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Lessons from Mount Laurel: The Benefits of Affordable Housing for All Concerned

by Douglas S. Massey

In 1983, the New Jersey Supreme Court handed down a landmark decision in the case of South Burlington County NAACP v. Mount Laurel Township. Commonly known as Mount Laurel II, the ruling held that all municipalities in New Jersey had an affirmative obligation, under the state constitution, to house their fair share of affordable housing in the region. The decision effectively forbade the use of zoning to prevent the construction of affordable

Applicants still on the waiting list at the time of our study constitute a good comparison group with which to assess the effects of ELH residence. Since applicants admitted and still waiting were both self-selected into the population of people wishing to take advantage of affordable housing, selection bias is effectively controlled. We therefore interviewed all project residents along with a sample selected from the waiting list. In order to further ensure comparability between the two



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housing units in affluent suburban communities. According to the official state estimate, the “Mount Laurel doctrine” and the implementation of the decision through the Council on Affordable Housing, has led to the creation of 60,000 affordable housing units statewide.

In Mount Laurel Township itself, although the township officials and the original plaintiffs entered into a consent decree in 1985, the affordable development, which came to be known as Ethel Lawrence Homes (ELH), did not open its doors until late 2000, when 100 affordable units were allocated to low- and moderate-income families on a first-come, first-served basis. Another 40 units were completed and filled in the same way in 2004. Because these units were designed as affordable rental housing and marketed to low income families, and because we were able to obtain access to marketing data and invited to meet with residents, the ELH development provided us with an ideal site to assess the impacts of Mount Laurel on the community and the families who moved in.

In 2009-2010, I joined with a team of colleagues to undertake a systematic

groups, we coded up all of the information on the application form and from it estimated equations predicting the likelihood of being offered a unit. These were then used to generate propensity scores, and each ELH resident was matched with a non-resident from the waiting list with a similar propensity score.

Our comparison of matched ELH residents and non-residents revealed a dramatic reduction in exposure to neighborhood disorder and violence as a result of moving into the development, which in turn yielded a significantly lower frequency of negative life events and improved mental health. Owing in part to these improvements, along with other advantages associated with suburban residence, ELH residents displayed higher rates of employment, larger share of income from work, greater total incomes, and lower rates of welfare dependency.

As for the children living in ELH, school quality also improved dramatically relative to the comparison group, while exposure to school disorder and violence declined steeply. ELH children also reported greater access to a quiet place to study, more

evaluation of the effect that ELH had on the township and surrounding neighborhoods, as well as on the lives of the people who were able to take advantage of access to affordable housing in an affluent suburb of Philadelphia. Both evaluations followed a quasi-experimental design.

Impacts of the affordable development on the township and neighborhood

To assess the effect of ELH on the township itself, we undertook a multiple time series study that compared trends in home values, tax burdens and crime rates in Mount Laurel before and after 2001, with trends in a matched set of nearby townships before and after the same date. Performing a statistical analysis of “differences in differences” before and after the opening of ELH, we found no detectable effects of the project’s opening on any outcome. Trends in home values, crime rates and taxes were the same in Mount Laurel as in similar townships nearby.

Even in neighborhoods immediately adjacent to the project, we found no effect of ELH on crime, property values or taxes. Indeed, in a survey we

time spent studying and more educationally engaged parents. Although we found no significant direct effect of ELH residence on the grades earned by students, we did find significant indirect effects through hours studied, school quality and school disorder, which on net improved grades.

Conclusions

These findings have both policy and scholarly importance. In terms of policy, they suggest that ELH and the underlying Mount Laurel Doctrine (when implemented to produce affordable rental housing) are both unequivocal successes. The construction of affordable units in an affluent suburb using tax credits and low interest loans produced a self-supporting housing development that dramatically improved the lives of low- and moderate-income residents and greatly advanced the mobility prospects of their children while imposing no negative externalities on neighbors or township residents. However, it is important to emphasize that these kinds of results are a direct result of the affirmative marketing efforts made by Fair Share Housing Development – attracting applicants to the development from more

conducted among neighbors, one-third didn't know affordable housing even existed in the neighborhood, and among those who did know, only 40% could successfully name the project. Despite dire predictions and outsized fears expressed before the fact, when ELH finally opened, it was not with a bang, but a whimper.

Outcomes for residents

The manner by which units in ELH were allocated to tenants also afforded a quasi-experimental research design. After a period of regional advertising, aspiring tenants were instructed to come into the developer's office to complete and hand in an application form. All applications received during the application period were placed on a list and assigned a sequence number indicating the order in which they were submitted. The applications were then evaluated in order received, and if they met income and other eligibility criteria determined from the form, they were offered a unit in the development.

disadvantaged neighborhoods. This type of affirmative marketing is also consistent with the fair housing goals underlying the Mount Laurel doctrine, but it has not always been implemented by developers and managers.

In terms of scholarship, our findings confirms the importance of neighborhoods in determining individual and family outcomes, and demonstrates the validity and power of neighborhood effects in conditioning human well-being.

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FURTHER READINGS:

For more information about Ethel Lawrence Homes, see the website of Fair Share Housing Development at www.fairsharedevelopment.org

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