thus, the use of the Census data may substantially exaggerate the number of elderly households in the eligible population.

6. Young Applicants

Households headed by persons between the ages of 18 and 35 serve as a useful proxy for new entrants into the housing market and first-time home buyers.⁷² These households represent 52% of the applicants, even though they make up only 21% of the income-eligible households.⁷³ Thirty-nine percent of the AHMS applicants in this cohort have serious or worst case housing need.

7. Female-Headed Households

A very large proportion of the applicants, i.e., 71%, are households headed by a female.⁷⁴ Of the female-headed applicant households, 63% are single parent households. By comparison, female-headed households represent 66% of the households in the income-eligible population.⁷⁵ As noted above, among AHMS applicants, female-headed households suffer especially severe housing problems. Seventy-six percent of the applicants with severe housing problems are females.

⁷¹ See T.J. Eiler & W. Fraser, U.S. Bureau of the Census, *Current Population Reports — P70-47: Asset Ownership of Households: 1993*, 7 (1995).

⁷² "New entrants" into the housing market and "first time home buyers" are not equivalent. Many households enter the housing market as renters and then later purchase homes. As a proxy, the 18-35 age group does not permit one to distinguish between these distinct classes.

⁷³ Of the 36,021 applicant households, 18,492, or 52.29%, are between the ages of 18 and 35. Households headed by persons in this age range make up 21.24% of all income-eligible households in New Jersey.

⁷⁴ For purposes of the analysis of the AHMS data, head of household is defined as the person who signed the application form. Female-headed households undoubtedly include some married households with a husband present, but where the wife signed the application. The Census, by contrast, defines a female-headed household as one with no husband present. Thus, one would expect that the proportion of female-headed households in the AHMS database would be at least somewhat larger than in the income-eligible households, as recorded in the Census data.

⁷⁵ Of the 36,021 applicants, 25,743, or 71.47%, were females. Females comprise 66.2% of the income-eligible population.

8. Single-Parent Households

Single-parent households, i.e., households with children but only one adult, account for approximately one-half (48%) of the applicant households. Approximately 94% of these single parent applicants are females. Yet, single-parent households only account for 16% of the income-eligible households in the state.⁷⁶

9. Large Households

Large households, i.e., those with seven members or more, represent 1.4% of the income-eligible households.⁷⁷ They make up .94% of the applicant households as well.⁷⁸ It is plausible to expect that very large households would represent a larger proportion of applicants for low- and moderate-income housing than of the income-eligible households, because households with five persons or more make up a disproportionate share of the income-eligible households with severe housing problems.⁷⁹ That they do not suggests that there is something inhibiting them from applying. The most likely explanation is the absence of large housing units in the AHMS housing stock.

C. Characteristics of Occupants of AHMS-Administered Housing

In seeking to measure a group's affordable housing needs and its success in satisfying those needs, we have looked at six variables:

percentage of members of the group within the income-eligible population;

percentage of members of the group among the applicants;

percentage of group's applicants with severe housing problems;⁸⁰

⁷⁶ Of the 36,021 applicants, 25,743, or 47.86%, are single-parent households. Such households comprise 16.24% of the income-eligible population. It should be noted that to whatever extent the proportion of elderly households in the income-eligible population is over-estimated in the Census data, younger households, including households with children, are underestimated. Of the single-parent applicants, 16,176 are headed by females.

⁷⁷ It should be noted, however, that just as using a single median household income, regardless of household size, tends to overstate the number of small households in the income-eligible households, it tends to understate the number of large households. Burchell et al., analyzing 1980 Census data and using the HUD Section 8 income limits separately for each household size, found that 21.3% of the income-eligible households had 5 members or more. See Burchell et al., *Mt. Laurel II*, *supra* note 21, at 165.

⁷⁸ Of the 36,021 applicants, 339, or .94%, are large households. By comparison, large households comprise 1.36% of the income-eligible households in New Jersey.

⁷⁹ See N.J. Comprehensive Housing Affordability Strategy (CHAS), *supra* note 39, at 61.

⁸⁰ The AHMS occupant database does not record the previous housing costs of occupant households. As a result, it is impossible to determine what proportion of occupants had serious or worst case housing needs.

percentage of members of the group among the occupants;

percentage of members of the group among occupants of suburban units; and

success ratio: the ratio of the group's occupant households as a percent of all occupants to the group's applicant households as a percent of all applicants.

These data for each group allow us to compare low- and moderate-income groups, younger and older cohorts, members of different racial and ethnic groups, and male- and female-headed households.

1. White, Black, and Latino Occupants

Tables 16 and 17 present these data for the White occupants. As noted above, although Whites represent 74% of the income-eligible population, only 37% of AHMS applicants are White. Thirty-nine percent of the White applicants have serious or worst case housing needs. As shown in Table 16, 40% of occupants of AHMS-administered units are White, giving them a success ratio of 1.08. Their success is even greater in the suburban units, as Whites in suburbia occupy 81% of the units.

Tables 18 and 19 provide these data for occupants of AHMS-administered who are Black. Although Blacks comprise 22% of the income-eligible population, one-half of all AHMS applicants are Black. Forty-three percent of Black applicants have a serious or worst case housing need. One-half of all worst case housing need AHMS applicants are Black. Yet, only 23% of AHMS occupants are Black, and Blacks account for only 17% of the occupants in the AHMS suburban units. The success ratio of AHMS Black applicants is .45%, less than one-half of the success ratio of Whites.

Tables 20 and 21 provide these data for occupants who are Latino. Although they represent only 4% of the income-eligible population, they represent 13% of the applicants. Forty-six percent of Latinos have serious or worst case housing problems. Latinos, however, are comparatively unsuccessful at obtaining AHMS housing because they account for only 5% of the occupants, and only 2% of all suburban occupants. They have a success ratio of .36%, one-third that of Whites and even lower than that of the Black occupants.

The low success ratios of Black and Latino applicants compared to White applicants can be analyzed further by investigating the relationship between tenure, race, and ethnicity, as well as previous residence, race, and ethnicity.

Tables 22 and 23 demonstrate that there is a distinct racial dichotomy along urban and suburban lines for sales and rentals. The racial dichotomy is less stark with rehabilitated units.

Ninety percent of the white-occupied ARMS units are in suburbia, while 33% of black-occupied units and 22% of Latino-occupied units are in suburbia. It should be noted that the Whites occupying urban units are disproportionately concentrated in Region 6, which consists predominantly of rural and shore communities in southern New Jersey—not in the northern New Jersey urban areas.

In the suburban communities, Whites occupy 85% of the new for-sale units, and 89% of the rental units. In the urban areas, Blacks and Latinos combined occupy 99% of the for-sale units and 92% of the rental units.

Owner-occupied rehabilitated units show a slightly different picture. Whites occupy 70% of the suburban rehabilitated units and 56% of the urban rehabilitated units, although the latter figure represents only 177 urban rehabilitated units.

2. Previous Residence

Two of the three goals of New Jersey's anti-exclusionary zoning initiatives described above focused on the importance of giving residents of the urban areas a chance to live in suburban communities. Table 33a and 33b present data on movement of occupants of AHMS-administered units between suburban and urban areas.

Unfortunately, because of missing values, the occupant database presented in Tables 24a and 24b dwindles from 7487 cases to 2675 cases in which we know both current and previous residence, as well as race and ethnicity. Forty-seven percent, or 1248 AHMS occupants, previously lived in urban municipalities. Of these, 15%, only 182 households, moved to the suburbs, while 85% remained in urban areas. Fifty-three percent, 1427 households, previously lived in suburban municipalities. Fully 98% of the previously suburban residents obtained AHMS units in suburban municipalities, with only 2%, or 30 families, moving to urban municipalities.

Tables 24a and 24b also show the movement by each racial and ethnic group. There are 1308 white households in this AHMS database. There are 185 white households that previously lived in urban areas. Sixty-five percent, or 121 of them, moved to AHMS-administered units in the suburbs, while 35% remained in urban municipalities. There are 1123 white households who previously lived in suburban municipalities. When they moved to AHMS-administered housing units, all of them continued to live in suburbia.

There are 808 black households that were previously urban municipalities. When they moved to AHMS-administered units, 95% (766) of them moved to units in the urban areas, and only 5%, or 42 families, moved to suburban units. However, of the 129 black households who previously lived in suburban areas, 21% moved back to the urban centers, while 79% remained in suburbia.

There are only 186 Latino households in the data set for which we know both previous and current residence. Similar to the Blacks, most of them, i.e., 149 households, previously lived in urban areas. Ninety-eight percent of those households remained in urban areas. Of the 37 Latino families who lived in suburban municipalities, 36 (97%) move to AHMS-administered units in suburbia.

There is another way of summarizing the movement of households in the data base. One can focus on the location changes as shown in Table 25 and the accompanying bar chart. Of the 2675 households, 182 families, or 7%, moved from urban areas to suburbia. Of those 182 households, 121 (66%) were White, 42 (23%) were Black, 3 (2%) were Latino, and 16 (9%) were others.

A total of 30 families who had previously lived in suburbia moved to urban areas, none of them White, 27 (90%) Black, 1 (3%) Latino, and 2 (6%) others.

3. Low- and Moderate-Income Occupants

Although low-income households comprise 55% of the income-eligible population, 69% of the AHMS applicants are low-income. Low-income households comprise 88% of the applicant households with serious or worst case housing needs. Sixty-four percent of the occupants of AHMS-administered housing are in the low-income category. Their success ratio is .91%.⁸¹

Moderate-income households represent 45% of the income-eligible population, but only 26% of the AHMS applicants. Only 2% of moderate-income households are in the worst case housing need category and 18% have serious housing need. Moderate-income households comprise 36% of the occupants of AHMS-administered units. Their success ratio is 1.38%, a ratio 50% higher than that of the low-income household.⁸²

⁸¹ Of the 7,487 occupant households, 4761, or 63.59%, are low-income. By comparison, 68.74% of the applicants are low-income. The success ratio of low-income households is .91%. Low-income households comprise 54.95% of the income-eligible households.

⁸² Of the 7487 occupant households, 2726, or 36.41%, are moderate-income. By comparison, 26.46% of the applicants are moderate income. The success ratio of low-

The overall higher success ratio for moderate-income applicants than for low-income applicants is largely dictated by the fact that the proportion of low-income households in the applicant pool is higher than the proportion of low-income housing units in the AHMS housing stock. It would nonetheless be useful to investigate further the dynamics of the application process to ascertain where in the process households drop out or are eliminated, and whether low- and moderate-income households drop out or are eliminated at the same points.

4. Income, Race, and Ethnicity

The percentage of low- and moderate-income *occupants* is quite similar among the various racial and ethnic groups. As indicated by Tables 26 and 27, about 61% of White occupants, 62% of Black occupants, and 57% of Latino occupants are low-income. These percentages, however, do not mirror the proportions of low-income households among *applicants*. As noted above, 60% of White household applicants, 73% of Black household applicants, and 83% of Latino household applicants are low-income. The implications of these data are made clearer by examining Table 28. Among Whites, the success ratio is essentially identical for low-income households and moderate-income households; about one-fourth of all applicants become occupants. For Black households, however, moderate-income households is almost twice as likely to get a unit than a low-income household. The disparity among low- and moderate-income Latino applicants is even greater. Approximately 24% of moderate-income Latino applicants become occupants, while only 6% of lower-income Latino applicants become occupants.

The disparity in the success ratios for low-income Whites, Blacks, and Latinos is not merely a function of the overall ratio of low-income applicants to low-income housing units. They suggest that something in the application, screening, purchase, or rental process inhibits or impedes minorities from acquiring low-income housing in general. The substantial difference among Whites, Blacks and Latinos in personal wealth, which may impede acquisition by minorities of sales housing, and the weaker credit ratings of minority households, which may impede their acquisition both of sales and rental housing, might account for some of these disparities.

National data indicates that the median net worth of White households in the lowest quintile ordered by household income (corresponding roughly to low-income households) is twenty times that of Black or Latino households at the same income level. The median net worth of

income households is 1.38%. Moderate income households comprise 45.05% of the income-eligible households.

Black and Latino households at this income level is not only insufficient to support a down payment on a sales unit priced in accordance with COAH standards, it is insufficient to support a one-month security deposit on a rental unit.⁸³

5. Income, Tenure, Race, and Ethnicity

Table 29 separates the occupants by income, then by race and ethnicity, and show the tenure of their units. For Whites, Blacks and Latinos alike, a far higher percentage of low-income households are renters than are moderate-income households. A higher proportion of Blacks and Hispanics are renters than Whites. The disparities are especially large among moderate-income occupants.

6. Elderly and Young Occupants

Fifty-four percent of the income-eligible households are headed by persons 62 or over. As noted previously, reliance on Census data causes this cohort to be over represented among income-eligible households. Forty-six percent of the applicants in this category have a serious or worst case housing need by this measure. This analysis, which is based upon the percentage of income spent on housing costs, is similarly based on income alone rather than income and assets, and may similarly overstate the extent of severe housing problems among elderly households. Even though only 17% of the applicants for AHMS-administered housing are 62 years of age or older, they account for 27% of the occupants and 39% of the occupants of suburban units. Their success ratio is 1.58.⁸⁴

A population of particular interest among the elderly is the females who live alone.

Table 30 shows that there are 4505 occupants in the data set of which we know four factors: number of persons in household; age; gender; and race. Of those, 453, or about 10%, are white females, over 62 years of age and living alone. They comprise only 4% of the applicant pool, and their success ratio is 2.47. These white single women living alone comprise 30% of the income-eligible population, although for the reasons noted above, this may not be a reliable indicator of need.⁸⁵

⁸³ See Eiler & Fraser, *supra* note 71, at 7.

⁸⁴ Of the 6944 occupant households for which age data is available, 1872, or 16.96%, are age 62 or over. By comparison, 17.08% of the applicants are age 62 or over. The success ratio is thus 1.58%. Of the 4066 occupants of suburban units for which age data is available, 1568, or 38.56% are 62 or over.

⁸⁵ Of the 4505 occupants households for which data is available, 453, or 10.06%, are White, female, single person-households, of age 62 or over. Applicant households in this category comprise 4.07% of all applicant households. The success ratio of this category

Ninety-four percent (427 of the 453 occupants) of this population lives in suburban communities. In fact, they represent 15% of the suburban occupants. Table 31 demonstrates that 85% of them live in rental units.

Elderly single women who are Black and Latino have very different housing situations. There are only 33 Black or Latino women living alone who are over 62 in the AHMS occupant database. They comprise less than one percent of both the applicant and occupant AHMS databases. About one-half, or 18, of these women live in the suburbs.⁸⁶

The data once again demonstrates significant ethnic and racial differences. More than 90% of the female occupants who are 62 and older and living alone are white women, and 94% of them live in the suburbs. There are very few elderly black women living alone in AHMS-administered housing in either urban or suburban municipalities.

One can compare elderly applicants with the youngest cohort, i.e., 18 to 35. Although households headed by persons between 18 and 35 comprise only 20% of the income-eligible population, they account for 52% of the applicants for AHMS-administered housing. Fourteen percent of the applicants in this category have worst case housing needs and an additional 25% have serious housing needs. Their success ratio is quite low, i.e., .42. They occupy only 22% of the AHMS-administered units for which data is available and 20% of the suburban units.⁸⁷

The success ratio of the elderly households (1.58) is four times that of the young households (.42), and white elderly women who live alone are even more successful, with a success ratio of 2.47.

The exceptional success ratio of elderly households for affordable housing may have a number of possible explanations. It may be that they benefit from the fact that, under COAH, 25% of all *Mt. Laurel* housing in a municipality can be reserved for the elderly. Alternatively, elderly households, which tend to be smaller than non-elderly households, may

of households is 2.47%. Of the 2756 occupants of suburban units for which data is available, 427, or 15.49%, are White, female, single person-households, of age 62 or over.

⁸⁶ Of the 4638 occupants households for which data is available, 33, or .71%, are Black or Latino, female, single person-households, of age 62 or over. Applicant households in this category comprise .49% of all applicant households. The success ratio of this category of households is 1.46%. Of the 2988 occupants of suburban units for which data is available, 18, or .60%, are Black or Latino, female, single person-households, of age 62 or over. Households in this category comprise 4.28% of all income-eligible households.

⁸⁷ Of the occupant households for whom data is available, 1509, or 22.09%, are households headed by persons between the ages of 18 and 35. Of the 3966 households occupying suburban units for whom data is available, 812, or 20.47%, are in this category. By contrast, households headed by persons between the ages of 18 and 35 make up 19.81% of the income-eligible households in New Jersey.

be able to take advantage of the availability of one-bedroom affordable units. Another possible explanation is that, as described above, elderly low- and moderate income households have much greater personal wealth available for down payments and security deposits and, perhaps, correspondingly better credit histories and may thus be in a better position to purchase or rent housing.

By contrast, national data indicates that, of households in the lowest two quintiles ordered by household income, households in 18-35 year old cohort have by far the lowest median net worth.⁸⁸ Because this means that these households have little wealth available for down payments and security deposits, and perhaps, correspondingly poor or limited credit histories, this fact may well contribute to their relatively low success ratio.

It is unclear from these data which of these factors might explain the different success rates of these groups.

7. Female-Headed Households

Female-headed households include women living in single person households, single parent households, and a few married females who signed the AHMS application forms as head of household. The first two categories, i.e., single parent households and single women living alone, provide a clearer picture of the relationship between gender and occupancy of AHMS-administered units. Taking the category as a whole, however, female-headed households make up 67% of the income-eligible population. Seventy-six percent of the female-headed households are in the serious or worst case housing categories compared to only 24% of the households with a male as head. Female-headed households comprise 72% of the AHMS applicants, 67% of the occupants, and 64% of the occupants of units in suburban municipalities. Their success ratio is .94.⁸⁹

8. Single-Parent Households

Although single parents comprise only 15% of the income-eligible population, they comprise 48% of the applicants for AHMS-administered units, 30% of the occupants of AHMS-administered units, and 17% of

⁸⁸ See Eiler & Fraser, *supra* note 71, at 7.

⁸⁹ Of the 3378 occupant households for which data is available, 2268, or 67.14%, are female-headed households. By comparison, 71.52% of the applicant households for which data is available are headed by females. The success ratio for female-headed households is .94%. Of the 1985 occupants of AHMS-administered units in suburban municipalities for whom data is available, 1275, or 64.23%, are headed by females.

the occupants of AHMS-administered units located in suburban municipalities. Their success ratio is quite low: .62.⁹⁰

The success ratio of female-headed households (.94) is 50% higher than that of single parent households (.62). This difference is probably due to the fact that the female-headed households also include white women in the oldest and youngest cohorts, living alone, who have a very high success ratio.

9. Large Households

Households with seven or more members comprise only 1.14% of the income-eligible population. They also make up less than 1% of AHMS applicants (.94 %) and less than 1% of AHMS occupants (.67 %) and AHMS suburban occupants, respectively (.63 %). The success ratio is .71.

V. ANALYSIS AND CONCLUSIONS

Have the *Mt. Laurel* judicial decisions and the Fair Housing Act been successful? The answer is another question; i.e., successful at what? As stated earlier, there are three goals that the participants and observers who were sympathetic to the *Mt. Laurel* decisions and the Fair Housing Act would acknowledge as being at the core of the court's attempt to end exclusionary zoning. Each of the goals is stated below, followed by a summary of the findings related to that goal. Analysis of the AHMS database reveals several especially striking facts.

GOAL 1: TO INCREASE HOUSING OPPORTUNITIES FOR LOW- AND MODERATE-INCOME HOUSEHOLDS.

As a group, applicants for AHMS housing are households with severe unmet housing needs. Moreover, households in the categories that exhibit the greatest magnitude of severe housing need—minority households, female-headed households, households with single parents, young households—are all well represented among households who rented or purchased AHMS housing. One class of households that is notably under represented both among applicants and occupants is large households. In addition, for the reasons outlined in the introduction to this report, there are good reasons to expect that very low-income households are also un-

⁹⁰ Of the 3378 occupant households for which data is available, 1008, or 29.84%, are single parent households. Single parent households make up 48.09% of the applicants. The success ratio for single parents is .62 %. Of the 1985 occupants of AHMS-administered units in suburban municipalities for which data is available, 332, or 16.73%, are single parent households. By comparison, single parent households comprise 15.12% of the income-eligible population.

derrepresented in the applicant database, and even more underrepresented in the occupant database. With these exceptions, housing units in the AHMS database—including units in suburban municipalities—do genuinely appear to be serving households in need.

GOAL 2: TO PROVIDE HOUSING OPPORTUNITIES IN THE SUBURBS FOR POOR URBAN RESIDENTS WHO HAD BEEN EXCLUDED BY PAST SUBURBAN ZONING PRACTICES.

The AHMS data clearly indicate that the judicial intervention and the Fair Housing Act have resulted in very few urban residents moving to suburban areas. In fact, of the 2675 cases for which we know both current and previous residence as well as race and ethnicity, 1248, 47%, previously lived in urban areas, and only 15% (182 households) of these previously urban households have moved to housing in suburban municipalities.

Of course, there are additional previously urban residents who moved to suburban *Mt. Laurel* units in which the developer or municipality did not choose to have AHMS administer. It is relatively unlikely, however, that in the non-AHMS suburban units the proportion of previously urban residents would be any greater than in the AHMS units. In fact, because of the AHMS affirmative marketing strategy, the proportion of previously urban households that occupy non-AHMS suburban units is probably smaller.

GOAL 3: TO AMELIORATE RACIAL AND ETHNIC RESIDENTIAL SEGREGATION BY ENABLING BLACKS AND LATINOS TO MOVE FROM HEAVILY MINORITY URBAN AREAS TO WHITE SUBURBS.

A. Concentration of Blacks and Latinos in the Cities

Analysis of the movement of households between the cities and the suburbs and vice-versa discloses another striking phenomenon. Eighty-six percent of the White occupants of housing in the AHMS database previously lived in suburbs. Of the White occupants who previously lived in cities, 65% moved to the suburbs. By contrast, 86% of the Black occupants of AHMS housing previously lived in cities. Only 5% moved to the suburbs. Of Black occupants who previously lived in suburbs, 21% moved to the cities. Similarly, for Latino households, 80% previously lived in the cities; only 2% moved to the suburbs. Of the Latino households who previously lived in the suburbs, virtually all remained there.

Another way of summarizing the movement of the 2675 households in the database for which previous residence and race or ethnicity is

known is the following: 182 families, or only 7%, moved from urban areas to suburbia. Of those 182 households, 121 (66%) were White, 42 (23%) were Black, 3 (2%) were Latino, and 16 (9%) were others.

A total of 30 families who had previously lived in suburbia moved to urban areas, none of them White, 27 (90 %) Black, 1 (3%) Latino, and 2 (6%) others.

The net effect of this pattern of movement is that, while 81% of all suburban AHMS-administered units are occupied by White households, 85% of all urban AHMS-administered units are occupied by Black or Latino households.

This study does not enable us to distinguish among possible causes for this phenomenon. It could be individual or group preferences. Many of the AHMS applicants are seeking a unit in a specific project when they apply to AHMS. Many want to remain in the municipality in which they currently live. Furthermore, 23% of the AHMS units are owner occupied rehabilitation units. On the other hand, subtle discrimination by builders, mortgage lenders, or others could also lead to these results. In addition, there could be some flaw in the process by which AHMS housing is marketed and housing occupants are selected.

Several additional features of the AHMS data, however, are suggestive. Whites move to the suburbs wherever they can. Where there are few suburban housing units, as in Regions 1 and 2, they simply do not apply for the housing. Blacks and Latinos, however, apply for AHMS housing at disproportionately high rates throughout the state. Where, as in Region 3, there is ample suburban housing, they occupy suburban housing. Where, as in Regions 1 and 2, there is little suburban housing but much urban housing, they occupy urban housing, even moving from the suburbs to do so. It may be that Whites apply for AHMS housing to secure a more favorable location, but that Blacks and Latinos, who have fewer choices, apply for AHMS-administered housing to secure better housing, wherever it may be found.

B. Low Success Ratios for Blacks and Latinos

As measured by success ratios, Black and Latino applicants are much less successful in renting or purchasing AHMS housing than white applicants. These differences are large. Blacks have only one-half the success ratio of Whites; Latinos have only one-third the success ratio. These racial and ethnic disparities are especially dramatic for low-income households.

These data do not permit us to distinguish among the various possible causes for this disparity. The fact that the disparities are greatest for low-income applicants would be consistent with a hypothesis that it is the

result of the dramatically lower personal wealth levels among lower income Black and Latino households than low-income White households. The fact that COAH pricing regulations in effect during the relevant period targeted *Mt. Laurel* housing at various levels in the moderate-income range, but only at the very top of the low-income range —i.e., households at or very near the upper limit of 50% of the median household income—may have exacerbated disparities in personal wealth.⁹¹

In addition, administrators of the *Gautreaux* project have emphasized the importance of housing counseling to enable low-income households to qualify for affordable housing. *Gautreaux* housing is very different from AHMS administered housing. Unlike AHMS administered housing, which is priced at fixed levels, *Gautreaux* housing uses Section 8 certificates, which are affordable to households at any income level. Nonetheless, the absence of any systematic housing counseling program for applicants for AHMS housing might well exacerbate the effects of the racial and ethnic disparities in personal wealth.⁹²

C. *The Regional Mismatch Between Applicants and Suburban Housing Opportunities*

There is a dramatic mismatch between the number of applicants and the number of suburban AHMS units. In Regions 1 and 2, which include New Jersey's largest cities, there are many applicants and few suburban housing opportunities. In Regions 3 and 4, there are many suburban housing opportunities, but comparatively fewer applicants.

This mismatch especially affects Black and Latino applicants, who are strongly concentrated in Regions 1 and 2. Because these applicants cannot in general apply for housing outside their region, they do not have access to suburban housing opportunities. It may exacerbate the phenomena described in the two previous sections.

⁹¹ See N.J. ADMIN. CODE tit. 5, § 92-814.2 (1994). In 1994, COAH amended its regulations to make both rental and sales housing slightly more affordable to low-income households. See N.J. ADMIN. CODE tit. 5, § 93-7.4 (1994).

⁹² In this context, it is striking that low-income Black and Latino households are most strongly under-represented among occupants of suburban rental housing, the type of housing in which the *Gautreaux* program made successful placements. Of the 211 sales units occupied by low-income Blacks for which data is available, 52, or 23.53%, are in the suburbs. Of the 529 rental units occupied by low-income Blacks, 65 or 12.29%, are in the suburbs. By contrast, of the 330 sales units occupied by low-income White households, 327, or 99.09% are in the suburbs, and of the 872 rental units, 816, or 93.58%, are in the suburbs.

D. White Elderly Females Are Among the Principal Beneficiaries of AHMS Units; Black and Latino Elderly Females Are Not.

Because it is difficult from Census data to assess the extent of housing need among the elderly, it is difficult to measure whether in the aggregate they are appropriately served by AHMS-administered housing. It is evident, however, that white elderly females are exceptionally strongly represented in AHMS housing, especially in the suburbs. By contrast, black and Latino females are extremely poorly represented in AHMS housing in either the suburbs or the cities.

It is impossible to ascertain from these data whether this reflects cultural differences concerning the care of the elderly, something about the relative economic condition of poor white elderly women and poor minority elderly women, or something about how AHMS units are priced or marketed or applicants are selected.

In summary, there have been housing units built that are affordable to low- and moderate-income households since the judicial and legislative intervention and, at least as reflected in the characteristics of applicants, this housing serves households who had genuine housing needs.

Second, if one considers the other *Mt. Laurel* goals, our data indicate that the experiment has not been completely successful as thus far implemented. Based on the AHMS data set, the judicial and legislative attempt to eliminate exclusionary zoning has not enabled previously urban residents to move to suburban municipalities and has not enabled Blacks and Latinos to move from heavily minority urban areas to the suburbs.

It is clear that there is a need for more comprehensive and fine-grained analysis of the characteristics of applicants for and occupants of *Mt. Laurel* housing. This project, although by far the largest and most comprehensive thus far, clearly leaves many important questions unanswered. In addition, there is a need for case studies of applicants for *Mt. Laurel* housing to understand the process by which individuals choose to apply for housing and how they come to either obtain such housing or fail to do so.

TABLE 1

TENURE OF DCA SURVEY UNITS AND UNITS IN AHMS DATABASE		
	AHMS	DCA SURVEY
SALES	2368 (32%)	7656 (36%)
RENTAL	3364 (45%)	9254 (43%)
REHAB	1756 (23%)	4399 (21%)
TOTAL	7487(100%)	21,310(100%)
URBAN*	2945 (40%)	5100 (24%)

*See Appendix A

TABLE 2

TENURE OF AHMS ADMINISTERED UNITS				
REGIONS	% SALES	% RENTALS	% REHABS	TOTAL UNITS
COL.1	COL.2	COL.3	COL.4	COL.5
REGION 1	21.33%	63.29%	15.38%	1062
REGION 2	16.67%	57.91%	25.42%	1678
REGION 3	39.19%	50.71%	10.09%	1535
REGION 4	78.35%	7.07%	14.58%	679
REGION 5	26.18%	47.42%	26.40%	1886
REGION 6	14.53%	22.57%	62.91%	647
ALL REGIONS	29.45% (N=2,045)	46.53% (N=3,231)	24.02% (N=1,668)	7487

TABLE 3

AHMS ADMINISTERED UNITS BY TENURE- SUBURBAN				
REGION/ COUNTIES	% FOR-SALE UNITS	% RENTAL UNITS	% OF REHAB UNITS	TOTAL UNITS
COL.1	COL.2	COL.3	COL.4	COL.5
REGION 1	12.00%	56.94%	31.06%	425
Bergen	21.34%	66.11%	12.55%	239
Hudson	0.00%	100.00%	0.00%	72
Passaic	0.00%	10.53%	89.47%	114
REGION 2	9.56%	43.44%	46.99%	732
Essex	20.34%	20.34%	59.32%	118
Morris	14.51%	53.00%	32.49%	317
Sussex	0.00%	0.90%	99.10%	111
Union	0.00%	67.20%	32.80%	186
REGION 3	51.90%	40.24%	7.86%	1260
Hunterdon	0.00%	4.17%	95.83%	48
Middlesex	40.53%	54.63%	4.84%	723
Somerset	78.99%	17.07%	3.94%	457
Warren	0.00%	100.00%	0.00%	32
REGION 4	80.97%	7.31%	11.72%	657
Monmouth	82.34%	8.15%	9.51%	589
Ocean	69.12%	0.00%	30.88%	68
REGION 5	26.40%	37.82%	35.77%	1121
Burlington	46.88%	35.71%	17.41%	224
Camden	1.54%	58.95%	39.51%	324
Gloucester	5.88%	14.44%	79.68%	187
Mercer	45.34%	32.64%	22.02%	386
REGION 6	19.60%	17.29%	63.11%	347
Atlantic	78.67%	0.00%	21.33%	75
Cape May	6.21%	37.24%	56.55%	145
Cumberland	0.00%	0.00%	100.00%	22
Salem	0.00%	5.71%	94.29%	105
ALL REGIONS	36.79%	35.20%	28.01%	4542

TABLE 4

AHMS ADMINISTERED UNITS BY TENURE- URBAN*				
REGIONS/ COUNTIES	% OF FOR- SALE UNITS	% OF RENTAL UNITS	% OF REHAB UNITS	TOTAL UNITS
COL. 1	COL. 2	COL. 3	COL. 4	COL. 5
REGION 1	25.75%	70.64%	3.61%	637
Bergen	NA	NA	NA	0
Hudson	28.16%	70.40%	1.44%	554
Passaic	9.64%	72.29%	18.07%	83
REGION 2	21.78%	67.86%	10.36%	946
Essex	26.04%	65.23%	8.72%	791
Morris	NA	NA	NA	0
Sussex	NA	NA	NA	0
Union	0.00%	81.29%	18.71%	155
REGION 3	33.09%	34.91%	32.00%	275
Hunterdon	NA	NA	NA	0
Middlesex	43.75%	46.15%	10.10%	208
Somerset	NA	NA	NA	0
Warren	0.00%	0.00%	100.00%	67
REGION 4	0.00%	0.00%	100.00%	22
Monmouth	0.00%	0.00%	100.00%	22
Ocean	NA	NA	NA	0
REGION 5	27.45%	64.05%	8.50%	765
Burlington	60.00%	0.00%	40.00%	5
Camden	20.86%	75.06%	4.08%	441
Gloucester	0.00%	0.00%	100.00%	10
Mercer	37.22%	51.46%	11.33%	309
REGION 6	19.60%	17.29%	62.67%	300
Atlantic	0.00%	100.00%	0.00%	56
Cape May	NA	NA	NA	0
Cumberland	10.66	12.30%	77.05%	244
Salem	NA	NA	NA	0
ALL REGIONS	23.67%	59.90%	16.43%	2945

*See Appendix A for Urban Municipalities

TABLE 5

TENURE, LOCATION AND INCOME-TYPE OF AHMS UNITS			
SALES (32%)			
	LOW	MODERATE	TOTAL
URBAN	324	373	697 29.43%
SUBURBAN	682	989	1671 70.57%
TOTAL	1006 42.48%	1362 57.52%	2368 100.00%
RENTAL (45%)			
	LOW	MODERATE	TOTAL
URBAN	1472	292	1764 52.45%
SUBURBAN	1287	312	1599 47.55%
TOTAL	2759 82.04%	604 17.96%	3363 100.00%
REHAB (23%)			
	LOW	MODERATE	TOTAL
URBAN	278	206	484 27.56%
SUBURBAN	718	554	1272 72.44%
TOTAL	996 56.72%	760 43.28%	1756 100.00%

The Council on Affordable Housing Regions

**Region 1—
Northeast**

Bergen
Hudson
Passaic

**Region 2—
Northwest**

Essex
Morris
Sussex
Union

**Region 3—
West Central**

Hunterdon
Middlesex
Somerset
Warren

**Region 4—
East Central**

Monmouth
Ocean

**Region 5—
Southwest**

Burlington
Camden
Gloucester
Mercer

**Region 6—
South-Southwest**

Atlantic
Cape May
Cumberland
Salem

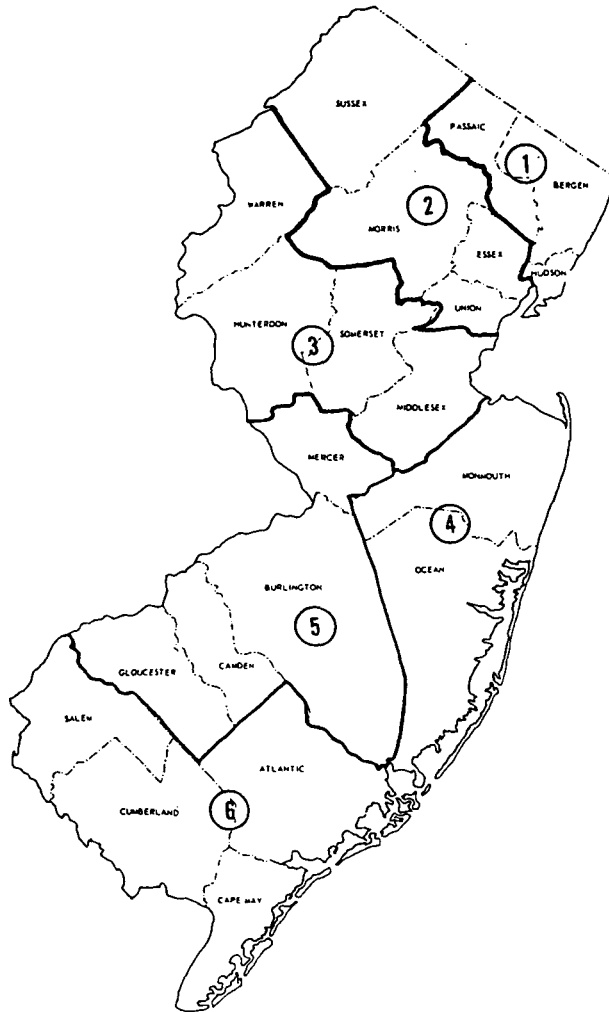


TABLE 6

APPLICANTS, ELIGIBLE HOUSEHOLDS AND AHMS ADMINISTERED UNITS WITHIN EACH COUNTY			
REGION/ COUNTIES	% OF APPLICANTS FROM EACH COUNTY AND REGION	% OF ELIGIBLE HOUSEHOLDS IN EACH COUNTY AND REGION	% OF UNITS IN EACH COUNTY AND REGION
COL.1	COL.2	COL.3	COL.4
REGION 1	28.00%	27.05%	14%
Bergen	1.35%	9.68%	2.11%
Hudson	24.29%	9.47%	8.36%
Passaic	2.37%	7.90%	2.63%
REGION 2	28.06%	25.95%	22%
Essex	19.25%	11.03%	12.14%
Morris	3.68%	6.96%	4.87%
Sussex	0.29%	1.32%	1.48%
Union	4.85%	6.64%	4.55%
REGION 3	15.25%	10.98%	21%
Hunterdon	0.25%	0.79%	0.64%
Middlesex	10.55%	7.65%	12.43%
Somerset	3.76%	1.84%	6.10%
Warren	0.68%	0.70%	1.32%
REGION 4	13.92%	12.30%	8%
Monmouth	8.35%	5.52%	7.52%
Ocean	5.57%	6.79%	0.90%
REGION 5	12.91%	16.37%	26%
Burlington	3.16%	2.85%	4.14%
Camden	3.68%	7.00%	10.21%
Gloucester	0.85%	2.28%	2.63%
Mercer	5.23%	4.25%	9.28%
REGION 6	1.86%	7.35%	9%
Atlantic	0.43%	2.84%	1.75%
Cape May	0.11%	0.91%	1.93%
Cumberland	1.24%	1.91%	3.55%
Salem	0.07%	1.68%	1.40%
ALL REGIONS	36,021 (100%)	1,403,290 (100%)	7,487 (100%)

**Current And Previous Residence
By Race/Ethnicity**

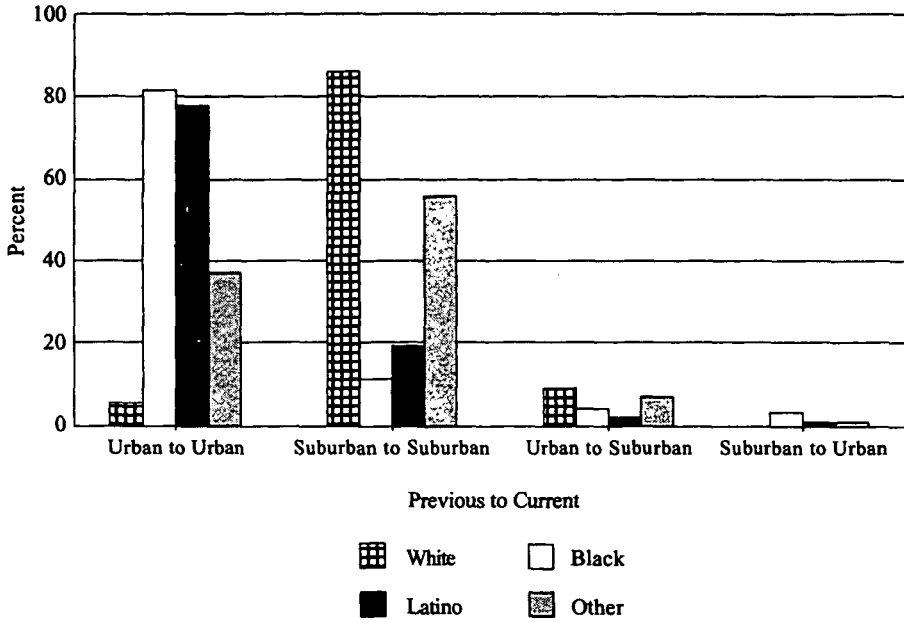


TABLE 7

WHITE APPLICANTS				
REGIONS/ COUNTIES	NUMBER OF APPLICANTS WHO ARE WHITE	TOTAL NUMBER OF APPLICANTS	WHITE APPLICANTS AS A PERCENTAGE OF ALL APPLICANTS	ELIGIBLE WHITES AS A PERCENTAGE OF ALL ELIGIBLE HOUSEHOLDS
Col.1	Col.2	Col.3	Col.4	Col.5
REGION 1	1,677	10,242	16.37	71.26
Bergen	414	639	64.79	87.59
Hudson	711	8,749	8.13	62.63
Passaic	552	854	64.64	61.62
REGION 2	2,129	9,976	21.34	53.03
Essex	621	6,933	8.96	49.99
Morris	857	1,192	71.90	37.47
Sussex	84	104	80.77	98.79
Union	567	1,747	32.46	65.29
REGION 3	2,803	5,492	51.04	85.93
Hunterdon	78	91	85.71	98.62
Middlesex	1,731	3,802	45.53	82.62
Somerset	787	1,355	58.08	89.34
Warren	207	244	84.84	98.77
REGION 4	3,642	5,144	70.45	88.58
Monmouth	2,280	3,139	72.63	81.34
Ocean	1,344	2,005	67.03	94.46
REGION 5	1,409	4,498	31.33	68.20
Burlington	321	983	32.66	79.06
Camden	570	1,324	43.05	61.03
Gloucester	184	306	60.13	82.31
Mercer	334	1,885	17.72	65.17
REGION 6	169	669	25.26	69.94
Atlantic	66	155	42.58	61.80
Cape May	24	41	58.54	79.25
Cumberland	71	448	15.85	66.74
Salem	8	25	32.00	82.27
ALL REGIONS	11,813	36,021	32.79	69.67

TABLE 8

BLACK APPLICANTS				
REGIONS/ COUNTIES	NUMBER OF APPLICANTS WHO ARE BLACK	TOTAL NUMBER OF APPLICANTS	BLACK APPLICANTS AS A PERCENTAGE OF ALL APPLICANTS	ELIGIBLE BLACKS AS A PERCENTAGE OF ALL ELIGIBLE HOUSEHOLDS
COL.1	COL.2	COL.3	COL.4	COL.5
REGION 1	4175	10,242	40.76	13.54
Bergen	91	639	14.24	5.40
Hudson	3,919	8,749	44.79	16.99
Passaic	165	854	19.32	19.36
REGION 2	6,618	9,976	66.34	37.40
Essex	5,505	6,933	79.40	37.93
Morris	154	1,192	12.92	56.74
Sussex	11	104	10.58	0.28
Union	948	1,747	54.26	23.64
REGION 3	1,599	5,492	29.12	7.07
Hunterdon	8	91	8.79	0.09
Middlesex	1,225	3,802	32.22	8.59
Somerset	342	1,355	25.24	6.41
Warren	24	244	9.84	0.07
REGION 4	879	5,144	17.09	8.96
Monmouth	508	3,139	16.18	16.22
Ocean	371	2,005	18.50	3.05
REGION 5	2,520	4,498	56.02	24.77
Burlington	560	983	56.97	17.64
Camden	511	1,324	38.60	27.91
Gloucester	104	306	33.99	16.47
Mercer	1,345	1,885	71.35	28.83
Region 6	290	669	43.35	24.01
Atlantic	62	155	40.00	31.89
Cape May	13	41	31.71	18.49
Cumberland	202	448	45.09	22.30
Salem	13	25	52.00	15.64
ALL REGIONS	16,081	36,021	44.64	21.07

TABLE 9

LATINO APPLICANTS				
REGIONS/ COUNTIES	NUMBER OF APPLICANTS WHO ARE LATINO	TOTAL NUMBER OF APPLICANTS	LATINO APPLICANTS AS A PERCENTAGE OF ALL APPLICANTS	ELIGIBLE LATINOS AS A PERCENTAGE OF ALL ELIGIBLE HOUSEHOLDS
COL.1	COL.2	COL.3	COL.4	COL.5
REGION 1	2,426	10,242	23.69	7.12
Bergen	45	639	7.04	313
Hudson	2323	8749	26.55	10.24
Passaic	58	854	6.79	8.26
REGION 2	634	9,976	6.36	4.00
Essex	464	6,933	6.69	4.30
Morris	51	1,192	4.28	1.56
Sussex	1	104	0.96	0.38
Union	118	1,747	6.75	6.79
REGION 3	325	5,492	5.92	2.92
Hunterdon	.	91	.	1.29
Middlesex	246	3,802	6.47	3.44
Somerset	72	1,355	5.31	2.37
Warren	7	244	2.87	0.42
REGION 4	305	5,144	5.93	0.70
Monmouth	159	3,139	5.07	0.80
Ocean	146	2,005	7.28	0.62
REGION 5	334	4,498	7.43	1.14
Burlington	45	983	4.58	0.24
Camden	186	1,324	14.05	1.24
Gloucester	9	306	2.94	
Mercer	94	1,885	4.99	2.18
REGION 6	178	669	26.61	0.67
Atlantic	19	155	12.26	0.96
Cape May	2	41	4.88	0.43
Cumberland	154	448	34.38	0.65
Salem	3	25	12.00	0.34
ALL REGIONS	4,203	36,021	11.67	3.61

TABLE 10a

HOUSING NEEDS OF INCOME ELIGIBLE APPLICANTS BY INCOME			
HOUSING EXPENDITURE AS A PERCENTAGE OF INCOME	INCOME GROUP		
	LOW	MODERATE	TOTAL
WORST CASE NEED (MORE THAN 50%)	96.9% (N=5,345)	3.1% (N=172)	100% (N=5,517)
SERIOUS NEED (31% TO 50%)	81.15% (N=7,349)	18.15% (N=1,630)	100% (N=8,979)
30% OR LESS	61.6% (N=12,036)	38.4% (N=7,502)	100% (N=19,538)

TABLE 10b

HOUSING NEEDS OF INCOME ELIGIBLE APPLICANTS BY INCOME		
HOUSING EXPENDITURE AS A PERCENTAGE OF INCOME	INCOME GROUP	
	LOW	MODERATE
WORST CASE NEED (MORE THAN 50%)	21% (N=5,345)	2% (N=172)
SERIOUS NEED (31% TO 50%)	30% (N=7,349)	18% (N=1,630)
30% OR LESS	49% (N=12,036)	80% (N=7,502)
Total	100% (N=24,730)	100% (N=9304)

TABLE 11

HOUSING NEEDS OF INCOME ELIGIBLE APPLICANTS BY AGE		
HOUSING EXPENDITURE AS A PERCENTAGE OF INCOME	AGE GROUP	
	62+ YEARS	18-35 YEARS
WORST CASE NEED (MORE THAN 50%)	22% (N=780)	14% (N=2,527)
SERIOUS NEED (31% TO .50%)	24% (N=834)	25% (N=4,402)
30% OR LESS	54% (N=1,858)	61% (N=10,915)
TOTAL	100% (N=3,472)	100% (N=17,844)

TABLE 12a

HOUSING NEEDS OF INCOME ELIGIBLE APPLICANTS BY RACE/ETHNICITY				
HOUSING EXPENDITURE AS A PERCENTAGE OF INCOME	RACE/ETHNICITY			
	WHITE	BLACK	LATINO	TOTAL
WORST CASE NEED (MORE THAN 50%)	32% (N=1,554)	50% (N=2,406)	18% (N=890)	100% (N=4,850)
SERIOUS NEED (31% TO 50%)	35% (N=2,774)	52% (N=4,138)	13% (N=987)	100% (N=7,899)
30% OR LESS	38% (N=6,650)	50% (N=8,739)	13% (N=2,217)	100% (N=17,606)

TABLE 12b

HOUSING NEEDS OF INCOME ELIGIBLE APPLICANTS BY RACE/ETHNICITY			
HOUSING EXPENDITURE AS A PERCENTAGE OF INCOME	RACE/ETHNICITY		
	WHITE	BLACK	LATINO
WORST CASE NEED (MORE THAN 50%)	14% (N=1,554)	16% (N=2,406)	22% (N=890)
SERIOUS NEED (31% TO 50%)	25% (N=2,774)	27% (N=4,138)	24% (N=987)
30% OR LESS	61% (N=6,650)	57% (N=8,739)	54% (N=2,217)
Total	100% (N=10,978)	100% (N=15,283)	100% (N=4,094)

TABLE 13

HOUSING NEEDS OF INCOME ELIGIBLE APPLICANTS BY THE GENDER OF THE HEAD OF THE HOUSEHOLDS			
HOUSING EXPENDITURE AS A PERCENT OF INCOME	HEAD OF THE HOUSEHOLD		
	FEMALE	MALE	TOTAL
WORST CASE NEED (MORE THAN 50%)	80.91% (N=4,531)	19.09% (N=1,069)	100% (N=5,600)
SERIOUS NEED (31% TO 50%)	72.25% (N=6,641)	27.75% (N=2,551)	100% (N=9,192)
30% OR LESS	61.6% (N=14,574)	38.4% (N=6,658)	100% (N=21,232)
TOTAL	72.66% (N=25,746)	27.34% (N=10,278)	100% (N=36,024)

TABLE 14

INCOME, RACE AND ETHNICITY OF APPLICANTS				
INCOME	RACE, ETHNICITY			
	WHITE	BLACK	LATINO	TOTAL
LOW-INCOME	60.28%	73.19%	82.98%	69.72% (N=22,376)
MODERATE-INCOME	35.18%	23.31%	14.92%	26.58% (N=8,530)
HIGH-INELIGIBLE	4.54%	3.51%	2.09%	3.70% (N=1,188)
TOTAL	100% (N=11,811)	100% (N=16,081)	100% (N=4,202)	100% (N=32,094)

TABLE 15

INCOME, RACE AND ETHNICITY OF APPLICANTS				
RACE, ETHNICITY	INCOME			TOTAL
	LOW	MODERATE	HIGH- INELIGIBLE	
WHITE	31.82%	48.71%	45.12%	36.80% (N=11,811)
BLACK	52.60%	43.94%	47.47%	50.11% (N=16,081)
LATINO	15.58%	7.35%	7.41%	13.09% (N=4,202)
TOTAL	100% (N=22,376)	100% (N=8,530)	100% (N=1,188)	100% (N=32,094)

TABLE 16
WHITE OCCUPANTS

REGIONS	NUMBER OF WHITE OCCUPANTS		TOTAL NUMBER OF OCCUPANTS	WHITE OCCUPANTS AS A PERCENTAGE OF ALL OCCUPANTS	WHITE APPLICANTS AS A PERCENTAGE OF ALL APPLICANTS	SUCCESS RATIO (COL.4/COL.5)	ELIGIBLE WHITE HHs AS A PERCENTAGE OF ALL ELIGIBLE HOUSEHOLDS
	COL. 2	COL. 3					
REGION 1	306	1062	28.81%	20.26%	1.42	77.53%	
REGION 2	569	1678	33.91%	22.69%	1.49	56.15%	
REGION 3	734	1535	47.82%	59.30%	0.81	89.59%	
REGION 4	466	679	68.63%	75.37%	0.91	90.17%	
REGION 5	672	1886	35.63%	33.05%	1.08	72.47%	
REGION 6	238	647	36.79%	26.53%	1.39	73.91%	
ALL REGIONS	2985	7487	39.87%	36.80%	1.08	73.85%	

TABLE 17

WHITE OCCUPANTS IN SUBURBAN UNITS			
REGION	WHITE SUBURBAN OCCUPANTS	TOTAL NUMBER OF SUBURBAN OCCUPANTS	WHITE SUBURBAN OCCUPANTS AS A PERCENTAGE OF ALL SUBURBAN OCCUPANTS
COL.1	COL.2	COL.3	COL.4
REGION 1	287	297	96.63%
REGION 2	500	631	79.24%
REGION 3	647	749	86.38%
REGION 4	464	516	89.92%
REGION 5	648	879	73.32%
REGION 6	124	235	52.77%
ALL REGIONS	2670	3307	80.74%

TABLE 18
BLACK OCCUPANTS

REGIONS	NUMBER OF OCCUPANTS WHO ARE BLACK	TOTAL NUMBER OF OCCUPANTS	BLACK OCCUPANTS AS A PERCENTAGE OF ALL OCCUPANTS	BLACK APPLICANTS AS A PERCENTAGE OF ALL APPLICANTS	SUCCESS RATIO (COL.4/COL.5)	ELIGIBLE BLACK HHs AS A PERCENTAGE OF ALL ELIGIBLE HOUSEHOLDS
COL. 1	COL. 2	COL. 3	COL. 4	COL. 5	COL. 6	COL. 7
REGION 1	254	1062	23.92%	50.43%	0.47	14.73%
REGION 2	650	1678	38.74%	70.55%	0.55	39.61%
REGION 3	89	1535	5.80%	33.83%	0.17	7.37%
REGION 4	61	679	8.98%	18.28%	0.49	9.12%
REGION 5	505	1886	26.78%	59.11%	0.45	26.32%
REGION 6	145	647	22.41%	45.53%	0.49	25.38%
ALL REGIONS	1704	7487	22.76%	50.11%	0.45	22.33%

TABLE 19

BLACK OCCUPANTS IN SUBURBAN UNITS			
REGION	SUBURBAN OCCUPANTS WHO ARE BLACK	TOTAL NUMBER OF SUBURBAN OCCUPANTS	BLACK SUBURBAN OCCUPANTS AS A PERCENTAGE OF ALL SUBURBAN OCCUPANTS
COL.1	COL.2	COL.3	COL.4
REGION 1	6	297	2.02%
REGION 2	121	631	19.18%
REGION 3	77	749	10.28%
REGION 4	41	516	7.95%
REGION 5	211	879	24.00%
REGION 6	104	235	44.26%
ALL REGIONS	560	3307	16.93%

TABLE 20
LATINO OCCUPANTS

REGIONS	NUMBER OF OCCUPANTS WHO ARE LATINO		TOTAL NUMBER OF OCCUPANTS	LATINO OCCUPANTS AS A PERCENTAGE OF ALL OCCUPANTS	LATINO APPLICANTS AS A PERCENTAGE OF ALL APPLICANTS	SUCCESS RATIO (COL.4/COL.5)	ELIGIBLE LATINO HHs AS A PERCENTAGE OF ALL ELIGIBLE HOUSEHOLDS
	COL. 2	COL. 3					
REGION 1	106	1062	9.98%	29.31%	0.34	7.74%	
REGION 2	71	1678	4.23%	6.76%	0.63	4.24%	
REGION 3	28	1535	1.82%	6.88%	0.27	3.04%	
REGION 4	11	679	1.62%	6.34%	0.26	0.72%	
REGION 5	83	1886	4.40%	7.83%	0.56	1.21%	
REGION 6	55	647	8.50	27.94%	0.30	0.71%	
ALL REGIONS	354	7487	4.73%	13.09%	0.36	3.82%	

TABLE 21

LATINO OCCUPANTS IN SUBURBAN UNITS			
REGION	SUBURBAN OCCUPANTS WHO ARE LATINO	TOTAL NUMBER OF SUBURBAN OCCUPANTS	LATINO SUBURBAN OCCUPANTS AS A PERCENTAGE OF ALL SUBURBAN OCCUPANTS
COL.1	COL.2	COL.3	COL.4
REGION 1	4	297	1.35%
REGION 2	10	631	1.58%
REGION 3	25	749	3.34%
REGION 4	11	516	2.13%
REGION 5	20	879	2.28%
REGION 6	7	235	2.98%
ALL REGIONS	77	3307	2.33%

TABLE 22

AHMS UNITS BY RACE/ETHNICITY OF THE OCCUPANTS- SUBURBAN				
RACE, ETHNICITY	SALES	RENTAL	REHAB	TOTAL
WHITE	89%	88%	69%	2,438
BLACK	9%	9%	29%	516
LATINO	2%	3%	2%	69
TOTAL	100%	100%	100%	N=3023

TABLE 23

AHMS UNITS BY RACE/ETHNICITY OF THE OCCUPANTS- URBAN				
RACE, ETHNICITY	SALES	RENTAL	REHAB	TOTAL
WHITE	1%	8%	56%	315
BLACK	73%	78%	35%	1144
LATINO	26%	15%	9%	277
TOTAL	100%	100%	100%	N=1736

TABLE 24a

RELATIONSHIP BETWEEN PREVIOUS RESIDENCE AND CURRENT RESIDENCE OF OCCUPANTS			
PREVIOUSLY URBAN (47%)			
RACE/ ETHNICITY	TO URBAN	TO SUBURBAN	TOTAL
White	64 (35%)	121 (65%)	185(100%)
Black	766 (95%)	42 (5%)	808(100%)
Latino	146 (98%)	3 (2%)	149(100%)
Other	90 (94%)	16 (16%)	96 (100%)
Total	1066 (85%)	182 (15%)	1248(100%)

TABLE 24b

RELATIONSHIP BETWEEN PREVIOUS RESIDENCE AND CURRENT RESIDENCE OF OCCUPANTS			
PREVIOUSLY SUBURBAN (53%)			
RACE/ ETHNICITY	TO URBAN	TO SUBURBAN	TOTAL
White	0 (0%)	1123 (100%)	1123(100%)
Black	27 (21%)	102 (79%)	129(100%)
Latino	1 (3%)	36 (97%)	37(100%)
Other	2 (1%)	136 (99%)	138 (100%)
Total	30 (2%)	1397 (98%)	1427(100%)

TABLE 25

RELATIONSHIP BETWEEN PREVIOUS RESIDENCE AND CURRENT RESIDENCE OF OCCUPANTS					
RACE/ ETHNICITY	STATUS QUO		LOCATION CHANGERS		
	URBAN TO URBAN	SUBURBAN TO SUBURBAN	URBAN TO SUBURBAN	SUBURBAN TO URBAN	TOTAL
White	64 (6%)	1123 (80%)	121 (66%)	0 (0%)	1308
Black	766 (72%)	102 (7%)	42 (23%)	27 (90%)	937
Latino	146 (14%)	36 (3%)	3 (2%)	1 (3%)	186
Other	90 (8%)	136 (10%)	16 (9%)	2 (7%)	244
Total	1066 (100%)	1397 (100%)	182 (100%)	30 (100%)	2675(100%)

TABLE 26

INCOME, RACE AND ETHNICITY OF OCCUPANTS				
INCOME	RACE, ETHNICITY			TOTAL
	WHITE	BLACK	LATINO	
LOW-INCOME	61.07%	62.15%	57.06%	61.15% (N=3,084)
MODERATE-INCOME	38.93%	37.85%	42.94%	38.85% (N=1,959)
TOTAL	100% (N=2,985)	100% (N=1,704)	100% (N=354)	100% (N=5,043)

TABLE 27

INCOME, RACE AND ETHNICITY OF OCCUPANTS			
RACE, ETHNICITY	INCOME		
	LOW	MODERATE	TOTAL
WHITE	59.11%	59.32%	59.19% (N=2,985)
BLACK	34.34%	32.92%	33.79% (N=1,704)
LATINO	6.55%	7.76%	7.02% (N=354)
TOTAL	100% (N=3,084)	100% (N=1,959)	100% (N=5,043)

TABLE 28

INCOME, RACE AND ETHNICITY OF OCCUPANTS AS A PERCENTAGE OF APPLICANTS			
INCOME	OCCUPANTS		
	WHITE	BLACK	LATINO
LOW-INCOME	25.60%	9.00%	5.79%
MODERATE-INCOME	27.96%	17.21%	24.24%

TABLE 29

RACE, INCOME AND TENURE OF OCCUPANTS				
MODERATE INCOME				
	SALES	RENTAL	REHAB	TOTAL
WHITE	41.05%	16.61%	43.34%	100% 1,162
BLACK	42.48%	28.06%	29.46%	100% 645
LATINO	54.61%	22.37%	23.03%	100% 152
LOW INCOME				
WHITE	18.10%	47.83%	34.06%	100% 1,823
BLACK	19.92%	49.95%	30.12%	100% 1,059
LATINO	37.62%	49.01%	13.37%	100% 202

TABLE 30
OCCUPANTS: WHITE ELDERLY SINGLE FEMALE HOUSEHOLD (WESF)**

REGIONS	OCCUPANTS WHO ARE WESF HEADED HOUSEHOLDS		TOTAL NUMBER OF OCCUPANTS	WESF HEADED HHS AS A PERCENTAGE OF ALL OCCUPANTS	WESF HEADED HHS AS A PERCENTAGE OF ALL APPLICANTS	SUCCESS RATIO (COL.4/COL.5)	ELIGIBLE WESF HEADED HHS AS A PERCENTAGE OF ALL ELIGIBLE HOUSEHOLDS
	COL. 2	COL. 3					
REGION 1	76	617	12.32%	4.47%	2.76	29.98%	
REGION 2	154	1236	12.46%	2.81%	4.44	22.29%	
REGION 3	87	627	13.88%	3.92%	3.54	34.66%	
REGION 4	18	514	3.50%	3.98%	0.88	40.00%	
REGION 5	105	1107	9.49%	6.23%	1.52	27.21%	
REGION 6	13	404	3.22%	4.32%	0.74	31.01%	
ALL REGIONS	453	4505	10.06%	4.07%	2.47	29.35%	

**The calculation of all eligible households includes all ethnicity values, not just Black, White, and Latino.

TABLE 31

WHITE ELDERLY SINGLE FEMALE HOUSEHOLDS (WESF) IN SUBURBAN UNITS BY TENURE	
TENURE	
SALES	5.15% (N=22)
RENTAL	85.01% (N=363)
REHAB	9.84% (N=42)
TOTAL	100% (N=427)

APPENDIX A

Code	Municipality	DCA's Urban Aid List - FY93 *	DCA's Urban Aid List CY94/FY95 *	1993 MDI List OMB Urban Levels**	MDI RANK*** as of 10/93
1303	Asbury Park City	X	X	1	21
102	Atlantic City City			1	62
601	Bridgeton City	X	X	1	15
408	Camden City	X	X	1	5
1409	Dover Town			1	54
705	East Orange City	X	X	1	4
2004	Elizabeth City	X	X	1	25
906	Jersey City City	X	X	1	11
1325	Long Branch City	X	X	1	48
610	Millville City	X	X	1	38
1214	New Brunswick City	X	X	1	18
714	Newark City	X	X	1	1
1607	Passaic City	X	X	1	14
1608	Paterson City	X	X	1	10
1216	Parth Amboy City	X	X	1	30
2012	Plainfield City	X	X	1	34
1340	Red Bank Borough			1	67
1111	Trenton City	X	X	1	3
910	Union City	X	X	1	6
614	Vineland City	X	X	1	50
514	Wildwood City	X		1	32
822	Woodbury City	X	X	1	59
401	Audubon bor.			2	71
402	Audubon Park bor.			2	40
901	Bayonne City	X	X	2	44
701	Belleville Township	X	X	2	64
302	Beverly City			2	23
702	Bloomfield Township	X	X	2	82
204	Bogota bor.			2	73
407	Brooklawn bor.			2	41
305	Burlington City			2	86
1201	Carteret Borough	X	X	2	74
412	Collingswood bor.			2	58
902	East Newark bor.			2	93.5
221	Garfield City	X	X	2	91.5
904	Harrison town			2	52
2007	Hillside Township	X	X	2	61
905	Hoboken City	X	X	2	31
709	Irvington Township	X	X	2	19
907	Kearny Town		X	2	85
908	North Bergen Township	X	X	2	49
717	Orange City Township	X	X	2	7
2119	Phillipsburg Town	X	X	2	24
1610	Prospect Park bor.			2	55
2014	Roselle Borough	X	X	2	51
2015	Roselle Park bor.			2	88.5
1819	South Bound Brook twp.			2	80.5
1223	South River bor.			2	63
911	Weehawken twp.			2	80.5
912	West New York Town	X	X	2	8
821	Westville bor.			2	60
437	Woodlyrne bor.			2	27

* Source: NJ Department of Community Affairs, Division of Housing, Trenton, NJ 08605

** Level 1: A densely settled and developed core community that serves as the administrative and business center for a developed surrounding area.

Level 2: A community near an urban center, not as highly developed, but with more extensive residential areas.

Source: NJ Office of Management and Budget

*** MDI Ranking: 1= Municipality most in distress
567=Municipality least in distress

Source: NJ Office of Management and Budget