

# COMMUNITY

A Publication of the New Jersey Department of Community Affairs

## HOUSING BOX SCORE \*

(May 31, 1967 to December 31, 1970)

<b>Under Construction and Rehabilitation:</b>	4,031 units in 12 cities.
<b>In Occupancy:</b>	500 units in four cities.
<b>Under Commitment:</b>	1,423 units in four cities.
<b>Housing Need Resolutions:</b>	Passed by 71 municipalities.
<b>Demonstration Projects:</b>	500 units occupied, and 1,700 units under construction in 12 cities.

\*Except for Demonstration Projects, all housing shown is financed by the New Jersey Housing Finance Agency.

## Cahill Urges Change in Federal Priorities

Governor William T. Cahill last month urged a reordering of priorities by the federal government "to aid the Newarks of America."

In his First Annual Message to the State Legislature, Cahill said that the problems of America's cities — housing, health, education, crime, unemployment, and pollution — "cannot wait much longer — remedies must be provided, and quickly! Again I repeat the message, and hope it will be heard in Washington: The States can no longer serve the needs of their citizens without federal funds; the federal government must share its funds or assume our burdens."

He urged that the federal government institute a revenue sharing program to distribute "a minimum" of \$10 billion in federal funds to the states.

The Governor said that the State would do as much as possible to aid the cities. He said that a new broadened formula for distributing State urban aid to New Jersey's cities was being prepared and would be submitted to the Legislature for its approval.

He said it was not yet possible to determine how much money the State would be able to allocate to urban aid, and added, "I do know it will be insufficient to meet the needs of the qualifying cities and other municipalities in the State."

Sufficient funds, he added, can come only from the federal government.

Cahill said previous State-aid programs approved by the Legislature assisted only a small number of the municipalities needing help and that the funds were allocated according to inadequate formulas.

The Governor also pledged to "proceed from words to action" in the development of the Hackensack Meadowlands during 1971. He listed three areas in which he expected progress during 1971 — resolution of disputed ownership of some of the Meadowlands, reduction of pollution through installation of a modern system of waste disposal, and installation of a flood control system.

The Governor also disclosed that the State is negotiating with the New

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## Management Team Helps Gloucester Raise Credit Rating

The Department last month announced it has assisted the County of Gloucester in upgrading its credit rating, and, as a result, the County has saved an estimated \$750,000 in interest costs on a \$2.5 million bond issue. The proceeds from the bond sale are being used to help finance the construction of Gloucester County College buildings.

Community Affairs Commissioner Edmund T. Hume, who made the announcement, said, "It is believed to be the first time a New Jersey county has received a credit rating higher than its original rating." He noted that the credit rating of one other county that had dropped later was restored to its original level.

With the Department's assistance, Gloucester County's rating by Moody's Investors Service, Inc., a New York rating house and advisory service, was raised in October from "Baa" to "A" — two ratings higher. In addition, Standard and Poor's, another rating house, raised the county's rating from "BBB" to "A" — one rating higher.

The county had originally called for bids on the bond issue last May, but the bids on the interest rates were so high — in the 7 per cent range — that the county rejected all of them, Hume explained. However, when the county received its higher credit rating, it was able to sell the bonds at an interest rate of 5.3 per cent over the 22-year life of the issue.

"Even though the general tone of the bond market has improved, the interest rate reduction is a significant one. It means thousands of dollars in savings for Gloucester County taxpayers," Hume said. "And this kind of savings can continue to be realized as long as the county main-

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## **7 More Communities Join State Housing Inspection Program**

The Department has reserved State-aid credits totaling \$22,000 for three municipalities which have agreed to register and inspect hotels, motels and multiple dwellings for the State under the Department's cooperative housing inspection program.

In addition, four municipalities which had previously registered build-

### **Five Municipalities Get Emergency Aid**

Five New Jersey municipalities have been awarded a total of \$233,062 in State-aid funds as reimbursement for certain expenses which they incurred as a result of civil disturbances during the 1969 calendar year.

The grants were made from a special \$2 million Local Emergency Aid Fund appropriated by the State Legislature under provisions of the Local Emergency Aid Act of 1969. The payments were authorized on October 22 by the State House Commission, a statutory agency which oversees certain State transactions, as required by law, after review by the Department's Division of Local Finance.

The five communities and their grant totals are as follows: Newark, \$148,788; Plainfield, \$56,244; Rahway (Union County), \$17,800; Roselle (Union County), \$6,480; and Freehold (Monmouth County), \$3,750.

Under the act, any municipality which incurred expenses during a 1969 "emergency" was eligible for financial assistance. The law defines emergency as, "Any unusual conditions caused by civil disturbances whereby the safety of the public is endangered or imperiled."

Under a recent amendment to the law, communities which incurred expenses for emergencies that occurred during the 1970 calendar year may seek reimbursement grants from the remainder of the fund. Any municipality desiring to apply must request application forms and regulations no later than March 31, 1971, from the Director, Division of Local Finance, New Jersey Department of Community Affairs, P.O. Box 1959, Trenton, New Jersey 08625.

ings will receive State-aid credits totaling \$76,000 to begin the inspection phase of the program.

Including these seven municipalities, a total of 67 communities have joined the program since its inception two years ago.

Under the program, participating municipalities receive a \$10 credit for every hotel and motel of ten or more units and every multiple dwelling of three or more units that their inspection staffs help register. They receive a \$10 credit for every unit of housing inspected, up to a maximum of \$150 per building.

Community Affairs Commissioner Edmund T. Hume, who announced the reservations last month, said, "Through this cooperative program, the State and its municipalities can work together to conserve and improve the quality of housing in New Jersey."

The municipalities can use their credits to purchase equipment, hire more inspectors and otherwise im-

## **County Aging Offices Will Get State Aid**

The Department's Division on Aging is now authorized to provide State-aid funds to meet up to half of the annual cost of operating County Offices on Aging that no longer receive federal funds for that purpose.

Under a State law signed by Governor William T. Cahill last fall and effective January 1, the Division may provide up to \$20,000 a year on a reimbursement basis to county governments that continue operating Offices on Aging after federal funds expire.

The reimbursement grants are to be awarded at the end of each calendar year, according to the law, so the first grants will not be made until after December 31, 1971. The source of these State-aid funds has not yet been determined.

County Offices on Aging serve as central sources for information and referral services to older residents. At present, there are 12 such offices, operating in Bergen, Burlington, Camden, Cape May, Cumberland,

prove their code enforcement programs, Hume explained.

The credits will be awarded from a \$918,828 State-aid appropriation in the Department's 1970-71 fiscal budget and from registration, inspection and penalty fees collected from building owners.

Under State law, the Department's Bureau of Housing Inspection is responsible for registering and inspecting the State's estimated 115,000 hotels, motels and multiple dwellings, but may share this responsibility with municipalities.

Hume said registration and inspection contracts have been signed with: Avalon (Cape May County), \$2,000; Dumont (Bergen County), \$5,000; and Lakewood (Ocean County), \$15,000.

Also, inspection contracts have been signed with:

Carteret (Middlesex County), \$2,000; East Windsor (Mercer County), \$6,000; Neptune (Monmouth County), \$36,000; and Wildwood (Cape May County), \$32,000.

Essex, Hudson, Mercer, Middlesex, Ocean, Passaic and Sussex Counties.

The Offices have been established by county governments with federal funds awarded by the Division on Aging under Title III of the Older Americans Act of 1965. The federal grants finance 75 per cent of an Office's budget for the first year, 60 per cent the second year, and 50 per cent the third year.

Prior to the new law, counties continuing their Offices on Aging after this three-year federal funding cycle had to meet all operating expenses through local or independent funds.

Seven of the 12 Offices are expected to complete their three-year cycle during 1971, and, thus, become eligible for reimbursements. The seven are in Bergen, Camden, Hudson, Middlesex, Mercer, Passaic and Sussex Counties.

Edward L. Donohue, director of the Division on Aging, called the new law one of the most important pieces of State legislation for older New Jerseyites.





*MADISON HOUSE in Atlantic City (left), a former hotel converted into 189 efficiency apartments for the elderly, was opened for occupancy recently. Rehabilitation of the 13-story structure was financed with a \$2 million mortgage loan from the New Jersey Housing Finance Agency (NJHFA). Residents of the development eat together in a large dining room (above).*

## **Elderly Cite Increased Retirement Income as Greatest Need**

Older New Jersey residents have indicated that increased income in retirement is at the top of their list of pressing needs, according to the Department's Division on Aging.

Edward L. Donohue, director of the division, reported this and other findings to members of the State Advisory Committee on the White House Conference on Aging, which held its first meeting January 21.

The Committee, consisting of all 21 county freeholder directors and representatives of various State agencies, was established by Governor William T. Cahill to help the Division prepare for New Jersey's participation in the White House Conference on Aging, to be held in Washington, D.C. from November 29-December 2, 1971.

Donohue told the committee that adequate incomes for the elderly was ranked first in a list of nine categories of pressing needs for older persons. The list, compiled by the Division on Aging, was based on recommendations made by more than 4,300 senior citizens who attended a series of county forums held last fall.

In addition to income increases, forum participants called for improvements in transportation, health services, housing, employment in retirement, retirement roles and activities, educational opportunities and

spiritual well-being, in that order. Donohue said separate detailed position papers on each of the nine needs would be prepared at two intrastate regional conferences to be held in March.

Final position papers will then be presented at the Governor's Conference on Aging in May, Donohue said. At that time, Governor Cahill will name a New Jersey delegation to the White House Conference.

"The needs listed by older New Jerseyans strongly indicate the tremendous task the White House Conference will face," Donohue said.

In each area, the elderly indicated a variety of specific proposals. For example, in the top priority area — adequate income — respondents called for increases in Social Security benefits geared to the cost of living, no limitation on earnings for those over 62 years old who receive Social Security, and a decrease in school taxes for retired homeowners.

Other recommendations were as follows:

► **Transportation** — New approaches in public transportation suited to the needs of the elderly, including the use of jitney buses, reduced fares, improved routing of regular bus service, and the regionalization or nationalization of all railroad passenger service.

► **Health Services** — More physicians available on holidays and weekends, additional personnel to provide needed homecare services, lower eligibility requirements for Medicaid, and some form of mandatory health insurance.

► **Housing** — More public housing authorities on either the municipal or county level to provide desperately needed low-cost housing for the elderly, revision of the State's tax structure to permit a reduction in local property taxes, and federal rent controls.

► **Retirement Employment** — The establishment of counseling centers offering advice on suitable employment opportunities, special efforts by employers to hire retirees to train new employees, and strict enforcement of laws prohibiting age discrimination in employment.

► **Retirement Activities** — The establishment of multi-purpose centers at convenient sites and increases in the kind and scope of volunteer service opportunities.

► **Education** — A scholarship program to enable persons over 45 to be re-trained for new careers.

► **Spiritual Health** — Increased efforts on behalf of the clergy to provide spiritual services to the elderly, particularly those who are homebound or institutionalized.



## New Budgeting Process Is Being Implemented In 3 Localities

A new kind of budgeting process tested by Sparta (Sussex County), Woodbridge and Mercer County last year has been used as the basis for the preparation of their 1971 annual budgets.

The novel process relates salary, equipment and other costs to municipal services rather than to the various governmental units, as was traditionally done. It is part of a new approach to financial management known as the Planning-Programming-Budgeting (PPB) system.

The three localities, with the assistance of the Department's Division of Local Finance, are implementing the system on an experimental basis. It is the first time the PPB approach has been used by a New Jersey locality.

Now in its second year, the experimental effort is being financed by a combination of local funds and \$46,400 in federal planning funds from the U.S. Department of Housing and Urban Development (HUD).

"The aim of the pilot project is to develop an advanced system that can be implemented, with the aid of instruction manuals by other interested jurisdictions in the State," explained James Alexander Jr., chief of Local Management Services. "The experience of these three localities is encouraging, because it indicates that the PPB system may work in other communities that are willing to make the necessary investment."

"For instance, the 'program' or services budget that is being used by Sparta, a rural community of 10,000, was originally developed for Woodbridge, an urban area of 100,000. Because all communities basically provide the same kind of services, this kind of budget can be transferred to other communities."

The PPB system assists local officials in making budget preparation decisions by clearly indicating the purpose, costs and benefits of each municipal service, Alexander explained. "Under the traditional line-item

budgeting process, only costs are included in the budget, so that local officials never know what benefits are derived from their expenditures or whether there is a more efficient way to get the same results."

Consisting of several key components, the system works this way:

► Each locality determines the goals of its community and inventories all its programs. Then, all the alternate ways of achieving these goals are considered on the basis of cost-benefit factors. Selection of the best alternatives are made and a "program structure" is set up in which all municipal activities designed to achieve the same objectives are classified together.

► The costs of each activity are calculated and from this a "program budget" is prepared. In addition, a "crosswalk" chart is developed, which enables officials to translate a "program budget" back into a traditional budget whenever necessary.

► Next, "indicators" are selected to assist local officials in evaluating how efficiently and effectively a community is accomplishing its goals. It also aids them in planning for future years. For instance, one indicator of how well Woodbridge is providing for the recreational needs of its senior citizens would be the number of programs offered to this age group.

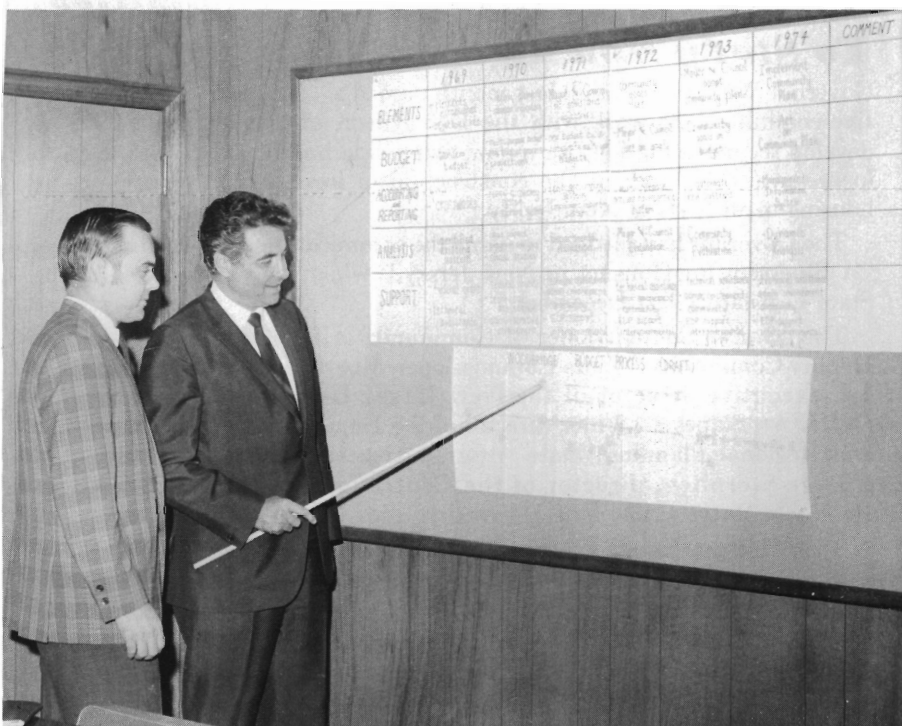
Alexander said this is the first time the three jurisdictions would be using such "indicators" in preparing their budgets.

► Another component of the system is the "multi-year program and financial plan." Basically, a multi-year budget, the plan projects revenues and expenditures for a specific number of forthcoming years. Sparta has projected revenues for six years, and Woodbridge has projected expenditures for the same period of time.

Alexander said that any locality interested in implementing any phase of the PPB system or in receiving other assistance in budgetary procedures should contact the Financial Management Unit, Department of Community Affairs, P.O. Box 1959, Trenton, N.J. 08625.

JOSEPH N. EHRET (left), director of the Department's Division of Local Finance, and Woodbridge Mayor Ralph P. Barone review details of the Planning-Programming-Budgeting (PPB) system, a novel management process used to prepare the township's budget. Woodbridge, along with Sparta and Mercer County, is implementing the PPB system on an experimental basis, with the Division's assistance.

Photo by Atom Tabloid



## **Legal Services Units Receive State Aid Totaling \$129,400**

The Department awarded State-aid grants last month totaling \$129,400 to 11 local legal services agencies which serve 13 counties across the State.

The agencies provide free legal assistance in civil matters to indigent New Jerseyites through 37 neighborhood law offices.

Community Affairs Commissioner Edmund T. Hume, who announced the grants, said the funds "will enable these agencies to continue to offer needed legal services to individuals and families who cannot ordi-

## **Construction Begins On Englewood Units Financed by State**

Groundbreaking ceremonies were held last month in Englewood for 270 units of low- and moderate-income cooperative housing being financed by the New Jersey Housing Finance Agency (NJHFA).

The \$7,140,000 development, to be built on two separate sites, is being sponsored by the Greater Englewood Housing Corporation (GEHC), a non-profit group formed by the Galilee United Methodist Church in Englewood. NJHFA's mortgage loan will cover 100 per cent of all project costs.

The development, consisting of clustered garden apartments, will be built on a site in Lafayette Park, at Lafayette Place and Garden Streets, and another site in Trumbull Park, at Rockwood Place and Route 4. The two sites total 21 acres.

The housing will consist of a total of 116 one-bedroom units, 78 two-bedroom units, 56 three-bedroom units, 14 four-bedroom units, and 6 five-bedroom units.

Federal rent reduction assistance programs will be used to reduce monthly carrying charges for this development for eligible low- and moderate-income residents. The U.S. Department of Housing and Urban Development (HUD) will provide this assistance annually for the life of the mortgage under two programs designed to limit an eligible family's expenditure for housing to 25 per cent of income. Eligibility for these programs is based on income.

narily afford a lawyer."

"Presently, there is no constitutional guarantee for an indigent person to receive free representation in a non-criminal matter," Hume added. "These grants, however, will help insure that persons with limited incomes have an opportunity to receive such representation."

The funds, awarded by the Department's Office of Legal Services, went to the Newark-Essex Joint Law Reform Unit, which serves Newark and Essex County, the Newark Legal Services Project, Inc., and to agencies based in Bergen, Camden, Essex, Hudson, Mercer, Middlesex, Passaic, Somerset, and Union Counties. Hume said additional State funds would be reserved for two legal services agencies in Monmouth and Ocean Counties, which are currently considering consolidation.

The grants were made from a \$1,110,000 State-aid fund for economic opportunity programs in the Department's 1970-71 budget. Hume said these grants will help the agencies meet the local share costs of about \$3.3 million in legal services grants awarded by the U.S. Office of Economic Opportunity (OEO) for fiscal year 1971.

The combined funds will enable the agencies to retain about 115 licensed attorneys to provide legal advice and represent low-income persons in civil matters and before administrative agencies. During fiscal year 1970, local legal services lawyers handled more than 39,000 cases.

To qualify for free legal assistance, an individual must have a maximum annual income of \$3,000. An additional \$500 a year is permitted for each dependent.

The agencies and the grants they received are:

Bergen County Legal Services Assurance Corp., \$6,250; Camden Regional Legal Services, Inc., serving Burlington, Camden, Cumberland, Gloucester and Salem Counties, \$34,500; Essex County Legal Services Corp., \$1,500; Hudson County Legal Services Corp., \$7,400; Legal Aid Society of Mercer County, \$8,750; and Middlesex County Legal Services Corp., \$5,250.

Also, Newark-Essex Joint Reform Project, \$8,250; Newark Legal Services Project, Inc., \$32,250; Passaic County Legal Aid Society, \$12,500; Somerset County Legal Services, Inc., \$8,500; and Union County Legal Services Corp., \$4,250.

## **Cahill Names 13-Member Committee To Study How to Meet Housing Needs**

Governor William T. Cahill last month named a 13-member "highly selective committee" to work with the Department of Community Affairs to develop recommendations for a new State-wide building code and ways to insure available land for the construction of low- and moderate-income housing in all parts of New Jersey.

The Governor had pledged to name the committee in his special message, "A Blueprint for Housing in New Jersey," which was transmitted to the State Legislature last December 7.

The 13 are: Commissioner of Community Affairs Edmund T. Hume; Deputy Community Affairs Commissioner Albert Meyers; John P. Renna, Jr., executive director of the New Jersey Housing Finance Agency (NJHFA); Sidney L. Willis, director of the Department's Division of State and Regional Planning; State Attorney General George F. Kugler; Dr. George Sternlieb, director of the Center for Urban Social Sciences Research, Rutgers, the State University.

Also, Herbert Kendall, a private developer; Harry Bernstein, a Plainfield attorney, who will serve as chairman; State Senator Harry L. Sears of Morris County; Mayor Lawrence F. Kramer of Paterson; State League of Municipalities President Kenneth E. Street; Harold D. Sarshik, a builder and member of the NJHFA board, and State Assemblyman William J. Dorgan of Bergen County.



MANAGEMENT *from page 1*  
tains its improved credit rating."

Hume said the county was assisted by the Department's Debt Management Team, which was created in 1968 to help New Jersey communities, counties, and school districts improve their credit ratings and approach the bond market in the most favorable way. To date, the team has helped more than 300 of the State's local jurisdictions save a total of \$3 million in interest costs.

Hume said the team and the Gloucester County Board of Chosen Freeholders, financial officers and auditors prepared an updated package of financial information which included the latest fiscal statistics, all new ratables (taxable industrial and commercial properties) and the zoning characteristics of the county. This package was then presented to Moody's and Standard and Poor's, who later announced the rating changes.

"Hopefully, this action on the part of the New York rating houses will mark the beginning of interest in South Jersey by the financial community," Hume said. "Up to now, investors often have looked at South Jersey as it was 20 years ago, based on out-of-date and sometimes inaccurate information about the growth that this region is experiencing."

Hume said he hoped other local South Jersey jurisdictions would note the experience of Gloucester County

and, with the help of the Debt Management Team, also provide up-to-date financial data to the investment community.

## ***Appointments Made To Housing Posts***

A builder and a retired Bell Telephone Company executive were named last month to key management and development posts with the New Jersey Housing Finance Agency (NJHFA).

NJHFA executive director John P. Renna, Jr. said that Vincent Corrado of Newark, a partner in a building firm, would become director of operations, with responsibility for supervising the processing of all NJHFA-financed developments, from application for mortgage loans through construction.

Renna named William H. Clark of Livingston (Essex County) director of management, with responsibility for supervising management of all occupied NJHFA developments and approval of applications from families seeking admission to NJHFA housing. Clark held several management and engineering positions in the New Jersey Bell Telephone Company plant division from 1927 to 1970.

Both served as Essex County Freeholders from 1968 to 1970.

Renna said, "The NJHFA is fortunate to have secured the services of these highly qualified men. They represent the kind of people we must attract into state government if we

are to improve the quality of governmental service provided the public."

Corrado, 51, has had wide experience in building and construction work over the past 25 years. Corrado Brothers, the construction firm in which he is a partner, has constructed federal, state, county and local projects, as well as large amounts of housing.

While a freeholder, he served as vice-chairman of the public works committee and a member of the legislative and planning committee. He majored in architecture at the Newark School of Fine and Industrial Arts, an evening school.

Clark has served as director or associate director of the New Jersey Federation of Planning Officials since 1950, and has held a wide variety of other planning posts in Livingston, and at the State and county level. He served four terms as mayor of Livingston.

While a freeholder, he was chairman of the public works committee. Clark has published several magazine articles on housing, highways and taxation.

## ***CAHILL from page 1***

York Yankees and Giants professional football and baseball teams in an effort to "secure these two great teams as New Jersey home teams." He said, "The successful consummation of these negotiations would inure to the benefit of all our citizens and would certainly enhance our State's image."

FEBRUARY, 1971

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