

“COAH Research is Full of Shortcomings”

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We have studied the recent round of rules adopted by New Jersey's Council on Affordable Housing (COAH). Our research reveals that the new rules are wholly inconsistent with sound scientific methods and neglect to assess the relationships between policy and long-run economic and demographic trends.

Last year, in response to state Supreme Court orders, COAH issued new rules that effectively mandate construction of 100,000 units of affordable housing for low- and moderate-income households over the next 10 years. Since then, several lawsuits have been filed challenging the new rules.

At the request of the New Jersey League of Municipalities, we at the Tinari Economics Group undertook a detailed analysis of the new rules and examined the research COAH relied upon to develop its town-by-town targets. Chief among the errors, missteps and lost opportunities to get affordable housing targets right were the following:

- Population migration disregarded. The composition of New Jersey's labor force was ignored by COAH. Recent studies (e.g., a study on migration conducted by the Policy Research Institute at the Woodrow Wilson School) reveal that the majority of people leaving the state have lower-than-average education and income, while there has been a modest population gain of those with a college degree. The impact of this trend upon housing need was completely ignored by COAH in formulating its affordable housing projections.
- Mass transit not considered. Perhaps the most irresponsible oversight by COAH was its complete disregard of mass transit as a method by which workers can access jobs while still being able to afford area housing. An implicit assumption of the new COAH rules is that everyone should have an equal opportunity to purchase affordable housing "close to" their place of employment. Yet for a long time, efficient, affordable mass transit has been an alternative method of linking an individual's residence and place of employment. Rail and transit services are experiencing a renaissance thanks to continuing concerns about the environment and highway congestion, and new federal funding measures including President Obama's stimulus plan suggest significant improvements in mass transit will occur over the next several years.
- No coordination with other state goals. COAH's consultants state that their figures are not intended to advocate specific levels of growth in the state. Rather, they "should be used as a reference framework for planning." But that is not what COAH intends by its municipality-specific targets for affordable housing. Local towns are expected to achieve these goals by implementing new zoning regulations on top of those already on the books. It does not appear that COAH communicated with state planning authorities or environmental regulators, who have imposed their own constraints on land use throughout the state. As a result of municipal complaints over COAH's vacant land analysis, COAH did revise its maps. But the revisions did not go far enough to encompass the wide array of local and state restrictions on land use.

- Immigrant community networks ignored. Also ignored by COAH is the growing literature on the benefits of building ethnic communities that help support group members such as newly arrived immigrants. These communities typically develop in larger cities where people can live in close proximity to one another, providing social, economic and cultural assistance. Instead, COAH wants to spread out affordable housing across the entire state, with little bits in each suburban town. This makes no sense from a social support perspective.

Had COAH taken into account the state's changing demographics, the effectiveness of mass transit in getting people to their jobs, planning and environmental constraints and the benefits of community agglomeration, its third round rules would have looked a lot different and likely would have saved the state and its taxpayers from having to fight multiple law suits.

New Jersey has a responsibility to its citizens to vacate its third-round rules and to commission a new independent, comprehensive and credible analysis of the most effective way to address affordable housing needs. It is incumbent upon the state to find an affordable housing solution that is consistent with sound growth policy and up-to-date research regarding important economic and demographic realities. We call on the governor to get it right.

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