



**DISMANTLING  
EXCLUSIONARY ZONING:  
NEW JERSEY'S BLUEPRINT FOR  
OVERCOMING SEGREGATION**

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**FAIR SHARE**  
HOUSING CENTER

# A SPECIAL THANKS



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We dedicate this report to everyone in New Jersey and around the country who, at the moments when dismantling exclusionary zoning seems impossible, nonetheless continue to push forward.

Adam Gordon, Executive Director  
Fair Share Housing Center

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# EXECUTIVE SUMMARY

Our nation's deep, multigenerational racial and economic residential segregation comes largely from exclusionary zoning practices that limit housing opportunities across most of the country's large metropolitan areas. Exclusionary zoning also significantly contributes to the unprecedented housing crisis in America today, with disproportionate impacts on people of color and lower-income people. The effects of residential segregation and our nation's housing crisis will only be further exacerbated without strong action against exclusionary zoning.

This report examines the development of New Jersey's *Mount Laurel* Doctrine, a series of New Jersey Supreme Court decisions obligating towns to provide their fair share of the region's need for affordable housing, and offers it as a blueprint to dismantle exclusionary zoning nationwide. We identify the key features of New Jersey's legal and policy framework and how those features work in conjunction with a sustained housing justice movement predicated on grassroots organizing. While fierce opposition to limiting exclusionary zoning in New Jersey has persisted and at times led to setbacks, this sustained movement has continued to move forward through multifaceted organizing, legal, and policy strategies: "We have something special here in New Jersey, and as a result we've been able to plan for and build thousands of units of affordable housing despite some tremendous opposition in certain communities," Frank Argote-Freyre, a founder of the Latino Action Network and Chair of the Fair Share Housing Center Board.

This report also quantifies the impact of the *Mount Laurel* Doctrine on affordable housing production, overall housing supply, and neighborhood integration — finding that since the reinvigoration of *Mount Laurel* enforcement in 2015, the rate of affordable housing production has nearly doubled, overall multifamily housing production has significantly increased, and neighborhoods where new homes have been built have become more integrated.

The numbers reflect real impacts on people's lives and communities, which are captured by firsthand accounts from current affordable housing residents, predominantly women of color, on what housing stability has meant for their lives. It also features insight from housing justice advocates and local officials across the state on the impact of the *Mount Laurel* Doctrine, with particular developments and New Jersey communities serving as case studies of the positive outcomes of integration.

Throughout the report, we have worked to distill some of the main lessons learned from the New Jersey experience, like the necessity of grassroots organizing, five key features that have made New Jersey's model effective, the impact of strong enforcement measures on housing production, the need for good data collection, and how integration rebukes residential segregation, one of the strongest tenets of systemic racism in America. The work to dismantle exclusionary zoning will look different in every state based on different structures of local government, zoning laws, and other factors; however, certain critical principles can help shape any policy. We hope you use these lessons in your communities to advance the collective fight for racial, economic, and social integration and a right to safe, healthy, and affordable housing for all.

# THE ORIGINS OF EXCLUSIONARY ZONING

In the early 20th century, Black Americans, seeking refuge from a rapidly resegregating South after the end of Reconstruction, began to migrate in large numbers to the North, Midwest, and West in what would come to be known as the Great Migration. As the majority White inhabitants in these areas faced the prospect of having to adjust to the demographic changes of their neighborhoods, cities and towns began adopting racial zoning codes separating neighborhoods as all White or all Black. The Supreme Court struck down those explicit racial zoning laws in the 1917 decision *Buchanan v. Warley*, at which point segregationists turned to land use zoning to accomplish the same effects, a practice known as exclusionary zoning.

Exclusionary zoning limits the size and type of buildings that can be built in a particular locality, typically barring the development of multi-family or other lower cost housing accessible to low-income populations, predominantly people of color. Despite having both the same intent and effect as the explicitly racial zoning laws, the Supreme Court upheld land use zoning practices in the 1926 case *Euclid v. Ambler*, and exclusionary zoning proliferated. Even when people of color had the financial means to afford single-family housing, they were locked out of the market through the federal government's redlining practices, which refused to guarantee mortgages for homes in neighborhoods of color, and its endorsement of racial covenants preventing the sale of homes from White owners to anyone other than another non-Jewish White owner. Consequently, between 1900 and 1940, racial and economic segregation increased by 50% in US cities.

Racial covenants were banned gradually from the late 1940s to the mid-1960s, a time period that, as journalist Ta-Nehisi Coates points out, happened within living memory of many people alive today. And it was not until the federal Fair Housing Act, passed in the wake of the murder of the Rev. Dr. Martin Luther King, Jr. in 1968, that federal law limited discrimination in renting or selling a home based on race. On the heels of these victories to make it harder to exclude people of color through other means, exclusionary zoning practices intensified further.

Today, about 75% of residential land in major cities in America is zoned exclusively for single-family housing and the effects are striking. Areas with single-family zoning are significantly more White, home values are greater, and income levels are higher. These neighborhoods in turn have underlying better performing schools, significantly higher underlying graduation rates, access to greater upward mobility, and significantly better health outcomes, all of which lead to better life outcomes for children raised in those neighborhoods and perpetuate the ongoing disparity between White Americans and people of color. Indeed, Black families on average have just \$24,100 in wealth compared to \$188,200 for White families.

Exclusionary zoning also impacts society at-large through limitations on labor mobility, causing significant slowdowns in US economic growth, and inflated housing prices caused by artificially reduced supply, squeezing not just low-income families but also the middle class. As the middle class occupies the more affordable housing options, lower-income families are pushed out of housing altogether, significantly contributing to gentrification and displacement. In fact, high

housing costs and low vacancy rates are the biggest predictors of homelessness. Unsurprisingly, this displacement disproportionately affects people of color. Black Americans, Native Americans, and Latino/a/x people are more likely to experience homelessness than White Americans, at numbers far disproportionate to their share of the population. At a time when America is facing a historic housing crisis, these discrepancies will only be further exacerbated without strong action against exclusionary zoning.

Despite the veneer of race-neutrality, exclusionary zoning is legalized segregation with direct ties to America's history of slavery and brutal oppression. It must be eradicated if we are to have any hope for a truly integrated society that gives voice to the promise of all Americans being created equal. New Jersey has taken steps towards dismantling exclusionary zoning through the *Mount Laurel* Doctrine, one of the most significant and effective interventions to combat residential segregation in the nation. In the landmark *Mount Laurel* decisions, named after the township of Mount Laurel, the New Jersey Supreme Court declared exclusionary zoning unconstitutional and held, based on the general welfare, substantive due process, and equal protection provisions of the State Constitution, that every town in New Jersey has an affirmative obligation to provide their fair share of the region's affordable housing. The decisions are often compared to the historic decision in *Brown v. Board of Education*, which prohibited legal segregation in school settings. Tens of thousands of affordable homes have been constructed as a result of *Mount Laurel*, providing increased housing opportunities for low- and moderate-income individuals, families, and people with disabilities. The lessons learned from the development and implementation of the *Mount Laurel* Doctrine in New Jersey can be expanded to fight exclusionary zoning nationwide.

"Historically, practices like redlining have created segregated communities in New Jersey and in order to rectify those harms we need concerted efforts to ensure that all municipalities in New Jersey provide safe and affordable housing inside their municipality and not skirt their responsibility to do so."

**JESSELLY DE LA CRUZ**

Executive Director of the Latino Action Network  
Foundation & FSHC Board Member



# ORGANIZING & TAKING LEGAL ACTION TO DISMANTLE EXCLUSION: A 50-YEAR FIGHT

In reaction to the victories of the Civil Rights Movement that sought to end racial exclusion, wealthy, primarily White suburbs tightened exclusionary zoning laws. Civil Rights leaders at the time saw what was happening, and pressed for action. Major foundations, such as the Ford Foundation, funded well-established groups to challenge exclusionary zoning, and even George Romney, Secretary of HUD under President Nixon, called out exclusionary zoning as a “high-income white noose” around more diverse urban centers and attempted to withhold federal funds to growing suburbs that practiced policies of exclusion. Nonetheless, very little changed. The biggest exception to that rule, however, came in New Jersey, where a group led by Black and Latino/a/x community organizers and public interest lawyers barely out of law school built and sustained a decades-long movement to overcome this exclusion. Today, the issue of exclusionary zoning has regained national prominence after decades of a lack of attention to its key role in racial segregation and economic and health disparities. Perhaps the strongest lesson from New Jersey is the need for a sustained movement combining community organizing and legal action to dismantle exclusion. Three key junctures in the 50-year history of fighting exclusionary zoning in New Jersey show the potency of this combination.

## FIGHTING DISPLACEMENT & WHITE FLIGHT: MOUNT LAUREL, 1970

Mount Laurel, New Jersey - today a large, bustling suburb of Camden and Philadelphia – was historically rural, with a strong community of Black tenant farmers who had been working the land for generations. Given its location just above the Mason-Dixon Line, Mount Laurel also provided a critical safe haven stop on the Underground Railroad.

By the 1960s, however, Mount Laurel’s Black community was under threat of displacement. As White Americans left Camden and Philadelphia in what is often referred to as the period of “White flight,” the population of Mount Laurel doubled from over 5,000 in 1960 to more than 12,000 by 1970. Black residents found themselves being priced out of a community they’d lived in for generations. The high demand for housing, coupled with new exclusionary zoning that made it impossible to construct modestly priced apartments or homes, led to a sharp rise in housing costs that left low-income residents with few viable options. Rather than offer assistance by facilitating the construction of more affordable housing options, Mount Laurel’s officials ordered occupants to vacate existing housing that needed repairs and even went so far as to demolish the homes of residents who could no longer afford to live there.

An organizing effort led by local community members like Ethel R. Lawrence, a sixth-generation resident of Mount Laurel, and community action groups like the Springville Community Action Committee sought to challenge the systemic expulsion of the Black community from Mount Laurel. Together, they gathered the resources to build 36 affordable homes in Mount Laurel

where their community could continue to live – but they still needed zoning approval from the township. The zoning board denied their request. The Mayor at the time, Bill Haines, left no room for imagination as to why when he famously told them at a Sunday meeting held at the Jacob’s Chapel AME Church: “If you people can’t afford to live in our town, then you’ll just have to leave.”



**ETHEL R. LAWRENCE** was known as the Rosa Parks of affordable housing. Mrs. Lawrence and her family were long-standing residents of Mount Laurel. She and her husband owned a home in town and planned on raising their children there when the township began forcing low-income residents out. She spearheaded the movement in Mount Laurel for inclusionary zoning and won. She was a mother, daycare teacher, faith leader, beloved community leader, and a fierce advocate for housing justice.

Rather than back down, the community organizers sought support from the Southern Burlington County NAACP, the Camden County NAACP, other Black and Puerto Rican residents residing in Camden, and local legal services attorneys Peter O’Connor, Carl Bisgaier, and Ken Meiser. Together, they filed class action litigation with Ethel R. Lawrence as the primary plaintiff. The case claimed that Mount Laurel’s zoning laws systematically excluded residents on the basis of race and class. Others challenged similar zoning elsewhere, most notably the United Auto Workers’ challenge to zoning in Mahwah that excluded workers at a Ford plant from living nearby. In 1975, the New Jersey Supreme Court sided in favor of Ethel R. Lawrence and the communities that had organized alongside her, holding that all New Jersey municipalities are responsible for providing their “fair share” of affordable housing, both to create new affordable homes and rehabilitate existing substandard homes occupied by lower- income families. This decision, known as *Mount Laurel I*, would be the first in a series of cases where the New Jersey Supreme Court has upheld and expanded on this constitutional obligation. Collectively, these decisions have become known as the *Mount Laurel Doctrine*.

Critically, upon winning the original lawsuit in 1975, the leaders of the original movement realized the fight was not over and decided to found Fair Share Housing Center (FSHC) as an organization dedicated to implementing the *Mount Laurel Doctrine*. They realized that legal victories by themselves require continued work in communities and in the court to be sustained, drawing on the lessons of the ‘massive resistance’ to school integration after *Brown v. Board of Education*. And indeed, there was massive resistance to *Mount Laurel*, ranging from Governor Thomas H. Kean calling it “communistic” to meetings of dozens of mayors in a Mount Laurel government conference room filled with racist cartoons to plot how to undermine the decision. Having a dedicated organization to fight that resistance proved critical in the years to come.

“The tentacles of housing discrimination touch all areas of our lives. We have no other alternative but to be involved and continue to fight for equity.”

RICHARD SMITH  
President of the NAACP New Jersey State Conference



## WHEN HELL FREEZES OVER: BANNING RCAS, 2008

Movements, especially those confronting deeply entrenched issues like racial segregation in America, constantly navigate both victories and setbacks, sometimes even in the same court decision or piece of legislation. In 1985, the New Jersey Legislature passed the Fair Housing Act which codified the obligations that municipalities had under the *Mount Laurel* Doctrine. While some success came out of the Legislature formalizing municipalities' fair housing obligations, the Legislature and then-Governor Kean also introduced a giant loophole: Regional Contribution Agreements (RCAs). RCAs gave municipalities the ability to pay other towns to take up to half of their affordable housing requirements, thereby shirking their *Mount Laurel* obligations. In doing so, RCAs served to reinforce residential segregation, resulting in concentrations of affordable housing in low-income communities while wealthy White suburbs remained as exclusive as they had always been. For example, Wayne, a suburban job center 20 miles west of New York City that is far less racially diverse than the New York area as a whole, paid the City of Paterson \$17,500 per home to get out of building 476 new affordable homes. The amounts paid were never enough to actually create affordable housing, and at their core simply reinforced segregation. The founders and leaders of FSHC and other civil rights allies fought the inclusion of RCAs in the legislation in 1985 - and lost. They challenged them in court in the early 1990s - and lost. But they never gave up the fight.

In the early 2000s, the organizing and legal movement against RCAs heated up again. Local community leaders convinced elected officials in cities and older suburbs that taking RCAs actually hurt their communities by keeping the region segregated. A local assemblyman from Camden, Joseph J. Roberts, Jr., called RCAs “blood money.” In the neighboring town of Pennsauken, Mayor Rick Taylor vowed to refuse to take any money for RCAs because it hurt his plan to keep Pennsauken a racially and economically integrated community. In 2007, Joe Roberts became Assembly Speaker and now-Congresswoman Bonnie Watson Coleman became Assembly Majority Leader, providing a political opening to ban RCAs. FSHC and key allies, such as the non-profit housing provider organization Housing and Community Development Network

faith-based organizing group New Jersey Regional Coalition, and the NAACP pressed for action. And in 2008, the Legislature passed a bill outlawing RCAs and otherwise strengthening the state's Fair Housing Act. One political commentator had said that the efforts to end RCAs would happen when "hell freezes over." At a ceremony to sign the legislation on a sweltering July day at the Ethel R. Lawrence Homes in Mount Laurel Township, hundreds of people gathered to prove them wrong.



While Ethel herself did not get to witness the fruits of her labor, in 2000 Fair Share Housing Development constructed an affordable development named in her honor: the Ethel R. Lawrence Homes. Though she originally asked for 36 homes, 176 affordable homes now stand there instead as a true testament to the power laden in community action.

## THE DAM BREAKS: MOUNT LAUREL IV, 2015

Once again, the housing movement's advances were met by significant resistance. Chris Christie, in his campaign for Governor in 2009, pledged to "gut" *Mount Laurel* requirements. One of his first acts upon taking office was to issue an executive order suspending all operations of the Council on Affordable Housing (COAH), the administrative agency created by the state's Fair Housing Act that calculated each municipality's fair share number and reviewed the realistic nature of municipal affordable housing plans. FSHC quickly went to court and got an injunction against the executive order, but that was just the start of a five-year battle. During that time, Christie issued another executive order blocking COAH from operating; attempted to get the Legislature to pass legislation effectively repealing the Fair Housing Act; and attempted to seize \$200 million in funds raised by municipalities to build affordable housing. Court action by FSHC and organizing by a broad array of civil rights groups, community development corporations, unions, and others blocked each of these attempts. Then, Governor Christie simply refused to obey the law and stopped convening meetings of COAH, bringing fair housing enforcement to a standstill.

In March 2015, the dam broke. After FSHC filed litigation challenging COAH's failure to do its job, the New Jersey Supreme Court unanimously ruled, in a decision known as *Mount Laurel IV*, to transition the enforcement of the *Mount Laurel* Doctrine back to the judicial system and require towns to work with FSHC and other interested parties to meet their affordable housing obligations.

Following the Supreme Court's decision, about 350 towns filed actions in the trial courts seeking judicial approval of their plans. They did not do so without resistance. For example, over 200 towns banded together to hire an economist who, through manipulating data, argued that nearly half of the municipalities should have no fair share obligation at all. FSHC's attorneys fought back with the assistance of expert planning witness David N. Kinsey, PhD, FAICP and strong advocacy partners, and two trial judges strongly rejected the towns' arguments.

As has been true at every stage throughout the work to dismantle exclusionary zoning, a broad coalition helped sustain the momentum against this significant resistance. New institutions have been critical to this work, including the Latino Action Network, founded in 2009 as a statewide network for New Jersey's growing Latino/a/x community, and the United Black Agenda, founded in 2017 and convened by FSHC to bring together many of New Jersey's most powerful Black leaders. These groups have also pushed for an increased focus on fair access to housing, including successfully advocating for the first statewide legislation to regulate and limit the use of criminal background screenings in housing applications, and for legislation to require that all affordable housing is listed on a common website when it becomes available and tenants are selected by lottery instead of often discriminatory first-come, first-served processes. Disability rights organizations including the Supportive Housing Association and Disability Rights New Jersey have also played a key role. This growing coalition sees dismantling housing segregation in New Jersey as a keystone to a larger racial, economic, and social justice agenda.

Following the landmark 2015 victory and sustained by this broad coalition building, FSHC has entered into settlement agreements with more than 340 municipalities, leading far more municipalities to have zoning changes implemented compared to the old COAH system, which at the height of its functioning in the 1990s only managed to approve 121 plans in six years. These settlements are producing tens of thousands of new affordable homes for New Jersey's working families in every county and corner of the state.

## LESSONS LEARNED

- Take multifaceted and continuous action in legal, organizing, and policy spaces to dismantle exclusionary zoning and overcome opposition from residents and elected officials who want to maintain segregation
- Always be ready to seize an opportunity for progress, even as setbacks occur and political landscapes evolve
- Remain committed to organizing and coalition building at the grassroots and grasstops levels as part of a broader racial, economic, and social justice agenda to inform the work and create pathways to success

# IMPLEMENTING THE BLUEPRINT: KEY FEATURES

Fifty years later, the *Mount Laurel* Doctrine has grown into a robust system protecting the right of New Jersey's poorest residents to live in safe and affordable homes. As other states increasingly consider how to dismantle exclusionary zoning, five key features of New Jersey's system stand out as helpful in creating similar frameworks elsewhere: (1) a baseline legal requirement that municipalities must provide their fair share of affordable housing; (2) a methodology to calculate housing obligations that prioritizes creating affordable homes in historically exclusionary communities, along transportation corridors, and near employment opportunities; (3) a requirement that homes have long-term affordability for the people and families that are most likely to be excluded, paired with flexible production mechanisms that also increase overall housing supply; (4) strong legal frameworks of enforcement with real consequences for municipalities that shirk their obligations; and (5) advocacy institutions that use enforcement frameworks to ensure that municipalities comply with their obligations.

The exact implementation of these features should be tailored based on different state governance structures and legal and political environments. That said, the multifaceted nature of exclusionary zoning means that a system to dismantle it requires addressing a common set of issues that are mutually reinforcing and unlikely to work if only addressed separately.

## 1. A BASELINE REQUIREMENT THAT MUNICIPALITIES MUST PROVIDE THEIR FAIR SHARE OF HOUSING

The *Mount Laurel* cases and the New Jersey Fair Housing Act have created a formula assigning each municipality an obligation to provide its region's fair share of affordable housing. Through decades of experimentation, it has become clear that it is not enough to simply tell towns that they have an obligation to build some amount of affordable housing. An effective affordable housing regime must also inform towns how much they are obligated to build.

In New Jersey, the obligation to create affordable homes is recalculated every ten years in cycles of affordable housing production known as Rounds; each Round creates a new fair share obligation that towns must meet. New Jersey is currently in its Third Round (2015-2025). Those obligations start from a projection of how many additional low and moderate income households will be added to the population of three to four county regions of the state and then allocates that projection to produce a specific requirement for affordable housing in every municipality, as discussed further below.

New Jersey experimented for a time with a system in which affordable housing need was not based on a fixed number, but rather on a percentage of new development allowed. While such a system can create affordable homes on a local level in municipalities that are already producing a lot of housing overall, it does not work as a remedy to dismantle exclusionary zoning. Many exclusionary municipalities reacted to this system by reducing the amount of housing permitted altogether, which in turn reduced their obligations. Only by having an independent, fixed obligation will exclusionary municipalities actually change their zoning to allow for housing production.

## **2. A METHODOLOGY TO CALCULATE HOUSING OBLIGATIONS THAT PRIORITIZES CREATING AFFORDABLE HOMES IN HISTORICALLY EXCLUSIONARY COMMUNITIES, ALONG TRANSPORTATION CORRIDORS, AND NEAR EMPLOYMENT OPPORTUNITIES**

New Jersey's system assigns relatively higher or lower requirements for affordable housing to municipalities based upon three main factors: (1) recent growth in jobs (as measured by increase in the nonresidential tax base in the municipality); (2) existing affordability (as measured by the existing income levels in the town, with towns that already are more affordable having relatively lower obligations); and (3) vacant, developable land in areas targeted by the state for growth under New Jersey's State Plan, which focuses more growth near major transportation corridors and job centers. "Qualified urban aid" municipalities, which are New Jersey's major urban centers that have long housed low income residents of color, generally have no affirmative requirement to change their zoning to build more housing, and in most cases their zoning already allows significant new housing. They do, however, have significant obligations to address substandard and overcrowded housing occupied by existing low and moderate income households. Conversely, growing suburbs often have very little existing substandard housing that they need to fix up, but do have substantial obligations to provide for new homes.

This system recognizes that towns that have more jobs and less existing affordability in their housing stock - a result that reflects exclusionary zoning policies that allow for far more offices or stores than housing - should do more to create affordable homes. It also assigns relatively higher obligations to those communities that, under other state policies, are more likely to be able to accommodate growth; for example, communities that are in more remote, rural areas of the state will have lower obligations than places closer to job centers, transit, and major highways. Finally, it avoids obligations solely based on a percentage of the current size of the town's housing stock, which essentially would mean that towns that have produced more housing in the past would have to create more homes going forward than towns that had succeeded in being exclusionary.

## **3. A REQUIREMENT THAT HOMES HAVE LONG-TERM AFFORDABILITY FOR THE PEOPLE AND FAMILIES THAT ARE MOST LIKELY TO BE EXCLUDED, PAIRED WITH FLEXIBLE PRODUCTION MECHANISMS THAT ALSO INCREASE OVERALL HOUSING SUPPLY**

Notably, the "fair share obligation" requires producing deed-restricted affordable housing that in almost all cases requires the homes to remain affordable for at least 30 years. In this way, the *Mount Laurel* system goes above and beyond some other states whose laws see a simple increase in housing supply to address demand and lower rents as sufficient. In New Jersey, affordability is built into the very core of our doctrine; each municipality must produce its assigned number of deed-restricted affordable units. This is the essence of a fair share obligation.<sup>1</sup>

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<sup>1</sup> That said, under the *Mount Laurel* Doctrine, there is also a significant increase to the overall housing supply, including tens of thousands of non-deed-restricted middle-class homes that would never be built without fair share requirements. This is because one of the primary ways municipalities meet their obligation is to rezone properties for mixed-income housing in which developers usually set aside between 15 and 30 percent of homes as affordable housing and use the ability to build market rate housing to fund the building of affordable homes without any public subsidy.

A municipality has a number of options in deciding how it may meet its fair share obligation. The number can be met through a combination of housing mechanisms, including: mixed-income developments with both deed-restricted affordable and market-rate homes; entirely affordable homes; age-restricted housing; supportive housing for people experiencing homelessness; supportive housing for people with disabilities; accessory apartments; and others; with each housing type playing its own role in meeting the needs of different demographics and addressing the various demands of the state's housing crisis. And local, state, and federal funds provide significant support for towns to meet their obligation, including a 2.5 percent linkage fee on new non-residential development that goes to municipal housing trust funds, a statewide realty transfer tax that supports smaller 100% affordable housing developments built by community-based non-profits, and targeted use of federal Low Income Housing Tax Credits to support fair share obligations.

As a baseline requirement for all of these options, the municipality has to show how the proposal presents a "realistic opportunity" for affordable housing - how it actually, in practice, will produce affordable homes. Factors considered include the density of zoning allowed, what funds are in place to support 100% affordable developments that require public money, the availability of infrastructure such as water and sewer, and compliance with environmental regulations that prohibit building in certain areas.

While this flexibility gives towns significant latitude to plan how to meet their obligation, there are certain minimum guidelines that the town must follow when proposing mechanisms to meet their obligation. At least half of all affordable units must be affordable to low income residents (below 50% of the area median income (AMI) based on data from the U.S. Department of Housing and Urban Development), including at least 13% set aside for very low-income residents (below 30% AMI). Additionally, at least 25% of all units must be rental units and at least half of that number must be rental units available to families. Finally, no more than 25% of the units constructed can be age-restricted units. These minimums address the reality that exclusionary towns will, if given the choice, skew their housing plans towards senior housing and higher income brackets. And these requirements all help further the ultimate goal of dismantling exclusionary zoning: to help low-income families, especially families of color who have for generations been excluded from certain communities, find safe and affordable homes.

#### **4. STRONG LEGAL FRAMEWORKS OF ENFORCEMENT WITH REAL CONSEQUENCES FOR MUNICIPALITIES THAT SHIRK THEIR OBLIGATIONS**

Municipalities develop a plan to meet their fair share obligation with the range of housing mechanisms described above. But too often they then attempt to undermine that plan by, for example, withholding necessary planning board approvals for the homes in that plan. Enforcement, as in all areas of civil rights, is thus critical.

Enforcement efforts only work when towns face genuine consequences for non-compliance. In New Jersey, towns that disregard their fair share obligation face repercussions such as reversal of planning and zoning board decisions and the appointment of Special Masters and Special Hearing Officers to act in lieu of the planning board. These remedies take away some control

from local governments about their land use decisions, which is of consequence because local governments generally want to maintain their control over planning and zoning.

The strongest remedy is generally allowing builder's remedy suits, i.e. court-ordered rezoning and development approvals. When towns get their plan approved, they typically receive immunity against developer lawsuits (they also often get temporary immunity while finalizing a plan). Towns that do not file compliant plans or refuse to comply with the plans they did file can lose that immunity, which means that they become vulnerable to lawsuits from developers proposing sites that include affordable housing but that cannot be built under existing land use regulations. Litigating with these developers can result in a development of a scale and location that the town deeply opposes. Protection from these lawsuits provides a powerful incentive for towns to comply with the Mount Laurel process and make efforts towards fulfilling their affordable housing requirement with more cooperation than might be the case otherwise. While actual builder's remedy suits are fairly rare, the motivation to avoid them spurs significant agreements to create affordable homes.

## **5. ADVOCACY INSTITUTIONS THAT USE ENFORCEMENT FRAMEWORKS TO ENSURE THAT MUNICIPALITIES COMPLY WITH THEIR OBLIGATIONS**

In addition to the form of the remedy, who has the right to enforce a system is critical to its success. New Jersey has relied heavily on both independent advocates as well as landowners and builders having enforcement rights to carry out the projects in towns' fair share plans and challenge any denials of their plans.<sup>2</sup>

FSHC, as an independent non-profit organization involved in enforcement since the original *Mount Laurel I* case, has standing to be involved in all *Mount Laurel* proceedings, either to bring its own enforcement actions or monitor those brought by builders. That enforcement work also includes monitoring compliance with settlements, ensuring affordable homes are properly deed restricted, and monitoring production through annual reports and more detailed reports halfway through the ten-year Round.

No system to dismantle exclusionary zoning has ever succeeded without an engaged set of institutions for enforcement. Because actually overcoming exclusionary zoning and building housing takes many steps over multiple years, simply having a legal requirement by itself does not suffice to overcome entrenched opposition.

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<sup>2</sup> If only builders and not advocates have enforcement rights, there are temptations to cut deals with towns to "settle" cases in a way that may be profitable for a builder but do not produce housing (e.g. selling the land to the town).

## LESSONS LEARNED

### FIVE KEY FEATURES OF NEW JERSEY'S MODEL PROVIDE A BLUEPRINT FOR ANY SYSTEM SEEKING TO DISMANTLE EXCLUSIONARY ZONING:

- A baseline legal requirement that municipalities must provide their fair share of affordable housing
- A methodology to calculate housing obligations that prioritizes creating affordable homes in historically exclusionary communities, along transportation corridors, and near employment opportunities
- A requirement that homes have long-term affordability for the people and families that are most likely to be excluded, paired with flexible production mechanisms that also increase overall housing supply
- Strong legal frameworks of enforcement with real consequences for municipalities that shirk their obligations
- Advocacy institutions that use enforcement frameworks to ensure that municipalities comply with their legal obligations

## IMPACT AT SCALE: CREATING HOMES FOR OVER 50,000 LOWER-INCOME PEOPLE SINCE 2015

The revised implementation scheme for the Third Round obligations resulting from *Mount Laurel IV* has coincided with a sharp uptick in the development of new multi-family and affordable housing, suggesting that stronger enforcement of the *Mount Laurel* Doctrine since 2015 has already started to bear fruit. Multi-family and affordable development is occurring at historic highs across the state. These developments benefit not only lower income residents moving into deed-restricted housing, but local municipalities and the state as a whole, creating homes

for more than 50,000 lower income people since the start of the Third Round in 2015.<sup>3</sup> These findings strongly suggest that a robust scheme for ensuring municipal adherence to fair share obligations is leading to real change in who can access housing in New Jersey.

## THE IMPACT OF MOUNT LAUREL IV ON HOUSING

In order to better understand the impacts of stronger enforcement of the *Mount Laurel* Doctrine since *Mount Laurel IV*, we first used data on building permits and affordable housing developments from the New Jersey Department of Community Affairs to quantify newly constructed multi-family (3+ units) housing production since 2015 among the 349 non-qualified urban aid municipalities that have been involved in *Mount Laurel* cases (“participating municipalities”). Notably, in doing this research, we found that New Jersey tracks this information far more closely than neighboring states which do not track building permits at the municipal level in any detail. That said, we also believe that there are further ways that New Jersey, and even more so other states, can better track construction of all units, including affordable units, over time to more accurately assess the impact of exclusionary zoning and remedies to address it.<sup>4</sup>

Our analyses reveal that multi-family housing produced through the *Mount Laurel* Doctrine from 2015 to 2022 accounts for the overwhelming majority of all multi-family development in participating municipalities over this time period. Table 1 details the number of multi-family developments built or under construction since 2015. We found that a substantial majority of these developments, 81%, are associated with Mount Laurel obligations. This relationship is even more pronounced at the unit level, indicating that the developments that are not associated with Mount Laurel obligations tend to be relatively small developments, while larger developments are more likely to contain affordable homes. Tables 2a and 2b detail the number of multi-family units built or under construction since 2015. 89% of the overall units are associated with Mount Laurel obligations (this set of units is comprised of both market rate and affordable units within Mount Laurel-associated developments) and 21,891 of them (representing 31% of all Mount Laurel-associated units built or under construction) are deed-restricted affordable housing units.

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<sup>3</sup> Of the 21,891 affordable units, roughly 16% and 7%, respectively, represent senior and special needs housing, and roughly 9% are in developments that had a mix of housing types. We assumed 1 person per household for all these units. The remaining 68% are family units, which each development must distribute between 20% 1-bedroom (1.5 pph), 60% 2-bedroom (3 pph), and 20% 3-bedroom (4.5 pph). A conservative calculation shows these units have created housing for 51,663 people. A similar analysis for all *Mount Laurel*-associated units (which includes both market-rate and affordable units - 82% of which are family units) reveals that these units in total have created housing for 183,522 people since 2015.

<sup>4</sup> Although municipalities are required to annually report on housing production as part of *Mount Laurel* enforcement, they often do not provide this information or provide it in limited or hard to understand ways. As a result, this analysis primarily relies on New Jersey state data which, while much more comprehensive than what many states have available, still ultimately relies on municipalities correctly reporting their data to the state, since municipalities have the legal authority in New Jersey to approve new development. For further explanation of the methodology we used to determine multi-family housing production since 2015, see [Dismantling Exclusionary Zoning: Data Background](#).

<sup>5</sup> The vast majority of these developments have been built, but a small percentage are currently under construction and/or have committed funding from the New Jersey Housing and Mortgage Finance Agency through the Low Income Housing Tax Credit program and are not yet complete.

TABLE 1: New multi-family developments among participating municipalities, 2015-2022

<i>Mount Laurel</i> Associated Developments	Market Rate Only Developments	Total Multi-Family Developments	<i>Mount Laurel</i> Share of Total Multi-Family Developments
668	158	826	81%

TABLE 2A: New multi-family units among participating municipalities, 2015-2022

<i>Mount Laurel</i> Associated Units	Market Rate Only Units	Total Multi-Family Units	<i>Mount Laurel</i> Share of Total Multi-Family Units
69,516	8,675	78,191	89%

TABLE 2B: New deed-restricted affordable units among participating municipalities, 2015-2022

Deed-Restricted Affordable Units	<i>Mount Laurel</i> Associated Units	Deed-Restricted Share of <i>Mount Laurel</i> Units
21,891	69,516	31%

We then compared these numbers to historic production pre-2015 by looking at the number of deed-restricted affordable units produced and the annualized rate of production for two time periods: 1980-2014 (using historical COAH records) and 2015-2022. As shown by Table 3, the results indicate substantial increases in the rate of production of deed-restricted affordable housing units across New Jersey since 2015, suggesting that stronger enforcement of the *Mount Laurel* Doctrine since 2015 is leading to significant increases in affordable housing development across the state.

TABLE 3: Deed-restricted affordable units and annualized rates, 1980-2014 and 2015-2022 <sup>6</sup>

Deed-Restricted Affordable Units (1980-2014)	Deed-Restricted Affordable Units (2015-2022)	Annualized Rate of Production (1980-2014)	Annualized Rate of Production (2015-2022)
49,959	21,891	1,469 units/yr	2,736 units/yr

Furthermore, this analysis, by its nature, is limited to new affordable homes that are reflected in building permits and other state data, and thus does not include other important pieces of *Mount Laurel* compliance that have impacted tens of thousands of additional households. <sup>7</sup>

The vast majority of affordable housing is developed in the form of multi-family housing. In fact, a large body of research illustrates both the prevalence of low-density, single-family only zoning and how these zoning and land use policies undermine multi-family housing construction, and by extension, housing affordability. <sup>8</sup> Thus, beyond the number of multi-family housing units constructed, another potential measure of change since *Mount Laurel IV* consistent with promoting affordable housing would be a shift in the amount of multi-family building permits issued in relation to single-family permits. Consequently, we also assessed changes in statewide single-family versus multi-family building permit activity.

Our analysis of aggregate permitting activity in New Jersey demonstrates substantial changes in multi-family housing production among participating municipalities in recent years. Figure 1, which captures the number of single and multi-family permits issued from 2004-2022 among the 349 participating municipalities, clearly indicates the increase in overall multi-family permits issued over time, but particularly since 2016. Since 2016, multi-family permits have comprised the majority of residential permits issued. Moreover, the sharp increase in multi-family permits issued since 2016, alongside a relatively constant amount of single-family permits issued since 2016, strongly suggests that this shift in permitting activity is being driven by *Mount Laurel*-associated rezonings, rather than general housing market growth. <sup>9</sup>

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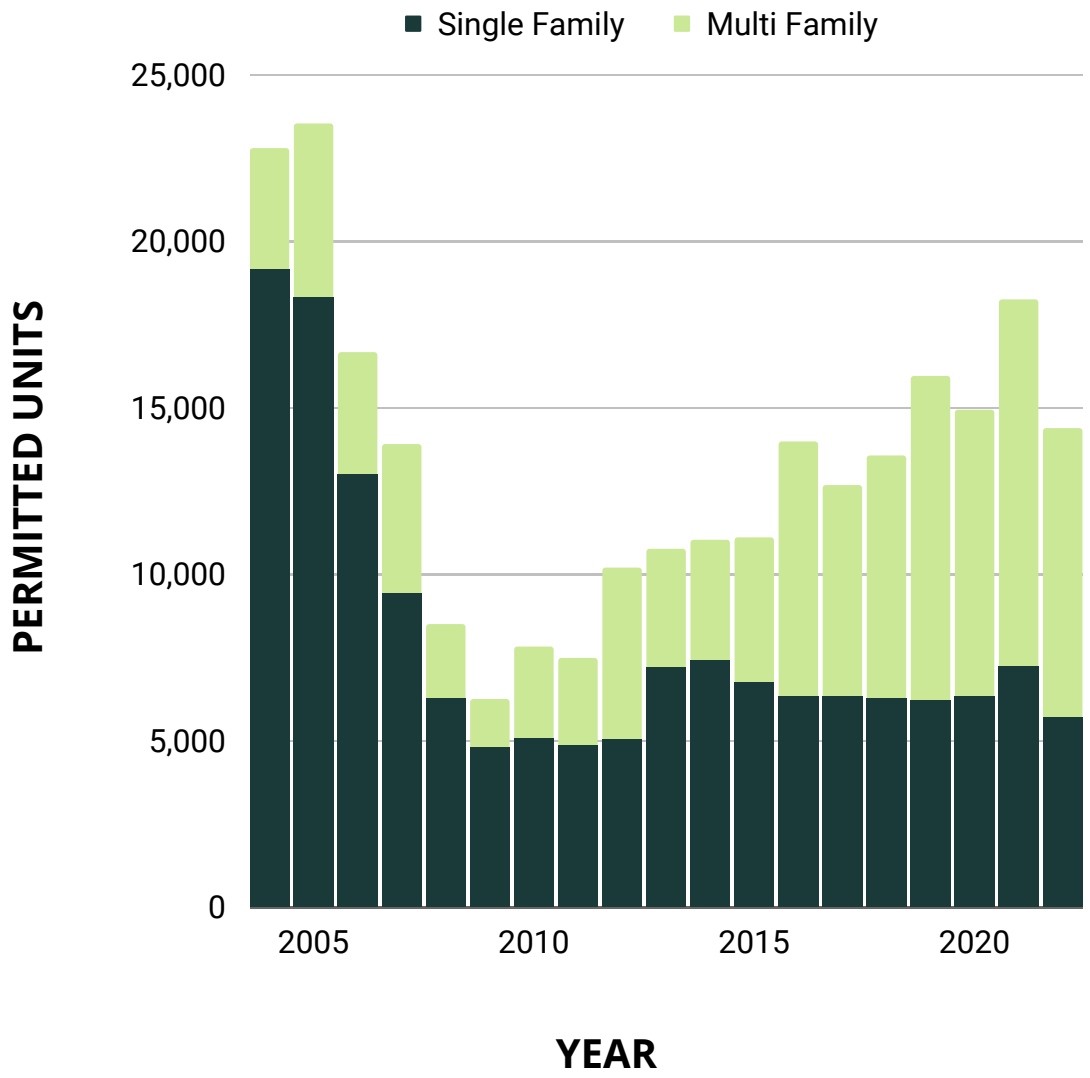
<sup>6</sup> Our denominator for the 1980-2014 period is rounded down to 34 years because COAH crediting started on April 1, 1980 and the COAH data we used runs through July 2014. Our denominator for the 2015-2022 period is rounded up to 8 years because the DCA data we used runs from January 1, 2015 through October 2022.

<sup>7</sup> From the start of data collection in 1980 to the present, there have also been an estimated 20,000 affordable homes occupied by low and moderate income residents rehabilitated as well as an additional estimated 10,000 existing affordable homes preserved from expiring affordability controls that could otherwise have been converted to market-rate housing. The data also do not fully account for many types of housing that use existing housing stock, especially supportive housing for people with disabilities, which do not typically require building permits and thus generally are not as consistently tracked at the state level. Finally, the table does not include new homes produced in part through Regional Contribution Agreements before they were outlawed, which totaled 4,289 new homes statewide through 2014.

<sup>8</sup> See [Pendall et al. \(2006\)](#), [Song \(2021\)](#), [Sahn \(2022\)](#).

<sup>9</sup> While some observers have noted a [national increase in multi-family construction](#), this national trend, unlike New Jersey's, has only occurred over the last few years and has not been paired with a concurrent shift away from single-family permitting.

FIGURE 1: Single vs. multi-family building permits among participating municipalities, 2004-2022



It should also be noted that the addition of roughly 70,000 new homes statewide, most of which would not be built without the shift from single-family to multi-family development, benefits the state as a whole, likely moderating housing price growth and reducing housing insecurity. The availability of new multi-family homes in a broader range of communities outside of central cities should also reduce gentrification pressures in cities by limiting the ability of landlords to raise rents based on severe regional housing scarcity. While a more systematic analysis would be necessary to determine the precise impact of these additional units on housing supply, it is evident that the impacts of Mount Laurel extend far beyond just the residents of the 21,000+ deed-restricted affordable units, to all households benefiting from a less-constrained and more equitable housing market.

Finally, it is worth keeping in mind that the 21,000+ units of deed-restricted affordable housing and the roughly 70,000 units of overall multi-family housing associated with the *Mount Laurel* Doctrine since 2015 represent a subset of the total number of *Mount Laurel IV* housing units that will eventually be constructed as a result of the Third Round plans. Indeed, the analysis does not include the many developments that have already been approved by planning and zoning boards but have not yet gotten building permits. Nor does it include the over 3,300 affordable homes anticipated to be added through the approval by the Governor and Legislature as part of the state's 2022 budget process of \$305 million in federal funds and \$30 million in state funds for a new Affordable Housing Production Fund, or preservation of existing affordable homes resulting from *Mount Laurel* enforcement. Consequently, the final results of stronger enforcement of *Mount Laurel* obligations will likely be even more pronounced. For the time being, our analysis suggests that enforcement mechanisms put in place since 2015 have already had a substantial effect on multi-family and affordable housing development in suburban New Jersey.

That said, there is also strong evidence that while the post-2015 system has been far more effective than the pre-2015 system under COAH, the need still far outstrips what is being built. As Matt Desmond noted in his recent book *Poverty, by America*, 29 new affordable homes built in Cherry Hill during this time period drew 9,309 applications, and recent estimates put the deficit of available affordable homes in New Jersey for extremely low-income renters alone at over 200,000. While New Jersey has produced significantly more affordable homes and total homes than in neighboring states without protections like *Mount Laurel*, further measures to create even more zoning for inclusionary multi-family housing and funding for new affordable homes are still very much needed.

## LESSONS LEARNED

- Strong enforcement of New Jersey's fair share obligations coincides with significant increases in affordable housing production
- Strong enforcement of New Jersey's fair share obligations also coincides with significantly increased overall multi-family housing supply in municipalities that had previously banned or severely limited multi-family housing, ultimately benefiting the overall housing market
- Good data collection is essential to supporting advocacy institutions' ability to accurately track towns' progress towards meeting fair share obligations. Many states fail to collect detailed data on the impacts of exclusionary zoning and those that do, like New Jersey, should further improve data collection

## BEHIND THE NUMBERS: GETTING HOMES BUILT

### THE PEARL AT THE MOORESTOWN MALL (MOORESTOWN, BURLINGTON COUNTY)

As suburban malls and office parks in many cases become increasingly obsolete, they present key sites for creating new homes — but only if zoning allows it, which it usually does not, absent requirements like *Mount Laurel*. In February 2022, the Moorestown Planning Board approved the first phase of the redevelopment of the Moorestown Mall. In recent years, the mall has seen an increase in its vacancy rate as flagships such as Macy’s, Lord & Taylor, and Sears closed their doors. Instead of letting the mall die, Moorestown decided as part of its *Mount Laurel* plan that it would allow residential development to occur in order to convert the ailing mall into a residential, retail, and leisure district. The plan will result in 1,065 homes on the site, including 213 affordable rental homes for families. The first 375 homes, including 75 set aside as affordable homes and integrated amongst the market-rate homes, are expected to be completed in 2023.

### TRUMAN SQUARE (EDISON, MIDDLESEX COUNTY)

Older local, state, and federal lands present key opportunities for affordable homes - but only if local officials change zoning to allow such reutilization, as has often happened through *Mount Laurel* settlements. In the fall of 2021, a 172-home 100% affordable development opened at the former U.S. Army base, Camp Kilmer, which was the largest processing center for troops during World War II. The development of 1, 2, and 3 bedroom apartments gives preference to veterans, formerly homeless veterans, and formerly homeless families. Residents will benefit from on-site supportive services such as veteran-to-veteran services led by renowned community-based non-profit Triple C Housing. “With the grand opening of Truman Square, we are one step closer to reaching the Township’s ambitious affordable housing goals,” then-Mayor Thomas Lankey told a local newspaper. “More families and veterans in Edison will now have access to brand new, high-quality affordable housing and on-site supportive services and resources.”

## THE METROPOLITAN (SPRINGFIELD, UNION COUNTY)

Another example of the redevelopment of an abandoned shopping center that has benefitted from revised zoning under *Mount Laurel* is in Springfield at the old Saks Fifth Avenue building that sat vacant for nearly two decades. The property is currently being renovated into a mixed-use inclusionary project that will consist of 270 new apartments and townhomes, including 41 affordable homes for working families. The residents will have access to fitness and business centers, a coffee bar, a swimming pool, and outdoor gathering areas, all within minutes of theaters, shopping, recreational facilities, and public transportation. Township Committeeman Chris Weber said at the groundbreaking for the project that he was “beyond excited. This is going to completely revitalize this entire area.

## HOPEWELL PARC (HOPEWELL, MERCER COUNTY)

Exclusionary zoning remedies also address communities that zone for major job centers but not for affordable homes for workers. In 2011, Capital Health moved its main hospital from Trenton to Hopewell Township, a much wealthier, less diverse suburb. Hopewell initially resisted creating mixed-income housing near the hospital, but through the *Mount Laurel IV* process rezoned properties surrounding the hospital for over 2,000 homes: “The community is ideally situated adjacent to several large employment opportunities, directly across the street from approximately 2 million square feet of office space, diagonally across the street from the 203 bed Capital Health Hospital which employs over 3,000 people, and just minutes from the Trenton Airport,” said Mitch Newman, Director of Land Acquisition and Entitlements and Senior Vice President of Venture Operations with Lennar’s NJ Division, one of the nation’s largest homebuilders, which is building the first phase of 1,077 homes. 216 of those homes are affordable, including 26 developed with Homes by TLC, Inc. a local non-profit that creates permanent supportive affordable housing for families experiencing homelessness and at risk of homelessness, who will have access to Hopewell’s top-rated school district, nearby health care, and jobs. “We are thrilled that this partnership with Lennar is helping us bring these units to bear on our community that has such a great need,” said Celia Bernstein, Executive Director of Homes by TLC.

# OVERCOMING SEGREGATION WITH RACIAL, ECONOMIC, & SOCIAL INTEGRATION

As the housing makeup of these municipalities change in response to *Mount Laurel* obligations, so too should the demographics of their inhabitants. While single-family housing remains overwhelmingly White, multi-family and affordable housing typically has greater shares of residents of color. New Jersey has implemented important rules to remove barriers that exist elsewhere for people of color to access affordable housing, such as banning preferences for existing residents of historically exclusionary communities, limiting the use of tenant screening tools with a disparate impact on people of color like far-reaching criminal background checks that can ban people from housing for a minor conviction two decades in the past, and requiring affirmative marketing and a lottery for selection of residents. As more multi-family housing is built including affordable housing with these specific protections, we thus would expect to see more integration. And indeed, while demographic shifts will continue to play out over longer spans of time, there are already promising results pointing to the success of *Mount Laurel IV* in integrating neighborhoods.

## THE IMPACT OF MOUNT LAUREL IV ON DEMOGRAPHICS

Considerable demographic change in the direction towards more integration since 2015 can already be seen in several instances at the census tract level. To demonstrate this, we detail changes in racial and ethnic composition in the census tracts of several *Mount Laurel*-associated developments built since 2015 and compare these changes to those of other census tracts in the same municipalities.<sup>10</sup> In this analysis, we look at both changes in individual racial/ethnic group populations and a scaled diversity score in which higher values indicate more racial and ethnic diversity.<sup>11</sup>

### HILLSBOROUGH TOWNSHIP

Brookhaven Lofts is an inclusionary development built in 2016 with 502 total homes, 146 of which are deed-restricted affordable homes. This development is located in census tract 538.05, which also contains Sunnymeade Run, another inclusionary development built in 2014 with 383 total homes including 122 deed-restricted affordable homes. As detailed in Table 4, this tract grew much faster than the rest of Hillsborough since 2010 (it represents the fastest

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<sup>10</sup> For all of our demographic analyses, we extracted Census and ACS 5-year data from tidycensus in R and otherwise, Social Explorer. We compiled data on race/ethnicity according to these six groupings: Native American = Non-Hispanic Native American; Asian = Non-Hispanic Asian; Black = Non-Hispanic Black; White = Non-Hispanic White; Latino/a/x = Hispanic or Latino; and All Other = combination of Non-Hispanic Native Hawaiian and Pacific Islander, Non-Hispanic Other, and Non-Hispanic Multiracial categories. We account for changing census tract boundaries from 2010 to 2020 using the Longitudinal Tract Database made available by [Logan et al. \(2021\)](#).

<sup>11</sup> This scaled entropy measure includes our six racial/ethnic groups and when rescaled, ranges from 0 (least diverse) to 1 (most diverse). Entropy measures the uncertainty in an outcome - in this case, the racial or ethnic identity of a randomly selected resident of a given neighborhood. For more information, see [Roberto \(2016\)](#).

growing tract in the municipality). It has also recorded considerable increases in overall diversity and in all racial and ethnic groups included in this analysis, particularly among Black and Latino/a/x individuals, the two most underrepresented racial and ethnic groups in Hillsborough out of the four displayed in Table 4. In fact, tract 538.05 accounts for 80% and 37% of the growth in Hillsborough’s Black and Latino/a/x populations, respectively, from 2010 to 2020.

TABLE 4: Levels (2020) and change (2010-2020) in racial/ethnic diversity in Hillsborough census tracts

Tract	Population	Scaled Diversity Score	Asian Population	Black Population	Latino/a/x Population	White Population
All Other Tracts Combined	36,813 (7%)	0.6 (22%)	8,456 (99%)	1,642 (5%)	3,348 (28%)	21,947 (-14%)
<b>538.05</b>	<b>6,417 (71.1%)</b>	<b>0.74 (35.0%)</b>	<b>1,418 (19.4%)</b>	<b>396 (276.9%)</b>	<b>716 (155.8%)</b>	<b>3,654 (28.8%)</b>

Notes:

1. The bolded row (tract 538.05) contains the Brookhaven Lofts development.
2. Percentage changes from 2010 to 2020 are indicated in parentheses.

### WEST WINDSOR TOWNSHIP

Census tract 43.01 includes three *Mount Laurel*-associated developments since 2015: Project Freedom, a 100% affordable housing development with 18 units set aside for residents with special needs (72 units total), Parc at Princeton Junction, an inclusionary development with 6 affordable units (232 units total), and Princeton Terrace II, an inclusionary development with 24 affordable units (120 units total). It also includes a large inclusionary development built prior to 2015 that resulted from one of the most important cases in the history of the *Mount Laurel* Doctrine, *Toll Brothers v. Tp. of West Windsor*. Tract 43.01, as illustrated in Table 5, has demonstrated far more growth than the rest of West Windsor since 2010, both in terms of overall population and also growth in the Asian, Black, and Latino/a/x population (as well as lower declines in the White population). This tract alone accounts for 93% of West Windsor’s population growth since 2010, along with 99% and 69% of the growth in its Black and Latino/a/x population, respectively, since 2010. Notably, within this tract, the Black and Asian population

grew at twice the rate of overall population growth and the Latino/a/x population grew at 1.5 times the rate of overall population growth.

TABLE 5: Levels (2020) and change (2010-2020) in racial/ethnic diversity in West Windsor census tracts

Tract	Population	Scaled Diversity Score	Asian Population	Black Population	Latino/a/x Population	White Population
All Other Tracts Combined	19,605 (1%)	0.6 (-9%)	10,085 (48%)	516 (0%)	849 (12%)	7,459 (-32%)
<b>43.01</b>	<b>9,894 (28%)</b>	<b>0.73 (-5%)</b>	<b>5,404 (58%)</b>	<b>688 (56%)</b>	<b>657 (44%)</b>	<b>2,760 (-13%)</b>

Notes:

1. The bolded row (tract 43.01) contains the developments mentioned above.
2. Percentage changes from 2010 to 2020 are indicated in parentheses.

### EGG HARBOR TOWNSHIP

Egg Harbor Township, a large suburb of Atlantic City, had evaded participation in the *Mount Laurel* process until FSHC sued the town in 2008. Following that litigation, Egg Harbor Township allowed two significant 100% affordable developments, Egg Harbor Township Family Apartments (136 units, 60 of which were built very recently) and Atrium Apartments at Egg Harbor (183 units), both funded through a combination of federal Low Income Housing Tax Credits and a pool of over \$600 million disaster recovery funds to rebuild affordable housing stock in areas most impacted by Superstorm Sandy, which resulted from the largest federal Fair Housing Act settlement in American history based on a case brought by FSHC, the NAACP, and Latino Action Network. Growth in the overall population and Asian, Black, and Latino/a/x populations in the two Census tracts where these developments are located has outpaced growth recorded in the rest of Egg Harbor Township from 2010 to 2020. These two tracts account for nearly a third of Egg Harbor Township’s population growth from 2010 to 2020 and 61% and 43% of the growth in Egg Harbor Township’s Black and Latino/a/x populations, respectively, over the same time period.

TABLE 6: Levels (2020) and change (2010-2020) in racial/ethnic diversity in Egg Harbor Township census tracts

Tract	Population	Scaled Diversity Score	Asian Population	Black Population	Latino/a/x Population	White Population
All Other Tracts Combined	38,294 (8%)	0.62 (6%)	5,116 (15%)	3,075 (5%)	5,909 (35%)	22,394 (-2%)
<b>117.02 &amp; 118.03</b>	<b>9,340 (18%)</b>	<b>0.83 (10%)</b>	<b>698 (29%)</b>	<b>1,286 (23%)</b>	<b>2,519 (86%)</b>	<b>4,400 (-8%)</b>

Notes:

1. The bolded row (tracts 117.02 and 118.03) contains the developments mentioned above.
2. Percentage changes from 2010 to 2020 are indicated in parentheses.

Without further analyzing the racial/ethnic and socioeconomic composition among tenants of all of the developments in our sample (information which we generally lack), we cannot definitively determine how much these developments account for neighborhood-level demographic changes<sup>12</sup> like those illustrated in the previous case studies. Moreover, affordable housing development is likely occurring alongside other factors that would need to be accounted for in order to isolate the role of affordable housing development in driving neighborhood-level demographic changes. Still, it is reasonable to suspect that these *Mount Laurel*-associated developments play a large part in promoting or maintaining integration in their surrounding neighborhoods, not just in Hillsborough, West Windsor, or Egg Harbor Township, but all across New Jersey.

Broadening our analysis beyond the neighborhood level proves more difficult as Census data lags home construction, sometimes by several years, especially at the municipal level. In most cases, the developments resulting from the *Mount Laurel IV* process were not built and occupied by the time of the most recent Census data (many have been permitted/built since 2019), which is one reason why the data would not yet reflect substantial change. Moreover, the 21,000+ affordable homes analyzed in this report represent less than half of the deed-restricted affordable homes likely to be built in the Third Round, meaning that it is very likely that the full demographic impact of *Mount Laurel IV* will take longer to materialize at a broader level in the same way it has begun to manifest in our neighborhood-level results.

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<sup>12</sup> We observed racial and ethnic compositions of these tracts using 2010-2014 ACS 5-year estimates to assess whether these demographic changes predated Mount Laurel IV, but generally did not find evidence of this.

However, we did carry out municipal-level analyses to determine whether the 21,000+ affordable units studied in this report were more or less likely to be built in municipalities that were ethnically or economically diverse at the start of the Third Round (i.e. right before 2015). The results indicate that while municipalities with higher levels of racial/ethnic diversity at the beginning of *Mount Laurel IV* tended to produce slightly more *Mount Laurel*-associated affordable units, still roughly 29% of all *Mount Laurel* affordable housing units since 2015 were produced in municipalities where White residents comprised 79% or more of the population just prior to 2015 (the median of White shares of residents across participating municipalities); as a point of reference, 36% of the total population in participating municipalities just prior to 2015 were in these same municipalities that were more than 79% White, meaning that the share of overall production of new affordable homes in these less diverse municipalities was slightly less than their population share of participating municipalities, but was still noteworthy.<sup>13</sup> Moreover, with respect to economic diversity, rates of *Mount Laurel* production were slightly higher for higher-income municipalities, though overall generally similar across municipalities with different levels of median household income just prior to *Mount Laurel IV*. Roughly 57% of *Mount Laurel*-associated affordable units since 2015 were constructed in municipalities with a median household income at or above \$101,152 just prior to 2015 (the median of median inflation adjusted household incomes across participating municipalities). 49% of the total population in participating municipalities just prior to 2015 were in these higher-income municipalities, suggesting that municipalities with higher median household incomes account for a considerable and equitable share of *Mount Laurel* development since 2015.<sup>14</sup>

## FREEDOM VILLAGE AT WEST WINDSOR

Developed by Project Freedom, Freedom Village at West Windsor is a 100% barrier-free and wheelchair accessible building with a total of 72 *Mount Laurel*-associated affordable homes. 18 of those units are set aside for people with disabilities.



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<sup>13</sup> The White share of residents statewide just prior to 2015 was 58%. 75% of *Mount Laurel*-associated affordable units since 2015 were constructed in municipalities with a White share of residents at or above the statewide White share just prior to 2015.

<sup>14</sup> We adjusted 2010-2014 median household income for inflation to 2021 dollars by using the Consumer Price Index Retroactive Series (R-CPI-U-RS), U.S. City Average, All Items, Not Seasonally Adjusted data. The 2021 inflation adjusted statewide median household income for New Jersey just prior to 2015 was \$82,552. 84% of *Mount Laurel*-associated affordable units since 2015 were constructed in municipalities with a median household income at or above the statewide median just prior to 2015.

These results suggest that the *Mount Laurel IV* process has been able to significantly overcome barriers in municipalities that have historically been the most exclusionary. Such a result is notable given the well-documented challenges to constructing affordable homes in racially and/or economically homogeneous places. That said, one would hope that there would be even more production in areas with lower baseline diversity given their historic records of exclusion. As more affordable homes continue to be built, it will be worth revisiting the ultimate demographic impact of *Mount Laurel IV*.

In sum, the process since *Mount Laurel IV* appears to be creating racial and income diversity where it does not exist or is lacking. And this process is creating affordable homes in New Jersey's least diverse and most segregated communities. As more units continue to be built and more Census data become available, it will be important to see if these trends expand on a broader scale.

## THE PROMISE OF INTEGRATED NEIGHBORHOODS

Previous research demonstrates why the progression towards neighborhood integration captured by the Hillsborough, West Windsor, and Egg Harbor Township case studies matters. The most notable account details the success of Ethel R. Lawrence Homes (ERLH), the development that came out of the original lawsuit in *Mount Laurel*, and the resulting benefits experienced by its residents.

The study on ERLH, *Climbing Mount Laurel*, released in 2013 by a team led by Princeton University professor Doug Massey, examined the impact of the development on its residents and the surrounding community of Mount Laurel. The researchers also compared the economic and health outcomes of ERLH residents to those who applied for housing but did not receive it.

Residents of ERLH experienced an increase in their rate of employment by 22% and an increase in earnings of 25%, with incomes significantly higher than for those who were unable to access affordable housing. Consequently, reliance on welfare among new ERLH residents decreased by 67% and mental health measures increased by 25% as a result of declining social and economic stressors. Affordable housing in a community with strong education and job opportunities thus helped residents achieve significant health and economic outcomes. This result is also consistent with broader [national studies](#) by Raj Chetty and colleagues, who found that accessing housing in a lower-poverty area means that children who grow up in those communities have significant increases in their likelihood of going to college and in their earnings as adults.

*Climbing Mount Laurel* also determined that property values did not decrease, there was no evidence of increased crime, and municipal taxes did not increase in Mount Laurel as a result of affordable housing. Researchers also conducted interviews with residents outside the ERLH and found that most residents were unaware that it was an affordable housing development.

Apart from the quantifiable benefits of integration like income, overall housing production, and increases in participation in the local economy, integration also provides communities with the benefit of cultural and social diversity. During the time of the attempted expulsion of Mount Laurel's Black community in the 1960s and 70s, the municipal government in Mount Laurel was overwhelmingly controlled by and representative of the town's White community alone. It took until 2022, after years of developing more affordable housing and increases in the population of Black residents, that Mount Laurel Township ultimately elected its first Black mayor, Mayor Kareem Pritchett. Mayor Pritchett took office as part of a diverse slate of council members including two first generation immigrants, one of whom is the first Muslim and Pakistani-American woman to be elected to office anywhere in South Jersey, and a Jewish councilwoman. Mount Laurel Township's transformation is not unique; it is part of a broader trend of integrating communities as a result of progress made by the *Mount Laurel Doctrine*.

## LESSONS LEARNED

- Dismantling exclusionary zoning directly rebukes one of the strongest tenets of systemic racism: residential segregation
- Integrated communities thrive economically, have high ranking public school systems, better health outcomes, and best represent the future of America
- Research overwhelmingly supports that creating affordable homes in communities with good education and job opportunities has long-lasting impacts on residents because housing stability is fundamentally transformative

## CHANGING LIVES, TRANSFORMING COMMUNITIES

### WANDA VIDAL, PRINCETON RESIDENT

"PEOPLE LIKE US, MINORITIES, WE WANT WHAT YOU WANT...WE WANT TO BE IN NICE NEIGHBORHOODS, WE WANT TO RAISE OUR KIDS IN NICE PLACES, WE WANT THEM TO GO TO GOOD SCHOOLS, WE WANT TO OWN A HOUSE."

Wanda, a 58 year old single mother and grandmother, grew up in the Red Hook projects of Brooklyn, New York. She became a single mother at the age of 17 and was constantly in search of an affordable home and safe neighborhood to raise her children in. Since 2003 she has worked for the NJ Turnpike Authority, but has not been able to make a down payment on a home while supporting herself and her children. In 2022, she was finally able to move into what she refers to as her "dream home" through Habitat for Humanity's affordable housing program.



### CHERRY HILL

For three decades, Cherry Hill fought new affordable housing tooth and nail. Their fierce opposition culminated in a 2010 Planning Board meeting where residents formed a physical barrier between the Board members and civil rights leaders seeking to build 54 affordable homes. The Board then illegally turned down the application. Five years later, after the landmark *Mount Laurel IV decision*, Cherry Hill changed course and became the first town to reach a settlement of its obligations. Since then the town has added hundreds of new affordable homes, including Evans-Francis Estates, named by Fair Share Housing Development after two of the civil rights leaders who fought for them. Following the police killing of George Floyd in 2020, Black students in Cherry Hill organized Black Lives Matter protests and made demands to the school board for a required course on African-American history. In 2021, supported by Corrien Elmore-Stratton, a Black woman elected to the school board on a platform of embracing the town's growing diversity, the students convinced Cherry Hill to become the first town in the entire state to require an African-American history course for high school students.

## ERIKA CARRION, MARLTON RESIDENT

**"IT'S MEANT A LOT TO LIVE HERE. IT'S A GOOD NEIGHBORHOOD. SO FAR THE SCHOOL DISTRICT IS GOOD. THE KIDS LOVE HAVING THEIR OWN ROOM. EVERYONE'S BEEN A LOT HAPPIER. I DON'T HAVE TO WORRY SO MUCH."**

Erika is a 43 year old single mother of four. She is currently studying to be a neurological diagnostic technician, and works at her local hospital as a patient care technician. For many years, Erika struggled to afford her rent and was often concerned about the safety of her previous neighborhoods. In 2020, through Habitat for Humanity's affordable housing program, Erika and her children moved into her current home where she is grateful for the safety and quiet of her community.



## SOUTH ORANGE

South Orange often has been seen from the outside as a model of a racially integrated town located in between Newark and wealthy, white suburbs; the town is today 24% Black, 7% Latino/a/x, and 4% Asian. However, many in town have pointed out that the town's actions have not always actually supported integration, including the town's history with affordable housing. South Orange fulfilled its past obligations by paying out of them with Regional Contribution Agreements before they were outlawed, and largely built senior housing in town. According to South Orange Mayor Sheena Collum: "South Orange has a really checkered history. I think South Orange did everything wrong. It overlaid zoning in areas that were never intended to actually amount to affordable housing. So it really wasn't until I would say, when I got elected that we focused on building affordable housing here for families." *Mount Laurel IV* in 2015 spurred the town to allow a number of inclusionary and 100% affordable developments for families. Collum notes that having a strong legal requirement spurred the town to take action: "Without it towns would do the wrong thing. I'm not convinced that towns would, at the end of the day, plan for inclusionary affordable housing. There's a lot of things within affordable housing that you can't monetize- but it's about who you want to be as a community, and you can't put a number on that."

## ALANA BAPTISTE, HAMILTON RESIDENT

**"I THINK THERE'S MORE AND MORE PEOPLE LIKE ME, THAT ARE HURTING, THAT DON'T HAVE THE MONEY FOR A HOUSE, OR EVEN AN APARTMENT."**

Alana is a 52 year old single mother who is currently on dialysis. She receives disability payments, and after losing her home to foreclosure, became homeless and was unsure of how she would be able to survive. Through assistance from Homefront New Jersey, Alana was able to move into her own apartment in 2018 and has remained there since.



## ROBBINSVILLE

In 1991, Robbinsville partnered with Project Freedom, an organization dedicated to housing and empowering individuals with disabilities, to build a groundbreaking accessible affordable housing development. Project Freedom's founder, Norman Smith, is disabled himself. When asked what he sees as the biggest barrier to accessible housing for the disabled community, he told us simply "There's just not enough of it." 25 years later, as the result of advocacy efforts by FSHC, Project Freedom, and cooperation from Robbinsville Mayor Dave Fried, Robbinsville allowed 72 more accessible affordable homes in the heart of Robbinsville's Town bustling Center, enabling residents to access their jobs and community without the need for transportation. According to Mayor Fried, "They've actually been able to get jobs at the restaurants, so they live and work all in the same place... we've got some young people that probably could never live independently otherwise, on their own. I just think that it's super unique, and I'm really proud of it." Robbinsville, as part of its fair share plan, also preserved manufactured housing instead of seeing it being replaced with high end development. When residents complained about problems with their landlord, Mayor Fried and the town took control of Mercer Mobile Home Park and preserved it as affordable housing. According to Fried, the common thread is that "We want to have affordable housing be part of our community" - which means integrating people with disabilities and protecting residents of manufactured housing, both groups historically excluded in many towns.



### ZELDA CHARLES-BOUÏTE, HAMILTON RESIDENT

**"SOMETIMES I DIDN'T HAVE ANYWHERE TO STAY, SO I TRIED TO FIND A BETTER LIFE. I WENT TO SCHOOL... BUT SOMETIMES I WORKED ONLY TO PAY FOR A PLACE TO STAY."**

Zelda is a 44 year old married mother of two who works as a CNA for people in assisted living. Upon coming to the U.S. from Haiti following the 2010 earthquake, she struggled to find secure housing and was often homeless. Other times, she would spend the entirety of her paycheck on rent to avoid losing custody of her children. Through Homefront New Jersey, Zelda and her family now live in an affordable home where her daughters can play and explore passions like cooking now that they have a kitchen. Zelda and her family have become part of their community and when asked how she feels about her living situation now, she said "I'm happy. When I'm here, I feel at home."

# CONCLUSION

America is at a critical juncture in its history, with unprecedented levels of income inequality, resurgent racial animus, and a worsening housing crisis. The next several years will set the stage for what our country will be for generations to come, a society that reverts back to its racist and segregationist roots or one that holds fast to its promise of equality for all.

New Jersey's 50-year fight to dismantle exclusionary zoning holds many lessons for the rest of the country. Yet the work is far from finished.

We hope you will use this blueprint in your communities to dismantle the systemic racism inherent in housing segregation and advance the collective, intersectional fight for safe, healthy, and affordable communities for all.