

# Committee Meeting

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before

## ASSEMBLY HOUSING COMMITTEE

### ASSEMBLY BILL No. 1475

(Redesignates DCA as "Department of Housing,"  
reorganizes and transfers functions)

**LOCATION:** Committee Room 4  
Legislative Office Building  
Trenton, New Jersey

**DATE:** October 1, 1992  
2:30 p.m.

#### MEMBERS OF COMMITTEE PRESENT:

Assemblyman John V. Kelly, Chairman  
Assemblyman Jose F. Sosa, Vice Chairman  
Assemblyman Steve Corodemus  
Assemblyman John F. Gaffney  
Assemblyman John Hartmann  
Assemblyman Jerry Green  
Assemblyman Jimmy Zangari



#### ALSO PRESENT:

John B. Lee  
Office of Legislative Services  
Aide, Assembly Housing Committee

#### ***Hearing Recorded and Transcribed by***

The Office of Legislative Services, Public Information Office,  
Hearing Unit, 162 W. State St., CN 068, Trenton, New Jersey 08625-0068



# Contracting

Section 101

Section 102

Section 103

Section 104

Section 105

Section 106

Section 107

Section 108



JOHN V. KELLY  
Chairman  
JOSE F. SOSA  
Vice Chairman  
STEVE CORODEMUS  
JOHN F. GAFFNEY  
JOHN HARTMANN  
JERRY GREEN  
JIMMY ZANGARI

## New Jersey State Legislature

ASSEMBLY HOUSING COMMITTEE  
LEGISLATIVE OFFICE BUILDING, CN-068  
TRENTON, NEW JERSEY 08625-0068  
(609) 984-0231

### COMMITTEE NOTICE

TO: MEMBERS OF THE ASSEMBLY HOUSING COMMITTEE  
FROM: ASSEMBLYMAN JOHN V. KELLY, CHAIRMAN  
SUBJECT: **COMMITTEE MEETING - October 1, 1992**

*The public may address comments and questions to John B. Lee, Committee Aide, or make bill status and scheduling inquiries to Norma Morales, secretary, at (609) 984-0231.*

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The Assembly Housing Committee will meet on **Thursday, October 1, 1992 at 2:30 P.M. in Committee Room 4, Legislative Office Building, Trenton.**

The following bill will be considered:

A-1475  
Kelly

Redesignates DCA as "Department of Housing," reorganizes and transfers functions.





ASSEMBLY, No. 1475

STATE OF NEW JERSEY

INTRODUCED MAY 21, 1992

By Assemblyman KELLY

1 AN ACT concerning the reorganization and transfer of the  
2 functions of the Department of Community Affairs and its  
3 redesignation as the Department of Housing, amending and  
4 supplementing various sections of the statutory law.

5  
6 BE IT ENACTED by the Senate and General Assembly of the  
7 State of New Jersey:

8 1. (New section) The Department of Community Affairs  
9 established in the Executive Branch of State Government by  
10 P.L.1966, c.293 (C.52:27D-1 et seq.) is hereby designated and  
11 shall hereafter be known as the Department of Housing.

12 2. (New section) The Division of Housing and Development  
13 hitherto established in the Department of Community Affairs  
14 pursuant to the reorganization plan of the department filed June  
15 20, 1972, and effective in accordance with the provisions of the  
16 "Executive Reorganization Act of 1969," P.L.1969, c.203  
17 (C.52:14C-1 et seq.) and the administrative rules of organization  
18 promulgated by the commissioner of that department and  
19 effective from April 10, 1989 is hereby continued and assigned to  
20 the Department of Housing.

21 3. (New section) a. There are hereby established in the  
22 Department of Housing the Division of Housing Production and  
23 Assistance, and the Division of Housing Services, Standards and  
24 Inspections.

25 b. The Division of Housing Production and Assistance shall  
26 include the functions heretofore assigned to the Housing  
27 Programs Element and the bureaus of Housing Services and  
28 Housing and Community Development in the Division of Housing  
29 and Development of the Department of Community Affairs.

30 c. The Division of Housing Services, Standards and Inspections  
31 shall include the functions heretofore assigned to the  
32 Construction Code Element, the Fire Safety Element and the  
33 Inspection and Licensing Element in the Department of  
34 Community Affairs.

35 d. Wherever in any statute reference is made to the Division  
36 of Housing, Division of Housing and Urban Renewal, Division of  
37 Housing and Development or Division of Codes and Standards in  
38 the Department of Community Affairs, or to any of their  
39 constituent elements, offices, bureaus, officers or employees, the  
40 same shall be taken to refer to the corresponding divisions,  
41 elements, offices, bureaus, officers or employees of the  
42 Department of Housing as described in this act.

43 4. (New section) a. There is hereby established in the

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the  
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 Department of the Treasury the Division of Local Government  
2 Services. All the functions, powers and duties heretofore  
3 assigned to the Division of Local Government Services in the  
4 Department of Community Affairs pursuant to that department's  
5 reorganization plan filed June 20, 1972 and effective in  
6 accordance with the provisions of the "Executive Reorganization  
7 Act of 1969," P.L.1969, c.203 (C.52:14C-1 et seq.) and the  
8 administrative rules of organization promulgated by the  
9 commissioner of that department and effective April 10, 1989 are  
10 hereby continued and assigned to the Department of the  
11 Treasury. Wherever in any statute reference is made to the  
12 Division of Local Government Services in the Department of  
13 Community Affairs, or to any of its constituent elements,  
14 offices, bureaus, officers or employees, the same shall be taken  
15 to refer to the Division of Local Government Services in the  
16 Department of the Treasury and to the corresponding elements,  
17 offices, bureaus, officers or employees of that division.

18 5. (New Section) All the functions, powers and duties  
19 heretofore assigned to the Division of Community Resources in  
20 the Department of Community Affairs pursuant to that  
21 department's Reorganization plan filed June 20, 1972 and  
22 effective in accordance with the provisions of the "Executive  
23 Reorganization Act of 1969," P.L.1969, c.203 (C.52:14C-1  
24 et seq.) and the administrative rules of organization promulgated  
25 by the commissioner of that department and effective from  
26 April 10, 1989 are hereby continued and assigned to the  
27 Department of the Treasury. The several offices of that division  
28 as at present constituted may be organized or reorganized, or  
29 their various functions distributed among existing divisions,  
30 bureaus or offices of the Department of the Treasury in such  
31 manner as the State Treasurer shall deem most conducive to the  
32 integration of their functions into the existing organizational  
33 structure of the department. Wherever in any statute reference  
34 is made to the Division of Community Resources in the  
35 Department of Community Affairs, or to any of its constituent  
36 elements, offices, bureaus, officers or employees, the same shall  
37 be taken to refer to the corresponding divisions, elements,  
38 offices, bureaus, officers or employees of the Department of the  
39 Treasury as constituted pursuant to such organization,  
40 reorganization or distribution of functions by the State Treasurer.

41 6. (New Section) All the functions, powers and duties  
42 heretofore assigned to the Division on Women and the Division on  
43 Aging in the Department of Community Affairs pursuant to that  
44 department's reorganization plan filed June 20, 1972 and  
45 effective in accordance with the provisions of the "Executive  
46 Reorganization Act of 1969," P.L.1969, c.203 (C.52:14C-1 et  
47 seq.) and the administrative rules of organization promulgated by  
48 the commissioner of that department and effective from April  
49 10, 1989 are hereby continued and assigned to the Department of  
50 Human Services. The several offices of those divisions as at  
51 present constituted may be organized or reorganized, or their  
52 various functions distributed among existing divisions, bureaus or  
53 offices of the Department of Human Services in such manner as  
54 the Commissioner of Human Services shall deem most conducive



1 to the integration of their functions into the existing  
2 organizational structure of the department. Wherever in any  
3 statute reference is made to the Division on Women or the  
4 Division on Aging in the Department of Community Affairs, or to  
5 any of their constituent elements, offices, bureaus, officers or  
6 employees, the same shall be taken to refer to the corresponding  
7 divisions, elements, offices, bureaus, officers or employees of the  
8 Department of Human Services as constituted pursuant to such  
9 organization, reorganization or distribution of functions by the  
10 Commissioner of Human Services.

11 7. (New section) Any personnel and any office, board or body  
12 assigned to or established in the office of the Commissioner or  
13 Deputy Commissioner of Community Affairs and having duties,  
14 functions or responsibilities related principally to the functions of  
15 any of the agencies, divisions or offices of that department that  
16 by this act are transferred to the Department of the Treasury or  
17 the Department of Human Services shall be transferred to and  
18 made part of those respective departments. Their allocation  
19 within the organizational structure of those departments shall be  
20 as prescribed pursuant to section 14 of this act.

21 8. Section 4 of P.L.1983, c.530 (C.55:14K-4) is amended to  
22 read as follows:

23 4. a. The New Jersey Housing Finance Agency, created by  
24 section 4 of P.L.1967, c.81 (C.55:14J-4) and the New Jersey  
25 Mortgage Finance Agency created by section 4 of P.L.1970, c.38  
26 (C.17:1B-7) are hereby consolidated into a single agency which  
27 shall be known as the New Jersey Housing and Mortgage Finance  
28 Agency, which shall be a continuance of the corporate existence  
29 of those agencies.

30 b. In this section, the words "original agencies" refer to the  
31 agencies which are consolidated pursuant to subsection a. of this  
32 section before their consolidation, and the word "agency" refers  
33 to the single agency resulting from that consolidation.

34 c. All property, rights and powers of each of the original  
35 agencies are hereby vested in and shall be exercised by the  
36 agency, subject, however, to all pledges, covenants, agreements  
37 and trusts made or created by the original agencies, respectively.

38 d. All debts, liabilities, obligations, agreements and covenants  
39 of the original agencies are hereby imposed upon the agency.  
40 Any property of the original agencies in which a mortgage or  
41 security interest has been granted to any bondholders or other  
42 creditors of either of the original agencies shall continue to be  
43 subject to that mortgage or security interest until the mortgage  
44 or security interest is defeased or terminated in accordance with  
45 its terms. All bondholders and other creditors of the original  
46 agencies and persons having claims against or contracts with the  
47 original agencies of any kind or character may enforce those  
48 debts, claims and contracts against the agency in the same  
49 manner as they might have against the original agencies  
50 respectively, and the rights and remedies of those bondholders,  
51 creditors and persons having claims or contracts shall not be  
52 limited or restricted in any manner by this act.

53 e. In continuing the functions and carrying out the contracts,  
54 obligations and duties of the original agencies, the agency is

1 hereby authorized to act in its own name or in the name of either  
2 of the original agencies as may be convenient or advisable.

3 f. Any references to either of the original agencies in any  
4 other law or regulation shall be deemed to refer to and apply to  
5 the agency.

6 g. All regulations of the original agencies shall continue to be  
7 in effect as the regulations of the agency until amended,  
8 supplemented or rescinded by the agency in accordance with law.

9 h. All employees of the original agencies shall become  
10 employees of the agency. Nothing in this title shall affect the  
11 civil service status, if any, of those employees or their rights,  
12 privileges, obligations or status with respect to any pension or  
13 retirement system.

14 i. The agency is hereby established in, but not of, the  
15 Department of [Community Affairs] Housing and constituted a  
16 body politic and corporate and an instrumentality exercising  
17 public and essential governmental functions, and the exercise by  
18 the agency of the powers conferred by this act shall be deemed  
19 and held to be an essential governmental function of the State.

20 j. The agency shall consist of the Commissioner of the  
21 Department of [Community Affairs] Housing, the State  
22 Treasurer, the Attorney General and the Commissioner of  
23 Banking, who shall be members ex officio, and three members  
24 appointed by the Governor with the advice and consent of the  
25 Senate for terms of three years. The three members appointed  
26 by the Governor shall be residents of the State and shall have  
27 knowledge in the areas of housing design, construction or  
28 operation; finance; urban redevelopment; or community  
29 relations. The members first appointed by the Governor shall  
30 serve for terms of one year, two years and three years  
31 respectively. Each member shall hold office for the term of his  
32 appointment and until his successor shall have been appointed and  
33 qualified. A member of the agency shall be eligible for  
34 reappointment.

35 k. Each ex officio member of the agency may designate an  
36 officer or employee of his department or agency to represent him  
37 at meetings of the agency, and each designee may lawfully vote  
38 and otherwise act on behalf of the member for whom he  
39 constitutes the designee. Any designation shall be in writing,  
40 delivered to the agency and shall continue in effect until revoked  
41 or amended by writing, delivered to the agency.

42 l. Each member of the agency may be removed from office by  
43 the Governor, for cause, after a public hearing and may be  
44 suspended by the Governor pending the completion of such a  
45 hearing. Each member of the agency before entering upon his  
46 duties shall take and subscribe an oath to perform the duties of  
47 the office faithfully, impartially and justly to the best of his  
48 ability. A record of these oaths shall be filed in the office of the  
49 Secretary of State.

50 m. Any vacancies in the membership of the agency occurring  
51 other than by expiration of term shall be filled in the same  
52 manner as the original appointment, but for the unexpired term  
53 only.

54 n. The Commissioner of the Department of [Community



1   Affairs] Housing shall be the chairman of the agency and the  
2   members shall elect one of their number as vice-chairman  
3   thereof. The agency shall elect a secretary and a treasurer who  
4   need not be members; but the same person may be elected to  
5   serve both as secretary and treasurer. The powers of the agency  
6   shall be vested in the members thereof in office from time to  
7   time and four members (which shall include at least two ex  
8   officio members) of the agency shall constitute a quorum at any  
9   meeting thereof. Action may be taken and motions and  
10   resolutions adopted by the agency at any meeting thereof by the  
11   affirmative vote of at least four members of the agency, which  
12   shall include at least two ex officio members. No vacancy in the  
13   membership of the agency shall impair the right of a quorum to  
14   exercise all the powers and perform all the duties of the agency.

15       o. A true copy of the minutes of every meeting of the agency  
16   shall be forthwith delivered by and under the certification of the  
17   secretary thereof to the Governor. No action taken at such  
18   meeting by the agency shall have force or effect until 10 days,  
19   Saturdays, Sundays, and public holidays excepted, after such copy  
20   of the minutes shall have been so delivered unless during such  
21   10-day period the Governor shall approve the same in which case  
22   such action shall become effective upon such approval. If, in said  
23   10-day period, the Governor returns such copy of the minutes  
24   with veto of any action taken by the agency or any member  
25   thereof at such meeting, such action shall be null and void and of  
26   no effect. The Governor may approve all or part of the action  
27   taken at such meeting prior to the expiration of the said 10-day  
28   period.

29       p. The members of the agency shall serve without  
30   compensation, but the agency shall reimburse its members for  
31   actual expenses necessarily incurred in the discharge of their  
32   duties.

33       q. Notwithstanding the provisions of any other law, no officer  
34   or employee of the State shall be deemed to have forfeited or  
35   shall forfeit his office or employment or any benefits or  
36   emoluments thereof by reason of acceptance of the office of  
37   member of the agency or his services in such office.

38       r. The agency may be dissolved by act of the Legislature on  
39   condition that the agency has no debts or obligations outstanding  
40   or provision has been made for the payment or retirement of its  
41   debts or obligations. Upon dissolution of the agency all property,  
42   funds and assets thereof shall be vested in the State.

43   (cf: P.L.1983, c.530, s.4)

44       9. Section 5 of P.L.1985, c.322 (C.52:27D-305) is amended to  
45   read as follows:

46       5. a. There is established in, but not of, the Department of  
47   [Community Affairs] Housing a Council on Affordable Housing to  
48   consist of nine members appointed by the Governor with the  
49   advice and consent of the Senate, of whom four shall be elected  
50   officials representing the interests of local government, at least  
51   one of whom shall be representative of an urban municipality  
52   having a population in excess of 40,000 persons and a population  
53   density in excess of 3,000 persons per square mile, at least one of  
54   whom shall be representative of a municipality having a

1 population of 40,000 persons or less and a population density of  
2 3,000 persons per square mile or less, and no more than one of  
3 whom may be a representative of the interests of county  
4 government; two shall represent the interests of households in  
5 need of low and moderate housing, one of whom shall represent  
6 the interests of the builders of low and moderate income housing,  
7 and shall have an expertise in land use practices and housing  
8 issues and one of whom shall be the executive director of the  
9 agency, serving ex officio; and three shall represent the public  
10 interest. Not more than five of the nine shall be members of the  
11 same political party. The membership shall be balanced to the  
12 greatest extent practicable among the various housing regions of  
13 the State.

14 b. The members shall serve for terms of six years, except that  
15 of the members first appointed, two shall serve for terms of four  
16 years, three for terms of five years, and three for terms of six  
17 years. All members shall serve until their respective successors  
18 are appointed and shall have qualified. Notwithstanding the  
19 above, a member appointed to represent the interests of local  
20 government shall serve only such length of the term for which  
21 appointed as the member continues to hold elected local office,  
22 except that the term of a member so appointed shall not become  
23 vacant until 60 days after the member ceases to hold that elected  
24 office. Vacancies shall be filled in the same manner as the  
25 original appointments, but for the remainders of the unexpired  
26 terms only.

27 c. The members excluding the executive director of the  
28 agency shall be compensated at the rate of \$150.00 for each  
29 six-hour day, or prorated portion thereof for more or less than six  
30 hours, spent in attendance at meetings and consultations and all  
31 members shall be eligible for reimbursement for necessary  
32 expenses incurred in connection with the discharge of their duties.

33 d. The Governor shall nominate the members within 30 days of  
34 the effective date of this act and shall designate a member to  
35 serve as chairman throughout the member's term of office and  
36 until his successor shall have been appointed and qualified.

37 e. Any member may be removed from office for misconduct in  
38 office, willful neglect of duty, or other conduct evidencing  
39 unfitness for the office, or for incompetence. A proceeding for  
40 removal may be instituted by the Attorney General in the  
41 Superior Court. A member or employee of the council shall  
42 automatically forfeit his office or employment upon conviction of  
43 any crime. Any member or employee of the council shall be  
44 subject to the duty to appear and testify and to removal from his  
45 office or employment in accordance with the provisions of  
46 P.L.1970, c.72 (C.2A:81-17.2a et seq.).

47 (cf: P.L.1989, c.199, s.1)

48 10. Section 3 of P.L.1977, c.239 (C.52:27G-3) is amended to  
49 read as follows:

50 3. There is hereby established in the Executive Branch of the  
51 State Government the Office of the Ombudsman for the  
52 Institutionalized Elderly. For the purposes of complying with the  
53 provisions of Article V, Section IV, paragraph 1 of the New  
54 Jersey Constitution, the Office of the Ombudsman for the



1 Institutionalized Elderly is hereby allocated to the Department of  
2 [Community Affairs] Human Services, but, notwithstanding said  
3 allocation, the said office shall be independent of any supervision  
4 or control by the department or by any board or officer thereof.  
5 (cf: P.L.1977, c.239, s.3)

6 11. Section 4 of P.L.1985, c.298 (C.52:27G-23) is amended to  
7 read as follows:

8 4. There is created in the Executive Branch of the State  
9 Government the Office of the Public Guardian for Elderly  
10 Adults. For the purpose of complying with the provisions of  
11 Article V, Section IV, paragraph 1 of the New Jersey  
12 Constitution, the Office of the Public Guardian for Elderly Adults  
13 is allocated to the Department of [Community Affairs] Human  
14 Services, but notwithstanding this allocation, the office shall be  
15 independent of any supervision or control by the department or  
16 any board or officer thereof.  
17 (cf: P.L.1985, c.298, s.4)

18 12. Section 5 of P.L.1968, c.404 (C.13:17-5) is amended to  
19 read as follows:

20 5. [(a)] a. There is hereby established in, but not of, the  
21 Department of [Community Affairs] Housing a public body  
22 corporate and politic, with corporate succession, to be known as  
23 the "Hackensack Meadowlands Development Commission." The  
24 commission shall constitute a political subdivision of the State  
25 established as an instrumentality exercising public and essential  
26 governmental functions, and the exercise by the commission of  
27 the powers conferred by this act shall be deemed and held to be  
28 an essential governmental function of the State.

29 [(b)] b. The commission shall consist of 7 members appointed  
30 and qualified as follows:

31 (1) The Commissioner of the Department of [Community  
32 Affairs] Housing, ex officio; provided that he may appoint an  
33 alternate to act in his place and stead, with the authority to  
34 attend, vote and perform any duty or function assigned to the  
35 Commissioner of the Department of [Community Affairs] Housing  
36 in his absence. The alternate shall serve during the term of the  
37 Commissioner of the Department of [Community Affairs]  
38 Housing, subject to removal at his pleasure. In the event of a  
39 vacancy in the position of alternate, it shall be filled in the same  
40 manner as an original appointment and only for the unexpired  
41 term.

42 (2) Six citizens of the State, appointed by the Governor, with  
43 the advice and consent of the Senate and no more than 3 of whom  
44 shall be of the same political party; 2 of whom shall be residents  
45 of the constituent municipalities of Bergen county and 2 of whom  
46 shall be residents of the constituent municipalities of Hudson  
47 county; provided, however, no more than one citizen shall be  
48 appointed from any one constituent municipality; one of whom  
49 shall be a resident of Bergen county and one of whom shall be a  
50 resident of Hudson county. The Commissioner of the State  
51 Department of Transportation, the Commissioner of the  
52 Department of [Conservation and Economic Development]  
53 Environmental Protection and Energy, and a representative of the  
54 United States Army Corps of Engineers, may, within the limits of

1 their respective responsibilities and at the request of the  
2 commission, serve as non-voting advisors to the commission. The  
3 members of the liaison committee established, as hereinafter  
4 provided, by the Hackensack Meadowlands Municipal Committee,  
5 shall also serve as non-voting advisors to the commission;

6 [(c)] c. The Commissioner of the Department of [Community  
7 Affairs] Housing shall serve on the commission during his term of  
8 office and shall be succeeded by his successor in office. Each  
9 member appointed by the Governor shall serve for terms of  
10 5 years; provided that of the first members appointed by the  
11 Governor one shall serve for a term of 1 year, one for a term of  
12 2 years, one for a term of 3 years, one for a term of 4 years, and  
13 2 for a term of 5 years. Each member shall serve for the term of  
14 his appointment and until his successor shall have been appointed  
15 and qualified. Any vacancy shall be filled in the same manner as  
16 the original appointment for the unexpired term only.

17 [(d)] d. Any member of the commission may be removed by the  
18 Governor for cause after a public hearing.

19 [(e)] e. Each member of the commission before entering upon  
20 his duties shall take and subscribe an oath to perform the duties  
21 of his office faithfully, impartially and justly to the best of his  
22 ability. A record of such oaths shall be filed in the office of the  
23 Secretary of State.

24 [(f)] f. The members of the commission shall serve without  
25 compensation, but the commission may reimburse its members  
26 for necessary expenses incurred in the discharge of their duties.

27 [(g)] g. The Governor shall designate one of the members of  
28 the commission as chairman. The commission shall select from  
29 its members a vice-chairman and a treasurer, and shall employ an  
30 executive director, who shall be secretary, and a chief fiscal  
31 officer. The commission may also appoint, retain and employ,  
32 without regard to the provisions of Title [11] 11A, Civil Service,  
33 of the [Revised] New Jersey Statutes, such officers, agents,  
34 employees and experts as it may require, and it shall determine  
35 their qualifications, terms of office, duties, services and  
36 compensation.

37 [(h)] h. The powers of the commission shall be vested in the  
38 members thereof in office from time to time and a majority of  
39 the total authorized membership of the commission shall  
40 constitute a quorum at any meeting thereof. Action may be  
41 taken and motions and resolutions adopted by the commission at  
42 any meeting thereof by the affirmative vote of a majority of the  
43 members, unless in any case the by-laws of the commission or  
44 any of the provisions of this act shall require a larger number;  
45 provided that the commission may designate one or more of its  
46 agents or employees to exercise such administrative functions,  
47 powers and duties as it may deem proper, under its supervision  
48 and control. No vacancy in the membership of the commission  
49 shall impair the right of a quorum to exercise all the rights and  
50 perform all the duties of the commission, except as provided by  
51 section 9.

52 [(i)] i. Before the issuance of any bonds under the provisions of  
53 this act, the members and the officer of the commission charged  
54 with the handling of the commission's moneys shall be covered by



1 a surety bond or bonds in such sum as provided by the rules and  
2 regulations of the commission conditioned upon the faithful  
3 performance of the duties of their respective offices, and  
4 executed by a surety company authorized to transact business in  
5 the State of New Jersey as a surety. Each such surety bond shall  
6 be submitted to the Attorney General for his approval and upon  
7 his approval shall be filed in the office of the Secretary of State  
8 prior to the issuance of any bonds by the commission. At all  
9 times after the issuance of any bonds by the commission the  
10 officer of the commission charged with the handling of the  
11 commission's moneys and each member shall maintain such  
12 surety bonds in full force and effect. All costs of such surety  
13 bonds shall be borne by the commission.

14 [(j)] i. On or before March 31 in each year the commission shall  
15 make an annual report of its activities for the preceding calendar  
16 year to the Governor and to the Legislature. Each such report  
17 shall set forth a complete operating and financial statement  
18 covering its operations during the year.

19 [(k)] k. The commission shall cause an audit of its books and  
20 accounts to be made at least once in each year and the cost  
21 thereof shall be treated as one incurred by the commission in the  
22 administration of this act, and a copy thereof shall be filed with  
23 the State Treasurer, all as more fully provided in section 76 of  
24 this act.

25 [(l)] l. (1) No member, officer, employee or agent of the  
26 commission shall be financially interested, either directly or  
27 indirectly, in any project or any part of a project area (other than  
28 a residence) or in any contract, sale, purchase, lease or transfer  
29 of real or personal property to which the commission is a party;

30 (2) Any contract or agreement knowingly made in  
31 contravention of this section is voidable;

32 (3) Any person who shall willfully violate any of the provisions  
33 of this section shall forfeit his office or employment and shall be  
34 guilty of a misdemeanor.

35 (cf: P.L.1968, c.404, s.5)

36 13. Section 4 of P.L.1971, c.137 (C.5:10-4) is amended to read  
37 as follows:

38 4. a. There is hereby established in the Department of  
39 [Community Affairs] Commerce and Economic Development a  
40 public body corporate and politic, with corporate succession, to  
41 be known as the "New Jersey Sports and Exposition Authority."  
42 The authority is hereby constituted as an instrumentality of the  
43 State exercising public and essential governmental functions, and  
44 the exercise by the authority of the powers conferred by the act  
45 shall be deemed and held to be an essential governmental  
46 function of the State and the application of the revenue derived  
47 from the projects to the purposes provided in this act shall be  
48 deemed and held to be applied in support of government.

49 b. The authority shall consist of the State Treasurer, the  
50 Attorney General, the President of the New Jersey Sports and  
51 Exposition Authority, and a member of the Hackensack  
52 Meadowlands Development Commission, to be appointed by the  
53 Governor, who shall be members ex officio, and nine members  
54 appointed by the Governor with the advice and consent of the

1 Senate for terms of four years, provided that the members of the  
2 authority (other than the ex officio members) first appointed by  
3 the Governor shall serve for terms of one year, two years, three  
4 years and four years, respectively. Each member shall hold  
5 office for the term of his appointment and until his successor  
6 shall have been appointed and qualified. A member shall be  
7 eligible for reappointment. Any vacancy in the membership  
8 occurring other than by expiration of term shall be filled in the  
9 same manner as the original appointment but for the unexpired  
10 term only.

11 c. Each appointed member may be removed from office by the  
12 Governor, for cause, after a public hearing, and may be suspended  
13 by the Governor pending the completion of such hearing. Each  
14 member before entering upon his duties shall take and subscribe  
15 an oath to perform the duties of his office faithfully, impartially  
16 and justly to the best of his ability. A record of such oaths shall  
17 be filed in the office of the Secretary of State.

18 d. The chairman shall be appointed by the Governor from the  
19 members of the authority other than ex officio members, and the  
20 members of the authority shall elect one of their number as vice  
21 chairman thereof. The authority shall elect a secretary and a  
22 treasurer, who need not be members, and the same person may be  
23 elected to serve both as secretary and treasurer. The powers of  
24 the authority shall be vested in the members thereof in office  
25 from time to time and seven members of the authority shall  
26 constitute a quorum at any meeting thereof. Action may be  
27 taken and motions and resolutions adopted by the authority at any  
28 meeting thereof by the affirmative vote of at least seven  
29 members of the authority. No vacancy in the membership of the  
30 authority shall impair the right of a quorum of the members to  
31 exercise all the powers and perform all the duties of the  
32 authority.

33 e. Each member and the treasurer of the authority shall  
34 execute a bond to be conditioned upon the faithful performance  
35 of the duties of such member or treasurer, as the case may be, in  
36 such form and amount as may be prescribed by the Director of  
37 the Division of Budget and Accounting in the Department of the  
38 Treasury. Such bonds shall be filed in the office of the Secretary  
39 of State. At all times thereafter the members and treasurer of  
40 the authority shall maintain such bonds in full force and effect.  
41 All costs of such bonds shall be borne by the authority.

42 f. The members of the authority shall serve without  
43 compensation, but the authority shall reimburse its members for  
44 actual expenses necessarily incurred in the discharge of their  
45 duties. Notwithstanding the provisions of any other law, no  
46 officer or employee of the State shall be deemed to have  
47 forfeited or shall forfeit his office or employment or any benefits  
48 or emoluments thereof by reason of his acceptance of the office  
49 of ex officio member of the authority or his services therein.

50 g. Each ex officio member of the authority may designate an  
51 officer or employee of his department or agency to represent him  
52 at meetings of the authority, and each such designee may  
53 lawfully vote and otherwise act on behalf of the member for  
54 whom he constitutes the designee. Any such designation shall be

1 in writing delivered to the authority and shall continue in effect  
2 until revoked or amended by writing delivered to the authority.

3 h. The authority may be dissolved by act of the Legislature on  
4 condition that the authority has no debts or obligations  
5 outstanding or that provision has been made for the payment or  
6 retirement of such debts or obligations. Upon any such dissolution  
7 of the authority all property, funds and assets thereof shall be  
8 vested in the State.

9 i. A true copy of the minutes of every meeting of the  
10 authority shall be forthwith delivered by and under the  
11 certification of the secretary thereof to the Governor. No action  
12 taken at such meeting by the authority shall have force or effect  
13 until 15 days after such copy of the minutes shall have been so  
14 delivered unless during such 15-day period the Governor shall  
15 approve the same, in which case such action shall become  
16 effective upon such approval. If, in said 15-day period, the  
17 Governor returns such copy of the minutes with veto of any  
18 action taken by the authority or any member thereof at such  
19 meeting, such action shall be null and void and of no effect. The  
20 powers conferred in this subsection i. upon the Governor shall be  
21 exercised with due regard for the rights of the holders of bonds  
22 and notes of the authority at any time outstanding, and nothing  
23 in, or done pursuant to, this subsection i. shall in any way limit,  
24 restrict or alter the obligation or powers of the authority or any  
25 representative or officer of the authority to carry out and  
26 perform in every detail each and every covenant, agreement or  
27 contract at any time made or entered into by or on behalf of the  
28 authority with respect to its bonds or notes or for the benefit,  
29 protection or security of the holders thereof.

30 (cf: P.L.1991, c.375, s.2)

31 14. The Commissioner of Housing, heretofore known as the  
32 Commissioner of Community Affairs, the State Treasurer, the  
33 Commissioner of Human Services and the Commissioner of  
34 Commerce and Economic Development shall adopt and  
35 promulgate, in accordance with the provisions of the  
36 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
37 et seq.) such rules and regulations as they may deem necessary or  
38 expedient to the prompt and efficient execution of the provisions  
39 of this act while assuring the continuity of the functions  
40 transferred or reorganized pursuant to those provisions.

41 15. This act shall take effect on the 120th day next following  
42 the date of enactment, except that section 7 shall take effect  
43 immediately.

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#### STATEMENT

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48 This bill would redistribute the present functions of the  
49 Department of Community Affairs so that (1) the department as  
50 it now exists would concentrate on its basic functions of housing  
51 production, code enforcement and community development, and  
52 would accordingly be re-named the "Department of Housing;" (2)  
53 the current responsibilities of the department's divisions of Local  
54 Government Services, including the oversight of local government

1 finances, and Community Resources, would be shifted to the  
2 Department of the Treasury; and (3) the functions of the Division  
3 on Women and Division on Aging would be redistributed to the  
4 Department of Human Services.

5 Similarly, the semi-autonomous agencies now "in but not of"  
6 the Department of Community Affairs (the New Jersey Housing  
7 and Mortgage Finance Agency, the Council on Affordable Housing  
8 and the Hackensack Meadowlands Development Commission)  
9 would remain with the Department of Housing, while the New  
10 Jersey Sports and Exposition Authority would be transferred to  
11 the Department of Commerce and Economic Development and  
12 the Office of Public Guardian and Office of the Ombudsman for  
13 the Institutionalized Elderly would be transferred to the  
14 Department of Human Services.

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17

18

19 Redesignates DCA as "Department of Housing," reorganizes and  
20 transfers functions.



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ASSEMBLYMAN JOHN V. KELLY (Chairman): I am going to call the meeting to order. I think I know why all of you are here. I am not out to gore the Department. I do feel that we should have a Commissioner whose primary concern is housing. With that, that is all I have to say this afternoon. I assure you we are not going to be here any later than 4:30, 5:00. We are going to have many hearings. This is not going to be railroaded through this Committee.

The first lady I would like to address us is the Commissioner. I want you to know, Commissioner, I recognized your ability many years ago. Do you recall that?

COMMISSIONER STEPHANIE R. BUSH: I do.

ASSEMBLYMAN KELLY: She was the Chairman of this Committee many years ago.

ASSEMBLYMAN GAFFNEY: We also make mistakes sometimes.

COMMISSIONER BUSH: For one day.

ASSEMBLYMAN KELLY: For one day.

COMMISSIONER BUSH: I was a Democrat, and it was a Republican-controlled--

ASSEMBLYMAN GAFFNEY: Sometimes we do make mistakes in our judgment.

COMMISSIONER BUSH: And you know, Mr. Chairman, I think I am coming to more Housing Committee meetings now as the Commissioner than I had to then as a member of the Housing Committee. But, it is interesting to be here.

UNIDENTIFIED MEMBER OF COMMITTEE: It's also a pleasure to see you here this morning.

COMMISSIONER BUSH: Well, thank you. I know you all miss me in the Legislature, and that is why you keep calling me back. As a matter of fact, I was not invited to this meeting.

ASSEMBLYMAN KELLY: I understand that.

ASSEMBLYMAN ZANGARI: She's a crasher.

COMMISSIONER BUSH: I'm a crasher, but should I--

ASSEMBLYMAN KELLY: You may proceed.

COMMISSIONER BUSH: Thank you, Mr. Chairman. Members of the Committee, basically I am here today, for my second time in two weeks, to, at this point, not talk about the New Jersey Housing and Mortgage Finance Agency, which I did last Monday when I said, "Let me get in and have 90 days to review what is going on," because I have concerns about housing and getting it done, but to deal with the Department of Community Affairs. I, one week and two days ago, became the Commissioner of that Department, but I am not here, though, with a proprietary interest, saying, "This is my Department," because, as with all of us, you know, in the Legislature, in the administration, we are here but for a moment in time, really just trying to make sure that the issues that affect all people in the State of New Jersey can be addressed.

I have read the bill. I have read the enabling statutes and the history of the Department of Community Affairs, and I have also had an opportunity to meet with my directors and my assistant commissioners. I have here with me my Deputy Commissioner, Barry Skokowski, whom I am sure many of you have dealt with over the years. I just want to provide some information, if I may, to enable you to go forward with your deliberations as to whether or not the Department of Community Affairs should be dismantled.

My research has shown, just for a point, that we have had, since 1966, 10 commissioners, and I am only one of two women in those years -- 25 years -- the first black woman, and I am back here a second time going through this. But I am sure there is no coincidence. The Department of Community Affairs was established to deal with the problems of urbanization -- the process of urbanization that the State of New Jersey was undergoing. The process means addressing the issues of rural New Jersey, suburban New Jersey, and urban New Jersey. What may appear to have been just a throwing in of all types of



divisions under one umbrella Department, I think when one looks at the issues that are addressed and the way they interrelate, we can see that there is a purpose for each one of those divisions.

We have here within your legislation where many of those divisions -- most of those -- would be sent elsewhere. I would submit that they would not be able to function in the manner which has been deemed necessary for the Department of Community Affairs, in working to not be a direct facilitator of change, but to support and to assist-- Shall I wait? (Chairman consulting with someone at Committee table)

ASSEMBLYMAN KELLY: No, I'm listening.

COMMISSIONER BUSH: Oh, okay. --but to support the local entities in being able to empower people to help themselves, such as with the Division on Women, as we see that in the Department of Community Affairs. This is a growing segment within our areas, particularly for economic development, for job creation, for domestic violence, for the issues of housing, and for the issues of aging women, which we can see by being in the Department of Community Affairs we are able to get things done in a versatile way, without having to go from department to department. Particularly, as I say, seniors and women working together, because as we get older in life, we see that the predominant sex that is still around is women, not to dishearten any of you gentlemen who are sitting here. Okay?

The purpose for doing this, even in housing-- You know, our charge with housing in the Department of Community Affairs, is really to meet the public need of affordable housing in the State of New Jersey. We do that really from basic levels of beginning with housing assistance, keeping people from having to live on the streets -- homelessness prevention -- as well as providing assistance in many of the

transitional housing, which brings together the various divisions.

Many of you may be aware of the transitional housing in what was my district, and is currently my hometown, East Orange. We have one called Isaiah House, which is for people who have been homeless, who come into the facility for a temporary period of time, and are provided with support systems -- most of them are women with children -- to break away from what could be the psychological and sociological scars that could make them unable to become part of society in the future. So, by being in the Department of Community Affairs with the Division of Housing, which is looking towards doing the affordable housing, and the Division on Women, which is dealing predominantly with that particular population, as well as with some of our senior issues, we are able to do it and get it done.

In my meetings with many of the mayors and the local elected officials, what they have expressed to me -- and maybe some will be here today to hopefully express this on their own behalf -- is that the bureaucracy that is often found in State and Federal governments, they do not have to address with the Department of Community Affairs. They are able to come in a door and say, "This is what I need. I need assistance." For doing so, we have Local Government Services, which was originally in the Treasury Department. I see from this legislation you are looking to have it go back, but it was brought over to the Department of Community Affairs to assist the municipalities with their problems, because Treasury really deals with State financial problems, and this deals with the local municipalities. They can come in to address their affordable housing needs, any financial needs they may have, as well as dealing with a growing population of Hispanics, a population that is increasing, as well as women, domestic problems, and all of that.

So, as we look and we begin to see many of the projects that have gone forward with the Department of Community Affairs, I think that instead of looking to disband it, that it is probably the way we should be going in trying to make bureaucracy less detrimental to getting the job done.

Now, as for housing, I realize that we need to do more in the area of housing. When I was here last Monday -- and at that point I was soon to become the Chairperson of the New Jersey Housing and Mortgage Finance Agency -- I indicated that that was a strong commitment I had; to make sure that we could get our components to work. I think it is important to realize, however, that if we are looking to do just a Department of Housing, it will be so narrow in scope that we would have to truly look at what population, or who are we trying to address here with this concern. If we are looking to do affordable housing, I would submit that the programs that are underway in the Division of Housing under DCA, are working, and have a chance to work. However, what we do need is, instead of possibly the Legislature watering down, like the Mount Laurel obligations and the responsibilities of the State, that we continue to make sure that we are putting into place the mechanisms by which housing can be done.

We are dealing with making sure that lending will be available, since so many of the entities and the private lending institutions are no longer lending and are looking to the State to really subsidize it all, but we've got to realize our charge is for affordable housing.

I have heard the trickle down theory that if we build market value housing, that then it will take care of the needs of people who are of low and moderate income. I would submit that there was quite a bit of market rate housing being built in the '80s, and from what I have seen, that trickle down effect for low and moderate housing did not occur, which is why we are still going forward and trying to do it.

So, I would hope that the Department of Community Affairs, during my time, and even after I have left as the Commissioner, would be able to work with the Legislature to get these things done. I believe there are certain initiatives -- and I have already met with my staff -- which we are implementing, which though not focused at providing the building of houses at market rate, that because they will deal with the process and make it more streamlined and more plausible and valid and, therefore, less costly, should also have an effect on market value housing.

I would also submit, however, that since the focus of the State has been to deal with affordable housing, that as builders are coming to the table, they should be willing to give, too. You know, I have heard that we are talking about a 10 percent profit on top of, whether it be market value or whether it be low income. I have sat at those tables sometimes and I have looked at the figures, and I would say that the profit is more like 30 percent.

I look forward to working to get housing done in the affordable sector, and I am sure that that will have a positive impact in some ways on market value, because it is important to get construction done to get people back to work.

I would ask, as we begin to look at the budget in the future, that the commitment we are showing towards getting housing done, will also be expressed by some moneys and appropriations being put in the line items that will allow the Department of Community Affairs to continue being creative to make sure that housing is a priority in this State.

Thank you for the opportunity to come before you.

ASSEMBLYMAN KELLY: Thank you, Commissioner. You did a very good job.

COMMISSIONER BUSH: Thank you.

ASSEMBLYMAN KELLY: I congratulate you. But I still feel that we have commissioners of every aspect of life in the



State of New Jersey. We have a Commissioner for Health, we have a Commissioner for Banking, we have a Commissioner for -- you name what. Housing, to me, is probably the single most important aspect of living in the State of New Jersey. People are interested in housing. I would think that we should have a commissioner whose primary function is housing, and nothing else. That is the reason I introduced this bill.

Now, I am not saying that I am going to dismantle this Department. Maybe in our review of this Department many of the things that I have in here may not transpire. But I do think that we should first look at this Department very carefully and, if what I feel is right, we will continue. If I feel I should back off, I will, but I don't think I am going to back off so easily.

I can recall the Corporate Advisory Board on Government Efficiency-- Are you familiar with that?

COMMISSIONER BUSH: No, I'm not.

ASSEMBLYMAN KELLY: There was a study compiled by Ernst & Ernst. One of the things they recommended in their review was to transfer the Division on Aging in the Division on Women to the Department of Human Services, which currently is in your Department, is it not?

COMMISSIONER BUSH: Yes.

ASSEMBLYMAN KELLY: That was the Governor's study group. That was one of their recommendations, was it not, Mr. Skokowski?

DEPUTY COMM. BARRY SKOKOWSKI, SR.: Yes, it was.

ASSEMBLYMAN KELLY: Okay.

DEPUTY COMMISSIONER SKOKOWSKI: It was rebuffed, and they agreed to our conclusion at the end.

COMMISSIONER BUSH: If I may, because I understand there can be studies-- I had the experience as a legislator, after leaving from my first two years on the Housing Committee

here with you, to have been the Chairperson of the Assembly Senior Citizens Committee. I dealt with the people, the seniors, on many issues. They will be here, I'm sure, if not at this hearing, at other hearings, to express what they have to say. But I am aware that-- I am not here to evaluate or to criticize other philosophies in other departments. However, what comes through in the Department of Community Affairs as it relates to the Division on Women and the Division on Aging, is that it is a structure by which we empower the individuals, by means of helping local entities to do so, whereas in other departments there is a different philosophy of, "Don't worry. We will take care of you." I never heard the seniors telling me that they wanted to be taken care of, but more so, wanted to be empowered to take care of themselves.

I never heard any woman that I know of who told me that she wanted to be taken care of, but they do want to be empowered in 1992. Therefore, you have to look at the different philosophies of dealing with things. As a matter of fact, the seniors told me, not through any studies, but as a legislator and as the Chairperson of the Senior Citizens Committee, that they wanted their own Cabinet level department and, as a matter of fact, I sponsored that bill. So I don't know about the study; I know about real life.

ASSEMBLYMAN KELLY: Thank you. Are there any questions of the Commissioner? Assemblyman Sosa, do you have one? Go ahead.

ASSEMBLYMAN SOSA: Commissioner, for as bright a woman as you are -- and I know you are -- obviously you have spent a very short period of time in the Department, and have not been able to digest completely a lot of the background information that we have had access to as it relates to the Governor's Management Review Commission in terms of recommended programs that perhaps could be implemented. If you would feel more

comfortable having Mr. Skokowski answer some of those questions, that would certainly be understandable.

Obviously you have had access to the recommendations for implementation. Can you describe for us what programs you have implemented, any changes as a result of that--

COMMISSIONER BUSH: Assemblyman, you know, I have always heard it said, "When you want to get a job done, have a woman do it." (laughter)

ASSEMBLYMAN SOSA: I agree with you.

COMMISSIONER BUSH: But, let's be realistic. I have been there since last Tuesday. Okay? Now, you are going to sit here and ask me-- The last woman Commissioner was in 1978 or so. I could see if those questions were being asked earlier, later, but I will be able to address those issues if I am given time to begin to implement the things I have already put underway in one week and two days.

To say, have I had the opportunity to review this report and that report, the truth of the matter is, I have not been-- You know, I was not even invited to this meeting. It would have helped for someone to say, "We would like you to come to address these issues," or, "We would like that," but I was circumvented.

ASSEMBLYMAN SOSA: Commissioner, believe me, that is not an indictment of you--

COMMISSIONER BUSH: I don't feel indicted. I am just talking about the facts.

ASSEMBLYMAN SOSA: --or your gender. I am not really addressing that to you, Commissioner Bush. I am addressing it to the institution, to the Department of Community Affairs.

COMMISSIONER BUSH: Well, as the Commissioner, I would feel it appropriate that, number one, it be addressed to me; number two, I was not invited to the meeting; and number three, any questions you have, I would be more than happy to get the answers, but I feel the appropriate way is to let me know what

you need to know, what questions you have, because I am the Commissioner, and it should come through me.

ASSEMBLYMAN SOSA: Again, I understand that, and I certainly understand the position you are in. The only question I am posing is, the Department of Community Affairs is a standing Department, no matter who the Commissioner is, and the recommendations were presented some while ago.

I am just curious to know if, through one of your charges, they can speak to the issue of any changes that were made as a result of that?

COMMISSIONER BUSH: Not at this point.

ASSEMBLYMAN SOSA: Okay.

ASSEMBLYMAN KELLY: If you didn't receive a letter, I apologize. I know a letter did go to former Commissioner Primas. I apologize if we didn't send one directly to you. I thought we had.

COMMISSIONER BUSH: I did not receive one.

MS. SMARTH (Assembly Majority Staff): I had contact with your Legislative Liaison all last week, so when the notice went out I contacted Paul Forlenza, and I did touch base this week when he called back. I just wanted to let you know that.

COMMISSIONER BUSH: Directors, and everyone else in my Department, were asked to come. I, as the Commissioner, was not contacted to come.

MS. SMARTH: It didn't go out from my office. It went out from--

COMMISSIONER BUSH: Well, whomever, I was not invited to come to this meeting. I am the Commissioner of the Department of Community Affairs, and I expect that even if my directors are asked, it would come through my office.

ASSEMBLYMAN KELLY: Are there any other questions?

ASSEMBLYMAN SOSA: Following up on that question, could you, for the record, if it would be possible, provide questions to the Commissioner, in written form--

COMMISSIONER BUSH: Absolutely.

ASSEMBLYMAN SOSA: --about any of the changes that were recommended by the Commission, and could we get some answers back within a reasonable period of time?

COMMISSIONER BUSH: Right. What I would hope to be able to do, because I have taken office with certain charges and commitments that I have, is not so much looking back at a report, but to be able to work with the Legislature to implement some things that will get things done, if that is truly what we are trying to do here.

If we are really looking to get housing done, then let's deal with that issue. You know, let's talk about what are the things that will be implemented by the Department of Community Affairs, and let's truly deal with the issues. If you want me to go back to some other report, we can spend the time doing that. If you want me to come back here again, we can spend the time doing that. But I would hope that we would be able to work together as partners in trying to get the job done.

ASSEMBLYMAN SOSA: I think, Commissioner, at the last meeting we had -- which I chaired in Chairman Kelly's absence--

COMMISSIONER BUSH: Last Monday when I was here, yes?

ASSEMBLYMAN SOSA: --I indicated that there is, indeed, a willingness to work with the Department on the issue of HMFA, and that offer still stands. As we speak, that is being worked on. So there is a willingness to work with the Commissioner.

COMMISSIONER BUSH: Good. I am glad to hear that, and I would really like to experience that, because I am going in with full heartfelt sincerity that we will work together.

ASSEMBLYMAN CORODEMUS: Mr. Chairman, if I may, before the Commissioner leaves-- Speaking off of the reports, not relying on any reports that had been prepared prior to this meeting, I am not requiring you to answer any specific

information. Philosophically, with your experience in the Legislature, I am sure you dealt with housing issues and local government issues during your tenure as an Assemblywoman. Do you have any feelings -- strong feelings or otherwise -- concerning what may be an inherent conflict of goals and administration of providing for housing and, at the same time, being in charge of local government? Do you have any feelings at this juncture?

COMMISSIONER BUSH: I have feelings, but I don't see where there is conflict. I say this based upon research. I have reviewed each of the divisions. I have met with the directors of the divisions. I have read the materials regarding the divisions. I have read the history of the Department of Community Affairs. I have met with builders. I have met with the League of Municipalities. I understand that there seems to be somewhat of a tension felt there. I don't see the tension in the operation of the Department of Community Affairs, because what we are looking at, through the Division of Housing, is the charge to provide affordable housing. This charge falls on the responsibility at the local levels, particularly as we look at Mount Laurel and all that you have to implement -- certain units -- so it means working together.

If we are looking, though, at market rate housing, maybe their feel isn't, but that is not the charge of the Department of Community Affairs. I would truly question if, as a public entity, the State could take on more than the charge of doing market housing. Now, if we have a policy that will say, "We are providing adequate housing for all people," of course, we would still have to give an emphasis to the people who need affordable housing in the State of New Jersey.

ASSEMBLYMAN CORODEMUS: Whose charge is it to be concerned about market housing, as you call it?

COMMISSIONER BUSH: Well, I would say that if we are looking at a general housing policy, and we are looking at



providing adequate housing for all people, it would be, to some extent, the responsibility of the State to do so. However, I don't see where we would be able to focus our attention, and put our resources in, primarily for market rate housing. However, there are some joint ventures that are being tried in the State, doing the 20/80, where you have 20 percent low- and moderate-income housing in a project that is 80 percent market. So, we are trying to work the full gamut, you know, to get it done.

ASSEMBLYMAN CORODEMUS: You can tell from the nature of my questions that, perhaps when you return, having had the benefit of reviewing the reports that we mentioned earlier, this will be the nature of the discussion: Are there any inherent conflicts in charges within the Department of Community Affairs? If it is not the Department of Community Affairs whose concern is providing -- or, attempting to assist the provision of market housing, whose should it be?

So, could you just give that some thought for your return?

COMMISSIONER BUSH: Absolutely. I can appreciate that type of dialogue and direction from you, Assemblyman, as to what we are looking for, because then I think we can work on the issue.

ASSEMBLYMAN CORODEMUS: Good.

COMMISSIONER BUSH: Okay?

ASSEMBLYMAN KELLY: Assemblyman Gaffney?

ASSEMBLYMAN GAFFNEY: Just in general, former neighbor of mine, I think obviously some of us are just as new to this Committee as you are to your new job. The Governor's Management Review Report was very detailed, as Mr. Skokowski said. One item that the Chairman mentioned was discussed, and evidently the administration decided to leave it the way it is within the Division. I would expect that you have that Commission report, too, and I would expect-- I would suggest

that there are a lot of suggestions here. I would like to see as many-- I don't know, Mr. Skokowski, if I may, through you--

COMMISSIONER BUSH: No, not today. As I said, he is really just here because I wasn't invited, but I came as the responsible person for DCA. But, you know, we will look at that, and do--

ASSEMBLYMAN GAFFNEY: I guess the question is: Has there ever been a report done to answer the recommendations of the Commission?

COMMISSIONER BUSH: What I will do is research that and get that information back to you.

ASSEMBLYMAN GAFFNEY: Because I think it would be very helpful.

COMMISSIONER BUSH: Absolutely, and thank you for that suggestion.

ASSEMBLYMAN KELLY: Does anyone else have any questions of our Commissioners? Mr. Zangari?

ASSEMBLYMAN ZANGARI: No.

ASSEMBLYMAN KELLY: Commissioner, thank you for your attendance.

COMMISSIONER BUSH: Thank you very much.

ASSEMBLYMAN KELLY: I do apologize that you didn't receive a letter. I apologize.

Rick Sauer?

R I C K S A U E R: Right here.

ASSEMBLYMAN KELLY: Come on up.

MR. SAUER: Thank you, Chairman Kelly, members of the Committee, for allowing me to speak on A-1475. As you know, my name is Rick Sauer. I am the Assistant Director of the nonprofit Affordable Housing Network in New Jersey.

UNIDENTIFIED SPEAKER FROM AUDIENCE: We can't hear you.

UNIDENTIFIED MEMBER OF COMMITTEE: You'll have to speak up. We don't have--

ASSEMBLYMAN SOSA: That door has to be closed over there.

UNIDENTIFIED MEMBER OF COMMITTEE: These mikes are for recording only.

MR. SAUER: The Network is a statewide association of over 130 nonprofit housing development corporations and their supporters, working to develop affordable housing and revitalize communities throughout New Jersey.

I am here to agree with you that the need you have identified to elevate affordable housing production in the State is right on target. The solution being proposed, however, does not address the primary issue we have at hand; that is, the allocation of resources. We have to go beyond making a cosmetic change to a State agency to a reordering of our State's priorities. In addition, this is not just an issue of "bricks and mortar" -- developing affordable housing -- but is also an issue of addressing the human and economic revitalization needs of the communities throughout the State.

While it is clear that there is an enormous need for affordable housing in New Jersey -- I forget, but current estimates are about 20,000 new units of low- or moderate-income housing a year -- developing these units is not currently a priority at the State level. This can be seen clearly by a lack of a State housing policy and the recent cuts in funding for affordable housing in the State budget.

A-1475 proposes reorganizaing and transferring the functions of several divisions within the Department of Community Affairs to other State agencies in order to create a new Department of Housing that would be more effective in meeting the housing and community development needs of the State's residents. However, we want to caution you that transferring out many of the programs that are under these other divisions-- They are actually related to affordable housing and community revitalization efforts already. While

there is a drastic need to increase affordable housing, this needs to be done in conjunction with meeting these other community needs as well. These two issues should not be divorced. In reality, by locating these related programs under the same roof and in the same agency, the process is facilitated.

Our concern about this reorganization is not only that a more holistic approach to housing and community development will be hampered by the proposed reorganization, but that in the short term, the delivery system that is set up to fund these efforts will be delayed.

While working to elevate the issue of housing to Cabinet level status is a laudable goal, we do not believe that the solution to building affordable housing and moving toward economic recovery in New Jersey will be achieved through the reorganization of the Department of Community Affairs. What is necessary is to develop new programs to increase production, and to fund affordable housing and community development efforts at an adequate level. Through such an approach, we can effectively address community needs and spur the State's economy as well.

Thank you.

ASSEMBLYMAN KELLY: You said one thing, "There is no State policy." Is that what you just said, or did I mishear you?

MR. SAUER: That is our position.

ASSEMBLYMAN KELLY: Well, don't you think if we had a Commissioner of Housing he would set the policy and there would be a policy strictly for housing in the State of New Jersey?

MR. SAUER: Well, I think the issue of a housing policy goes beyond just the Department of Community Affairs. There are many actors that are involved. There are the administration, the State Legislature, DCA, HMFA, COAH, and all of the other actors, whether it is nonprofit developers or

for-profit developers, that need to be involved in promoting that overall policy. I would certainly encourage you to bring all those people together to advance that, but I don't think that is the solution in and of itself.

ASSEMBLYMAN CORODEMUS: If I understand your testimony, it is to the effect that the current system, the way the responsibilities are allocated in different departments of government, particularly in DCA, that the allocation of valuable revenue resources has not been to your satisfaction. is that correct?

MR. SAUER: Correct.

ASSEMBLYMAN CORODEMUS: Do you think we should stay the course and keep the same allocation and responsibilities the way they current exist, particularly with DCA, and do you have faith that your request for revenue resources will be augmented?

MR. SAUER: I certainly believe that there are not adequate resources right now. Reading through the bill itself, though, I don't see any mechanism being established to increase resources within your Department of Housing either. Maybe that was--

ASSEMBLYMAN CORODEMUS: This isn't a funding bill; this is a--

MR. SAUER: I understand that.

ASSEMBLYMAN CORODEMUS: --policy reorganization bill.

MR. SAUER: But I think the issues are strongly interrelated. Until the issue of funding is addressed, we cannot move forward too much. If some additional funding was supplied to the programs that are already at DCA, much more could be done. Many of those programs are already being run very effectively, and we would like to see them continue.

ASSEMBLYMAN KELLY: Anybody have any questions?

ASSEMBLYMAN SOSA: Yes, Mr. Chairman.

ASSEMBLYMAN KELLY: Go right ahead.

ASSEMBLYMAN SOSA: Mr. Sauer, one question in two parts, and I would pose this question to anybody here testifying on this bill. From what I have heard so far this afternoon, there seems to be an assumption that cross-fertilization between other departments that would be affected by the moving of some of these responsibilities out of DCA would not occur between those departments and DCA in improving the mission. Secondarily, there seems to be an assumption that there wouldn't be an enhancement of the mission of those departments affected by that move to those new departments by virtue of their mission.

Can you answer that, and would other people also answer that question?

MR. SAUER: There are some efforts, I believe, already underway to facilitate these various departments working together. I know in the case of, I believe, the Transitional Housing Program, there are different agencies which cooperate on that particular avenue to develop additional transitional housing units and make sure social services are being provided, and other community needs are being met. Oftentimes, though, when you involve more than one agency, it can certainly, at the least, slow the process down. It is our position that you can't--

ASSEMBLYMAN SOSA: Is there experience that you can attest to by that statement, that the process could be bogged down by that happening?

MR. SAUER: I think, in general, if you start getting two different agencies involved in trying to implement one program, or to work jointly on a particular program, the additional time and coordination it takes can lead to complications. Now certainly that is an issue that needs to be addressed. We need to work better among the different divisions and among the different agencies to address the whole range of community needs in the State.



ASSEMBLYMAN SOSA: That's generalities. Can you give me some specifics on when that could occur?

MR. SAUER: I don't have specific examples to give you right now, no.

ASSEMBLYMAN SOSA: All right. Could you provide those?

MR. SAUER: We can certainly try to, yes.

ASSEMBLYMAN SOSA: The question remains, though: Is there a possibility that there could be an improvement in the mission for those areas by the moving of those divisions to the other, if you will, more related departments?

MR. SAUER: It is hard to speculate on what could happen. Certainly that could be the case. At the same time, some of the divisions that are being proposed for transfer out do contain programs that are related to affordable housing and other related programs. So I think it makes sense to have them--

ASSEMBLYMAN SOSA: But that relationship doesn't necessarily go away.

MR. SAUER: No.

ASSEMBLYMAN SOSA: There is still that mission that has to be undertaken--

MR. SAUER: Potentially, that is the situation, yes.

ASSEMBLYMAN SOSA: --and the responsibility.

ASSEMBLYMAN KELLY: Anyone else have any questions?  
(no response) Thank you, sir.

MR. SAUER: Thank you.

ASSEMBLYMAN KELLY: Calvin D. West. Do you represent the City of Newark, the Mayor's Office?

C A R L F. W E S T: No, my name is Carl West.

ASSEMBLYMAN KELLY: Oh, I'm sorry.

MR. WEST: Mr. Chairman, members of the Committee, I would like to thank you for the opportunity of allowing me to express the concerns of our Association regarding Assembly Bill No. 1475.

I am Carl West, Executive Director of the Mercer County Office on Aging and Legislative Chairman of the New Jersey Association of Area Agencies on Aging, also known as NJ4A. NJ4A is a statewide Association of Area Agencies on Aging which represent the interests of 20 of the 21 counties in the State of New Jersey.

NJ4A is extremely concerned regarding the potential implications, should A-1475 become law. The Association strongly opposes A-1475, and feels that its passage would severely cripple the aging network in the State of New Jersey, and hence, adversely impact on the delivery of social services to the State's elderly population.

NJ4A recognizes the importance of meeting the housing needs of all New Jersey residents in general, and more specifically, the need for meeting the affordable housing options for seniors. The Association is not concerned with the creation of a Department of Housing, but rather the dismantling of the Department of Community Affairs and the shifting of its existing responsibilities to other established State units.

As an individual who witnessed the birth of the Department of Community Affairs and its evolution over the years, it is somewhat distressful to watch the periodic assaults which take place within the Legislature to turn back the clock and legislate the Department of Community Affairs into oblivion. How well I remember Commissioners LeFante, Sheehan, and others coming before legislative bodies to defend the need for the existence of the Department. Time and again, the Legislature, in its infinite wisdom, rebuffed each assault.

How well I remember early discussions as to whether the Department should be called the Department of Urban Affairs or the Department of Community Affairs. Also, I remember the care and fervor for excellence in the development of the Department exhibited by the Department's first Commissioner, Paul Ylvisaker and his band of what we called "young turks."

Well conceived and carefully nurtured by succeeding commissioners, the Department became a beacon for many of New Jersey's major cities in their attempt to navigate the troubled waters of poverty, declining tax bases, urban blight, and aging populations. During the decades of the '70s and '80s, the Department expanded its scope to include many smaller municipalities that were "at risk."

The New Jersey Association rejects the proposal of transferring the Division on Aging from DCA to the Department of Human Services. It is the position of the Association that the Department of Human Services already has a "full plate," and the addition of the Division on Aging, the Division on Women, the Office of the Public Guardian, and the Office of the Ombudsman for the Institutionalized would be counterproductive and a total disservice to those individuals whom these government entities were created to serve.

The shifting of the Division on Aging to the Department of Human Services would not be in the best interest of New Jersey's elderly population. With the recent reduction in many Federal and State social service programs, it has become extremely vital that the aging network intensify its efforts in the areas of program accessibility, advocacy, and service coordination. It is the position of NJ4A that the placement of the New Jersey Division on Aging within the Department of Human Services will seriously impede the Division on Aging from being viewed as the focal point for New Jersey's elderly citizens.

The New Jersey Association of Area Agencies on Aging respectfully requests that the members of this distinguished Committee not "turn back the clock." By voting to abolish the Department of Community Affairs, we will, in fact, have turned back the clock. If there is a need to create a Department of Housing, then let us build such an agency upon its own

foundation and not with the bricks and mortar from a structure that is sound and functional.

Again, Mr. Chairman, I would like to thank you and the Committee for allowing NJ4A to share its concerns. NJ4A stands ready to join you and other partners within New Jersey's public and private sectors in the development of those resources needed to reach those goals that will improve the quality of life for all New Jerseyans.

Thank you.

ASSEMBLYMAN KELLY: One question: If we move the Divisions-- If all the people working-- If I wanted to remove people, just remove them to the Department of Human Services, how would that foul it up? Explain that to me. How is that going to foul up the system?

MR. WEST: Well, Mr. Chairman, as has been reported by the Governor's Task Force, there has been a call for the creation of a Department on Aging which would be responsible for coordinating many of the activities that currently take place in other areas. It also, as I have indicated-- We feel that the Department of Human Services has a full plate, and that it, in fact, would not serve the interests of aging to be moved into a Department with bureaucracy, which has many tentacles which we would get lost in, as a matter of fact.

We feel there is a need to have the Aging Division fairly visible. There is no question that we are an aging community, and that we have to begin to address those issues relative to an aging society.

ASSEMBLYMAN KELLY: Any questions?

ASSEMBLYMAN CORODEMUS: Perhaps you can describe for me and the Committee what type of services your group might solicit help from, from the Department of Human Services.

MR. WEST: Well, of course, as you are well aware, the largest Division within Human Services is the Division of Youth and Family Services. There is a significant amount of Federal

funding that comes through the Department of Human Services. We think there is a need to coordinate. We do have a certain degree of cooperation at this point in time. However, we feel there is a need to better coordinate the services for the aging community in the State of New Jersey. The ideal way to do that would be through the creation of a department, or at least the elevation of the Division on Aging within the Department of Community Affairs.

We feel it would be counterproductive, as I have indicated, to move the Division to the State Department of Human Services. As a matter of fact, on the Federal level there has been--

ASSEMBLYMAN CORODEMUS: Before you go on to the Federal level-- Excuse me, I just want to stay with the State level.

MR. WEST: Well, it is relevant to what you're saying.

ASSEMBLYMAN CORODEMUS: In the Department of Human Services, are your needs being adequately met at the present time?

MR. WEST: I would say, by and large, I don't think any organization or service can truthfully say that the needs are being adequately met. There could be--

ASSEMBLYMAN CORODEMUS: Do you ever find yourself in a position where you have to do -- let's say where your organization, as an applicant, would have to attempt to coordinate services from the Department of Human Services and the Department of Community Affairs?

MR. WEST: There are instances where that cooperation is required. However, again, in many cases, the bureaucracy that does exist, does create some delays and some loss of efficiency in the development of that effort.

ASSEMBLYMAN CORODEMUS: Thank you.

ASSEMBLYMAN KELLY: Wouldn't it be better through one Department, though, where you wouldn't have this bureaucratic nonsense between two Divisions and two Departments?

MR. WEST: In the current state of organization, I would not see it being more effective in the Department of Human Services. I would see it more effective, of course, if there were, in fact, created a Department of Elderly Affairs or a Department of Aging, as exist in other states. The State of Pennsylvania, for example, has a Cabinet position on Aging, and has been very successful in coordinating heretofore activities which had been somewhat fractured.

ASSEMBLYMAN KELLY: If you had a Department, would it matter where it was -- Human Services-- Or, if you elevated it to a department level--

MR. WEST: Well, in fact, it would be its own Department. In effect, it would bring in other agencies that are currently being operated within other departments.

ASSEMBLYMAN KELLY: Any other questions? (no response)

MR. WEST: I would like to just respond to one question that was asked regarding the Management Study. I would respectfully request that this Committee talk to some of the members of that Committee, because I don't think there is general unanimity in terms of the suggestion relative to moving the Division on Aging to the Department of Human Services.

ASSEMBLYMAN SOSA: I'm sure you would agree that if a committee report comes out as a committee report, you are always going to find disagreement, no matter what committee you sit on.

MR. WEST: But I think you will find that there is not a great degree of support for that among the Committee members.

ASSEMBLYMAN SOSA: But again, the Committee voted the recommendations out as a Committee.

ASSEMBLYMAN KELLY: Thank you.

MR. WEST: Thank you.

ASSEMBLYMAN KELLY: Bill Dressel.

W I L L I A M G. D R E S S E L, JR.: Mr. Chairman, my name is Bill Dressel. I am Assistant Executive Director, New

Jersey State League of Municipalities. I had signed up along with the League President, Paul Matacera, the Mayor of North Brunswick, who has a prepared statement, Mr. Chairman.

**M A Y O R   P A U L   J.   M A T A C E R A:** Good afternoon, Chairman Kelly, and members of the Committee. As Bill pointed out, I am Paul Matacera. I am the Mayor of the Township of North Brunswick, and this year I serve as the President of the New Jersey State League of Municipalities. We would like, of course, to thank you for the opportunity to be able to speak to you here today on this very, very important issue.

I must state unequivocally that the League of Municipalities opposes A-1475, which would dismantle the Department of Community Affairs. While we appreciate the frustration which you all feel with your State bureaucracy, we cannot support this radical proposal.

The Department of Community Affairs was expressly created to serve the needs of our 567 municipalities. It has often proved to be the one and only Department of State government that knows or cares about local budgetary constraints. Other departments tend to look on us as administrative, rather than political, subdivisions. Instead of dismantling the Department, we would much rather see greater consolidation within DCA.

As a Mayor, I like the idea of knowing that when I come to Trenton, I've got a Cabinet level Department staffed by people who know and care about my problems back in North Brunswick, and I speak for other mayors who would say the same thing. I like knowing that there is at least one Cabinet officer who at least has the chance to function as an ombudsman -- or ombudswoman -- for local government.

I can't imagine not being able to pick up a phone and being able to speak to someone I have become very close to over the course of my 10 years as Mayor; someone I have created a personal relationship with. I can't imagine not being able to



pick up the phone to Barry Skokowski, and saying: "Barry, can you direct me through the Department to where I have to go?" not only in Local Government Services, but around the entire agency. I don't think today that we are offering-- If we were to lose some of the functions of these agencies to other agencies of State government, if we lose DCA as we know it exists today, and we separate these agencies into various agencies, I do not feel we will be able to have the same type of relationship of coming down here and being able to do "one-stop shopping," so to speak.

Right now, as a Mayor, I can come to DCA and not have to worry about Treasury, not have to worry about Human Services, not have to worry about the Department of State. I come to DCA and, as a Mayor, I am getting my questions answered.

If you turn DCA into the Department of Housing, I believe you will denigrate the importance of local government to the people of this State. We have a new Commissioner in the State of New Jersey -- a new Commissioner of DCA. I think it is incumbent upon us to set up and begin to meet with her, and for her and you, as a Committee -- as an Assembly Committee -- to be able to begin to establish some new housing needs and some needs of the Department of Community Affairs.

I believe we can address this complex issue with a round of good, frank negotiations; being able to sit around a table discussing with the new Commissioner new ideas and new insights. At this point in time, I would like to say that I would like to see that happen. If that happens, we would just like to say, "Hold the bill." If it can't happen, then I would say again, on behalf of local officials, my colleagues around the State, please vote "No" on A-1475.

I thank you very much for the opportunity.

ASSEMBLYMAN KELLY: Thank you.

ASSEMBLYMAN SOSA: Mayor -- if I may, Mr. Chairman--

ASSEMBLYMAN KELLY: Go right ahead.

ASSEMBLYMAN SOSA: Have there ever been any circumstances where you have contacted the Department of Community Affairs, whether it be Barry Skokowski or other individuals in DCA, that required them, in turn, to contact somebody from Treasury for help, or somebody from Human Services for help, on matters relating to your community?

MAYOR MATAcera: I am sure such circumstances probably existed, but I was able to go one place and have them do that, rather than my being chased around the bureaucracy of State government. There were times when I contacted DCA and there were things that I would have liked to have seen, but they didn't come out that way. There were times in inspections in other areas of DCA where we didn't get what we really wanted, or, for that matter, we might have been slapped on the wrist for things we didn't do. There were times during the budgetary process.

One of the things that I have kind of criticized them for, is the fact that at times we have wanted to promulgate a budget and we have been held up because DCA had not confirmed a budget at the time. Those are things that are all mechanics, and those are things that are happening. What we are talking about here and now is taking a good concept and completely dismantling it into something else. That is what I am opposed to.

I really believe that we have the ability to work with this Department; a Department that has effectively serviced local communities and local governments since its inception in the mid-'60s.

ASSEMBLYMAN KELLY: I don't think anybody is talking about dismantling anything. We are just talking about moving it. There is no dismantling.

MAYOR MATAcera: Well, that is what I'm saying, Chairman. John, you know as well as I do, as a former mayor and a local official, that when you start moving things into

the bureaucracy of government-- Let's face it, your frustration is with the bureaucracy in some of the government on an administrative level.

ASSEMBLYMAN KELLY: With Community Affairs, yes, it is.

MAYOR MATAcera: And there may be some others. But the idea of the thing here is, let's not talk about dismantling and shifting. Let's talk about, in this particular government agency-- Let's make this government agency become more effective in what they are really doing, and I think they are fairly effective now. No one is perfect. This is an imperfect world. But I think they do a damned good job. Can they do a better job? Probably. Can anybody do a better job? Yes.

So I think that at this time the point is not to lose certain entities in certain other areas of government, but rather I would like the ability to come down to one place and say, "I am able to go someplace and know who I am dealing with up-front when dealing with municipalities."

ASSEMBLYMAN KELLY: Are there any other questions?

ASSEMBLYMAN ZANGARI: Yes, from me.

ASSEMBLYMAN KELLY: Go ahead.

ASSEMBLYMAN ZANGARI: Mayor, you know, you have emphasized a few times that Local Government Services was one-stop shopping. I would think, you know, that Local Government Services, especially-- When it comes to budgeting, no one would know better than the State Treasurer who could come forth with the dollars, who would know better how the money is to be spent, and where it is coming from.

So I would think, you know, that the Division of Local Government Services would better serve mayors, such as yourself and those of the other 567 municipalities, if it were in the Department of the Treasury.

MAYOR MATAcera: Well, theoretically, Assemblyman, you may be correct, because it has to do with dollars and numbers. But actually the Division we have and the way the Division was

created-- The Division of Local Government Services and the Local Finance Board are basically separate entities that we can go to with those problems.

Treasury is charged with the development of the dollars in State government. Treasury is really looking at those numbers that develop here on the State government level. What DCA is doing is looking over our shoulders, and I don't have a problem with anybody looking over my shoulder -- looking over my budgetary requirements -- to make sure we are doing it well for our constituents and our communities. I think that is where it is.

So wherever it might be, it stands almost as an entity by itself. Literally, if you wanted to say simply, "Let's create a Department of Local Government Services, and make it a Cabinet level position--" We don't need that, because the way it serves its purpose now is fine under the umbrella it has. To move it from one place to another is theoretical, but when you really think about Treasury, Treasury is working with State government, State dollars. Local Government Services, under the Department of Community Affairs, is working with municipalities and municipal dollars.

ASSEMBLYMAN ZANGARI: Doesn't the money disseminate, you know, through our municipalities that comes from the State?

MAYOR MATACERA: Well, that is only from the standpoint that it-- If Treasury or the Legislature produces it, it then goes through and it is awarded to our budgets, but we have to allocate those budgets again. The oversight that everyone is looking for comes out of the Division of Local Government Services, which is looking over our shoulders. I think you are looking at that oversight situation. They are the oversight review.

ASSEMBLYMAN ZANGARI: I think, you know, times change. We are into high tech. When money is coming in, I think you are going to have to streamline government. Things

are bad this year, and I think that things are going to be much worse next year. You're talking about laying off thousands of people; next year you are going to be talking about laying off thousands more people. You know, when you have a million-and-a-half-dollar deficit already projected for next year, something has to crack, and you are not going to be able to please people all the time.

I think that an ongoing discussion such as we are having today-- There is nothing on the books that says we are going to dismantle anything. I think you know this is going to bring forth a lot of good, positive ideas that we can implement, you know, whether a change goes through or not.

ASSEMBLYMAN KELLY: Any other questions, anyone? (no response) Thank you.

MAYOR MATAcera: Thank you all very much for your time. Have a great day.

ASSEMBLYMAN KELLY: Mr. Patrick O'Keefe, New Jersey Builders Association.

P A T R I C K J. O ' K E E F E: Good afternoon, Mr. Chairman, members of the Committee. I have prepared remarks which are being distributed.

Before I turn to that topic, I would like to report to the Committee, congratulations. This morning the Governor had a signing ceremony, and signed into law the Housing Incentive Finance Act, which is a new program in the HMFA to stimulate housing production. I congratulate you because that bill is one of several bills which, in the first, what, seven months, eight months of this legislative session, have emanated from this Committee. I think you should all be duly proud. The Governor, in his remarks today, emphasized the importance of this bill, not only to getting the housing sector back and putting people in housing, but stimulating the economy.

So, from a builder's perspective, thank you, and congratulations.

Mr. Chairman, somewhat uniquely at this hearing, I sit in this chair today in support of A-1475. I would like to start off by commending you and the Committee for opening up this dialogue. I hope my colleagues on this side of the table are willing to remind themselves that this is, as you have said, a dialogue about how to do things better. It is not, at least from my perspective, about diminishing other priorities. It is not about dismantling things. You have been very clear, both in the bill and in your statements, that none of the programs that are currently in place, for which I think most of us have a very high regard, are to be adversely affected here. But rather, the creation of the Department of Housing is a response to a very simple goal; that is, to establish housing as a priority of State government, and to provide the institutional apparatus we need to assure that the shelter needs of our citizens are being met.

I think that those who are concerned about the elderly or municipalities or the issues affecting women, also need to be respectful of those of us who are concerned about providing our fellow citizens with an adequate place to live, and recognize that in our advocacy of that, we are not demeaning them, we are not trying to injure them, but we are trying to help our fellow citizens.

In promoting a Department of Housing, I think all of us have to emphasize a couple of things: Number one, we are not criticizing the current professionals in the Department of Community Affairs or the job they are doing. Instead, what we are trying to do is give them the best tools available to do a very important job.

Secondly, and I say this with personal knowledge as a friend of the new Commissioner, I don't think we can confuse the personal commitment of an individual leader with the institutional priorities of a Department. I think -- I am supremely confident -- that Commissioner Bush is going to be a

preeminent advocate for housing. It is too risky to say that she may, in that position as the Commissioner of DCA, be the best advocate of housing that we have had in 25 years. But Commissioner Bush, as she herself acknowledged, is not going to be there forever. What we have to be concerned about is whether or not her successors will share that commitment; will share that strength.

Unfortunately, I have to disagree with a couple of things that Commissioner Bush said, and I will divert from my remarks here. The Department of Community Affairs -- State government -- is already intensely involved in market housing. I'm sure that what the Commissioner was trying to focus on, was that the proper focus of government, first and foremost, has to be for those who are at a competitive disadvantage, or a social disadvantage, and need the assistance of government. But we have to recognize that the Uniform Construction Code, and various other programs, are all administered by the Division of Housing in the Department of Community Affairs. Those are market rate administrative programs. We are already involved in that.

A second point where I would diverge from the Commissioner's perspective is on her view that we have somehow practiced the "trickle down" theory in housing policy. I am sure that as Commissioner Bush becomes more familiar with the data, she will come to recognize that in the 1980s in New Jersey, we built less housing than in any decade since the Second World War. It was not a massive housing decade. She will also come to recognize that it was not trickle down, but crowd out that we practiced; that because supply was not keeping up with demand, prices went up, and it was the low-income, the moderate-income household that suffered, because they didn't have adequate dollars to participate in the competition for housing. That is something that concerns this Committee. It is something that every one of you has agonized



over, over the past several months, and, as I said this morning, we saw yet another one of your initiatives signed into law.

This Committee has received voluminous testimony about the State's housing crisis. Let me just highlight a couple of numbers to try to give some perspective as to that crisis. All of these numbers come from the Comprehensive Housing Affordability Strategy, which was prepared by DCA, and submitted to HUD last year.

According to that Comprehensive Housing Affordability Strategy, some 675,000 households in New Jersey are ill-housed. That means they live in either substandard housing, or they pay too much of their disposable income to provide that family with adequate shelter. On any given night, according to DCA, an estimated 15,000 New Jerseyans are homeless. Over the course of the year, some 35,000 to 40,000 individuals experience homelessness, meaning that on that night they have no place to go.

What we also know, looking over the data for the last three years, when we produced in each of those years record low levels of housing, is that the situation is deteriorating; it is not getting better. One of the earlier speakers put on the record that we need, according to the CHAS, 20,000 units of housing a year just to begin to address the needs of low- and moderate-income households; that we should be producing 30,000 units a year to try to get the market back into equilibrium. Last year, we produced fewer than 15,000. This year, at the pace we're going, we will build 18,000. The year before last, we built 18,000. Begin to add up that housing deficit, and we see that this State's housing crisis is getting worse.

Problems of this magnitude deserve, require, call out for concerted action. They are going to require plans; they are going to require priorities; they are going to require quick reactions when we find out that things are not working as

well as we want. All of that is going to require a housing policy, which everyone in this room knows we do not have. That is not solely the responsibility of the current DCA.

As an earlier speaker said, a housing policy would span agencies. But if we had a Commissioner of Housing and a Department of Housing, when they were sitting there at the Cabinet table, they would be saying to the Governor, "Here is what we have to do. Mr. Governor, we have to call this priority to your attention," just like the Cabinet member from Environmental Protection, or the Cabinet member from Agriculture, is sitting there saying to the Governor, "This is a crisis that requires your attention, requires your actions."

We heard the Governor speak eloquently about that this morning; the fact that he, too, recognizes the housing crisis in New Jersey.

We have Cabinet level Departments for Health, Education, Transportation, Banking, Environmental Protection, and each of these agencies serves two functions: One is to oversee, or regulate certain activities, and the second is to advocate on behalf of those. Don't the shelter needs of our citizens require a similar priority? Given the fact that agencies like DOT and DEPE's policies adversely affect the ability to house people in New Jersey, don't we just need a Housing Department to level the playing field, so that there is somebody sitting there in these debates with the singular responsibility of making sure that our citizens have a place to go to bed at night? A Department of Housing would have that as its purpose.

I think in the dialogue, not just that we have heard here today, but this is a debate now that has gone on for several months-- In the dialogue, the opponents of a Department of Housing, or the proponents of the status quo, would help all of us if they could explain how this housing crisis, how this problem that our fellow citizens confront, can

be reduced; how conditions will be improved if we don't change things as they now stand.

The status quo is where we are and is giving us what we have. The proposal for the Department of Housing -- A-1475 -- is probably not a perfect bill. Knowing the Chairman, it will go through many iterations. It may, in fact, lead to just simply taking housing activities out of Community Affairs and leaving everything else there. I don't know. I don't want to presume at this point to see where this dialogue is going. But I do know this: We have 675,000 ill-housed households in this State. It is a crisis of inordinate magnitude. It requires, and cries out, for action, and I think A-1475 begins that dialogue.

I commend the Chairman for sponsoring it, and I thank you for the time to address you about it.

ASSEMBLYMAN KELLY: Does anyone have any questions of this witness? Mr. Hartmann?

ASSEMBLYMAN HARTMANN: Mr. O'Keefe, just from being on this Committee now for nine months, it appears to me that there is really no greater impediment to housing than government in the forms of fees and regulations. Making one commissioner just concerned about housing, wouldn't this be an even greater impediment? I mean, just getting government involved in housing, for me, just simply focusing on housing-- I would be terrified of that in a lot of ways.

I mean, what happens if we get a commissioner who is not pro-housing, but seems to be more interested with putting on higher regulations and collecting fees in order to fund his domain? I mean, it happens with DEPE, and it could very well happen here. I don't necessarily believe that getting government involved -- getting the bureaucracy involved -- is going to help the housing crisis. I can only think it would hinder it, as it is doing presently. I don't have the facts -- you gave them to us before -- but how much of the additional

costs of housing are because of State intervention, because of fees and because of regulations?

I would just be really wary of this.

MR. O'KEEFE: Mr. Hartmann, I think the wariness is well placed for those of us over the years who have come to recognize that the best intentions of those who have advocated programs do not always come to fruition when we get a public-sector program.

I think there are a couple of reasons why we would be better served by having a Department of Housing, because I think we have to depart from the premise that government is, and will continue to be, involved in the housing arena. For a significant segment of our population, I have to say -- and, as you know, I am a long-term advocate of market economics-- There is a large segment of our population that the housing market cannot serve in New Jersey, in part because of those regulatory impediments, in part because of the exclusionary zoning practices that are prevalent in many communities.

What we hope to achieve in creating a Department of Housing, is to put somebody at the table who is going to advocate on behalf of housing in a way that the current Commissioner finds it difficult to do. Sometimes these issues that are important to housing will occur at a time when other demands are on the table; demands with policies relating to the elderly, or women, or alternatively, they will involve a competing interest between those who are proponents of housing on the one hand, and municipalities on the other.

The Mount Laurel doctrine did not come about because we decided we wanted to have a Mount Laurel doctrine. It came about because the Supreme Court found, well over 10 years ago, that municipalities were using their zoning power to exclude people -- in an exclusionary fashion. So, I think we always have to be concerned about the unintended consequences of any public policy action, but that is counterbalanced here by the

fact that government is involved in housing; that government does, in certain areas like the health and safety of low- and moderate-income households, have certain responsibilities that have to be discharged.

ASSEMBLYMAN HARTMANN: But perhaps instead of getting a whole Department, where a Commissioner would just be worried about-- There is definitely incentive -- we see it in DEPE -- to raise fees, to collect fees at such a rate, and, sure, maybe he would be an advocate in some ways, too, but just knowing human nature, knowing the history of bureaucracy in the State, they are going to want to continually grow, and the housing industry is going to have to pay for it some way out of their pockets.

We have a Public Advocate. Why not just have a Housing Advocate who won't have to have fees; will not raise fees; will not try to set up regulations, but could be an Advocate just for the housing industry, and then perhaps retain DCA in its present form? How is that as a potential option?

MR. O'KEEFE: Let me say that DCA, in its present form, as I tried to indicate at the outset, is not an unmitigated disaster. It is a second-best alternative, from a housing advocate's perspective.

When you're talking about setting up a Housing Advocate, unless that institution has the gravity, has the impetus to look across the entire sphere, what will happen is one of two things: It will either become a lightweight, as so many of these special commissions and special offices have that we have set up for our government; or it will become a single-purpose advocate for one type of housing, or one level of activity.

Let me take you back, because I think you have done us a very good service by clarifying this thing about fees. I would point out that in the current Department of Community Affairs, about four years ago, in literally the dead of the night, the current Department of Community Affairs had Governor

Kean declare an emergency so it could, ex post facto, increase its fees across-the-board by 80 percent. So we are paying those kinds of prices now in the current arrangement. We get those kinds of activities.

What I think our concern is from our perspective, is that there is a higher probability of getting a Commissioner whose attention will be drawn to other issues, because there are very compelling social issues in the other parts of the Department, and therefore they would be distracted from what, to me, is the primary social issue, and economic issue, which is providing our citizens with adequate and affordable housing.

ASSEMBLYMAN HARTMANN: I would think that would be good. I would hope that a Commissioner, if I were in charge of a business, wouldn't know what I was doing; otherwise-- Again, the temptation out there just to increase fees, and we talked about it for months now--

I don't know. I don't have all of the facts in front of me, but again, I am very wary of that, having a commissioner whose sole purpose is to focus on housing.

ASSEMBLYMAN KELLY: Mr. Hartmann, excuse me. Right now, DCA is collecting, probably, \$20 million in fees, or \$50 million, and I want to find out what they do with it, where it is going, and why they need it. Eventually, we are going to get to that.

ASSEMBLYMAN HARTMANN: Just think about that, if he was just going to worry about housing. I mean, that would just be worse.

ASSEMBLYMAN KELLY: I am talking about housing fees right now.

ASSEMBLYMAN HARTMANN: It would probably just be increased.

ASSEMBLYMAN KELLY: Well, I don't think it would be increased. I want to find out now why and where it is going, and we are going to find out before this--

ASSEMBLYMAN HARTMANN: I hope we can--

ASSEMBLYMAN ZANGARI: We have legislation being drafted, where you and I are going to be the sponsors, to rescind that. (laughter)

ASSEMBLYMAN KELLY: Right now, today, effective today-- This sounds like a very inconsequential note. Today, they increased the fees on alternations. It sounds like it is peanuts. It's 80 cents on \$1000. Did you pass any law to that effect? They just go around charging fees left and right, and I want to find out why. That is really what this Committee meeting is going to be all about: What are they doing with the fees?

ASSEMBLYMAN HARTMANN: Would this stop it, though?

ASSEMBLYMAN KELLY: Well, we'll find out what they're doing with it. That's for sure.

ASSEMBLYMAN HARTMANN: Not just with the housing, because-- The Housing Commissioner, would he stop the fees?

ASSEMBLYMAN KELLY: We'll get to that later. I doubt that, when we get finished with these fees.

Does anyone else have any questions of the witness? (no response) No questions? Thank you, sir.

MR. O'KEEFE: Thank you, Mr. Chairman.

ASSEMBLYMAN KELLY: Tell me something, is Calvin West here? That is the last time I am going to call him. If he is not here, it is going to be finished.

ASSEMBLYMAN ZANGARI: He went to the Governor's Office.

ASSEMBLYMAN KELLY: He went to the Governor's Office, good.

UNIDENTIFIED MEMBER OF COMMITTEE: That's the way it goes in the round file.

ASSEMBLYMAN ZANGARI: He went to discuss something about Valley National.

ASSEMBLYMAN KELLY: Joe Riordan. Is Joe Riordan here?

UNIDENTIFIED SPEAKER FROM AUDIENCE: He stepped out. He'll be back.

ASSEMBLYMAN KELLY: Oh, he will? Good. Regina Podhorin.

R E G I N A P O D H O R I N: Yes?

ASSEMBLYMAN KELLY: Come on up.

MS. PODHORIN: Thank you. My name is Regina Podhorin. I am the Executive Director of Womanspace, Inc., in Mercer County. We are the domestic violence provider for Mercer County. We provide shelter, counseling, and transitional housing services in this county, as well as we run a statewide Domestic Violence Hot Line for the State of New Jersey.

I have two points to make: One is an example of where the Division on Women being inside the Department of Community Affairs has been beneficial to our business. You should have some written comments. I did provide copies.

Womanspace, Inc. has had a strong professional relationship with the New Jersey Division on Women for the last 12 years. Together we have focused attention on the needs of battered women and children in New Jersey. The position of the Division on Women in the Department of Community Affairs has had a great positive impact on the creative problem solving of housing issues for battered women.

As an example of this, we have been working for many years -- and I divert from my text for a moment -- in the development of transitional housing and working with the Division on Housing on that issue related to our population. A special training session held this past year on capacity building in the area of transitional housing brought together, for the first time, State housing staff, local domestic violence service providers, and a national expert on women's housing issues. It was the Division on Women and the Division on Housing working together that made that possible.

The organization and development of this seminar was the direct result of the close relationship between the



Division on Women and the Division on Housing in the Department of Community Affairs. We in the field have been unable to sort out the proper access points, and without the intervention of the Division on Women, we would not have been able to do that yet. Having these two Divisions in the same Department has made the conversation infinitely more useful and manageable for service providers. A-1475 has the distinct potential of undoing the good work accomplished this last year in this area.

At this time, it is our experience and belief that the position of the Division on Women inside a multidisciplinary Department like Community Affairs has distinct advantages. The Division's ability to be a change agent in how women are viewed and treated in this State is of paramount importance at this moment. The Department of Human Services, with whom we also have a longstanding positive relationship, is already truly overburdened with a complex set of priorities.

Although there may be a seemingly logical relationship between the work of the Division on Women and the Department of Human Services, can there possibly be any room left in DHS for the level of energy needed and the range of issues addressed by the Division on Women? If we could completely erase the slate and recreate State government from scratch, perhaps we could devise a different set of relationships.

For now, the relationships between Divisions in the Department of Community Affairs are working fairly well, as far as we are concerned. For the Division on Women specifically, we feel, "If it ain't broke, don't fix it."

The fact that the DOW -- the Division on Women -- stands out somewhat in DCA is important to the continued, sustained emphasis on women's issues. We don't feel it would stand out in the same way in the Department of Human Services.

I thank you for your time.

ASSEMBLYMAN KELLY: Thank you. Anyone have any questions?

ASSEMBLYMAN SOSA: Just one. Could you -- and I guess I raised this question to other people testifying -- try to be more specific about why you have those fears that it won't be as effective?

MS. PODHORIN: It is from a professional history of 10 years working with battered women and trying to access different systems as we tried to create new programming for battered women. Transitional housing is an example -- a specific example. It is a new field for us in the battered women's field. We have been doing sheltering for a long time, and then we got into counseling services. Now, transitional housing is a new area for us.

We started, in our agency, transitional housing under the Department of Human Services, as a kind of demonstration grant, and have been trying to work with the Division on Housing with Federal money coming down, the McKinney Act, etc., to expand that resource and what we are doing there. It has been very difficult, for a number of reasons, because as a social service provider, the housing field, the bricks and mortar field, is new to us, and we need someone to help us to walk through that.

I can tell you that the Division on Women has been the area that has helped us to walk through that. So it has gotten us into the Division on Housing, has started those access points working together, and started some of the conversations that we could not have done alone. They were a catalyst and an advocate for us in the field of domestic violence to start conversations with the Division on Women and build relationships there.

I don't know how that would have happened otherwise, to tell you the truth right now. So having them as an advocate in that Department where the Division on Housing was, has made a big difference to us, and we are starting to create opportunities in terms of being able to apply for funding,

think about bricks and mortar kinds of issues, and get technical assistance, which we would not have gotten otherwise.

ASSEMBLYMAN SOSA: Do you know of any other states that have the same divisions that would be part of the Department of Human Services or the Department of Health, for example?

MS. PODHORIN: In terms of a Division on Women specifically?

ASSEMBLYMAN SOSA: Yes.

MS. PODHORIN: I know of some other states. I don't have full information, but in some states the Division on Women, of sorts, is part of the Governor's Office, and would have also a legislative branch. But of Human Services, I don't know of any, particularly.

ASSEMBLYMAN SOSA: The flip side: Do you know of any states that have a Division on Women in a related Department of Housing?

MS. PODHORIN: Not to my knowledge. I don't know if that is true or not. I cannot answer that question--

ASSEMBLYMAN SOSA: Okay. Thank you.

MS. PODHORIN: --but it seems to work here for us.

ASSEMBLYMAN SOSA: Thank you.

ASSEMBLYMAN KELLY: Any other questions? (no response) Thank you.

MS. PODHORIN: Thank you.

ASSEMBLYMAN KELLY: Esther Abrams.

E S T H E R C. A B R A M S: I gave the Aide copies of this testimony.

Mr. Chairman, members of the Assembly Housing Committee, my name is Esther Abrams, and I am Chairperson of the New Jersey State Commission on Aging. I thank you for this opportunity to speak to you today as the duly elected representative of the Commission on Aging and the constituents of the Commission, the older people living throughout our State.

The State Commission also has a Standing Committee on Legislation, whose members represent nine senior citizen organizations, all of which have statewide membership, and this aggregate membership of many thousands adds up to the vast majority of older citizens of New Jersey. The nine senior citizen organizations are:

The AARP State Legislative Committee; the National Council of Senior Citizens; the New Jersey Coalition of County Advisory Councils; the New Jersey Coordinating Council of Organized Senior Citizens; the New Jersey Federation of Senior Citizens; the Older Women's League; the United Senior Alliance; the UAW Retired Workers; and the New Jersey Council of Retirees, ILGWU.

In May, Mr. Chairman, when you introduced A-1475 into the Legislature, the Commission and our Legislative Committee became deeply disturbed by the implications of this bill, and so, at their request, I phoned your district office and expressed our disagreement and concern to your Aide. He assured me there would be no movement at that time, and he promised to deliver my message. I assume he did.

However, I regret that I was not informed that in October this issue and bill would come up again, for if I knew, we would have informed and alerted seniors all over the State during the summer, in preparation for Commission and senior citizen opposition to this bill.

A-1475 proposed to move the Division on Aging to the Department of Human Services. That Department provides services to the poorest and neediest people of all ages. As advocates, we work to see that the elderly poor have the protection they need. But the Division on Aging, located in the Department of Community Affairs, through Older Americans Act funding, the Casino Revenue Fund, and the County Offices on Aging, helps seniors who need help to help themselves. This

help is provided so that as we grow older, we can remain independent. I feel that I certainly look like one of the citizens, and I certainly am.

For example, through Meals on Wheels, shut-ins have a hot meal daily, and through information and referral we know where to find the help we need. The goal of the Division on Aging and of the Older Americans Act and the Casino Revenue Fund, is to provide service and direction to all older people who ask for it, despite their economic circumstances, so that we can continue to care for ourselves as independently and comfortably as possible. That way the State will benefit as well as we will.

The Commission on Aging and our Legislative Committee have played a major role for several years in the effort to promote responsible and responsive utilization of the Casino Revenue Fund. We are very appreciative of the recent action by the Legislature and the Governor, for last week we reached one of our goals when the Casino Revenue Fund Oversight Commission we had long sought, was established by law. That Commission will provide one more resource in the same mode as the Division on Aging, the Older Americans Act, the Casino Revenue Fund itself, and the many other resources senior citizens may utilize in order to continue to live when old as independently as they possibly can, and as they had done responsibly when younger.

That is why the Commission on Aging and our Standing Committee on Legislation, and the vast number of senior citizens we together represent, join in opposing A-1475. We respectfully request that you do not move the State Division on Aging to the Department of Human Services. We respectfully request that you leave the Division on Aging in the Department of Community Affairs where all seniors can work together to our benefit and to the benefit of New Jersey.

ASSEMBLYMAN KELLY: Are you of the opinion that if moved to Human Services this Division would be dismantled? Is that what you think?

MS. ABRAMS: No. I am of the opinion, from reading the bill, that it would not go as a Division. You're saying, it seems to me, in the bill that-- In fact, I have been told that if it didn't go as a unit, as a Division, that they would not get money from the Older Americans Act.

ASSEMBLYMAN KELLY: If this becomes a reality, it is going as a Division. We are not changing any of that. Believe me when I tell you that.

MS. ABRAMS: It says that the programs--

ASSEMBLYMAN KELLY: Well, we will amend it. We'll make the amendments that will properly cover that. I have one for the women's group right now.

MS. ABRAMS: I do feel, sir, that even if you sent it over there, it is not a Department that really answers the needs that all of us have. I feel that older people -- I'm 74--

ASSEMBLYMAN KELLY: I'm not far from you, I'm 66, so don't worry about it. I'm not far from you.

MS. ABRAMS: Well, there is a lot of difference between 66 and 74, I can tell you. I can tell you. (laughter)

I do feel that the purpose of Human Services is very, very important. But I know people who work in Human Services and they cannot do what I am talking about. They are taking care of the very poor; they are taking care of the very needy.

ASSEMBLYMAN KELLY: I don't want them to do anything. I want the Division to stay as a Division. I don't want to have them getting involved with your work. Believe me when I tell you that.

MS. ABRAMS: Well, I'm not sure it can be done. That I don't know.

ASSEMBLYMAN KELLY: That is not the intent of this legislation.

MS. ABRAMS: Well, I appreciate that.

ASSEMBLYMAN KELLY: That is not the intent.

MS. ABRAMS: It is very, very important, as we get more and more older people in the State -- and, of course, that is the way things are going; older people are certainly living a lot longer than they used to-- As a result, we are going to need a lot more -- just support, more than anything else, because a lot of older people, even in their '90s, are still taking care of themselves basically, but they do need a little help.

ASSEMBLYMAN KELLY: My mother, I know.

Any questions? (no response) We are not going to dismantle that Division. Thank you.

MS. ABRAMS: Thank you.

ASSEMBLYMAN KELLY: Ramon Rivera.

R A M O N R I V E R A: Chairman Kelly, how are you? Mr. Sosa, I want to congratulate you on your presentation at the National Republican Convention.

ASSEMBLYMAN SOSA: Thank you very much.

MR. RIVERA: You did very well by New Jersey and the Latino community.

ASSEMBLYMAN SOSA: Thank you.

MR. RIVERA: Mr. Chairman, I want to address your Committee on behalf of the Hispanic Directors Associations of New Jersey and as the Executive Director of La Casa de Don Pedro in the City of Newark, which I have directed for 20 years. In that capacity, I have come to work very closely with the Department of Community Affairs. In fact, in the late '60s, early '70s, when Governor Cahill first set aside resources to develop Hispanic community-based organizations throughout the State, this was the first step in giving life to approximately 33 community-based organizations in every town and city where there is a significant Hispanic or Latino population.

In those 20 years, La Casa and some of the other community-based organizations developed a host of services which address some of these areas. Most of us have programs that deal with the aging community in the Latino community. La Casa and some of the other groups have Hispanic Women Resource Centers that are based out of our agencies. We have Weatherization or Energy Conservation programs. In that capacity, some of us have also developed the capacity to build housing. La Casa, for example, has built housing for low- and moderate-income people. We have now built 47 units, and have sold every one of those units to low- and moderate-income people. We have just recently received a HOPE III grant from HUD to begin to look at other ownership models in the City of Newark.

In that capacity, we have had the opportunity to work with all of the divisions and departments of DCA. I also want to echo what the young woman said who spoke earlier, "If it ain't broke, don't fix it."

ASSEMBLYMAN KELLY: Would you admit that New Jersey doesn't have a housing policy?

MR. RIVERA: I think in that capacity, Mr. Chairman, you're right. I think that the housing policy of New Jersey should be stated clearly and emphatically and regularly. But I don't think we have to dismantle, or reorganize this Department to do that. You can do it within what we have presently existing.

For example, if you do that, you would be eliminating half the resources of this particular Department of Community Affairs. Also, we have some difficulty in understanding how the Division of Community Resources out of the Department would be faring very well under Treasury. For example, under that Division you have legal services, and low-income energy conservation, which is more of a housing program, where they provide windows, boilers, retrofits, and they do insulation for



families, rather than resource -- rather than an income or dollars program. The same thing with Community Services, and Recreation. So, in that, I have some difficulty understanding why this Committee would even suggest that that Division go into that area.

But, beyond that, we agree with you to some extent that the whole housing -- the mission, which I will call it -- has to be emphatically and clearly articulated, and it isn't. There are some problems there. But we can work within what we have, to do that.

Now, a gentleman before spoke regarding housing. Housing, particularly market housing, is a creature of the marketplace. I live in a condominium in the City of Newark. The guy who built them could only sell half of them. I was one of the unfortunate ones to purchase a condo from him. The other six units are rented, because no one is buying. That is the issue -- the market. The low- and moderate-income side of that, which I have been involved in as a developer -- a nonprofit developer -- is a product of subsidies: the Mount Laurel moneys that come down through the Regional Contribution Agreements, Balanced Housing dollars, and other resources that we use to package deals and provide housing to low- and moderate-income families.

There is no prohibition to the profit developer to get into that area, but the incentives are not there. I think that is the issue, not whether we create a new Department or not.

Now, I have been to many conferences and I have heard Mr. Hovnanian and other for-profit developers talk about the burdensome fees and obstacles that are created. Anyone who has built housing knows, and has had to go through that. We did it as nonprofit developers. We have to do that in our municipality. We have to go through the bureaucracy. We have to do that at the Department. That is part of the checks and balances that we have to go through in order to be successful developers.

Whether that can be streamlined or not, I think maybe there are many things that can be done within the existing housing units -- the two Divisions within the Department now, to make that more streamlined effort, to eliminate some of the fees, and also, to provide incentives to attract profit-making developers into the area for low- and moderate-income families. Again, I say, "If it ain't broke, don't fix it."

When you talk about the Department of Human Services, I also deal with them. They have a tremendous mission. I just met with Commissioner Gibbs. They are under tremendous strains because they are having to let go many of their staff. They cannot take another item on. I respectfully submit to you that you reconsider this entire matter and support the existing Department as it is. Let's work within the two Divisions we have to actually create a more streamlined, active housing mission in New Jersey.

Thank you.

ASSEMBLYMAN KELLY: Maybe that will be the result of these hearings, believe me.

Does anyone have any questions?

ASSEMBLYMAN SOSA: Just a comment, Mr. Chairman.

ASSEMBLYMAN KELLY: Go right ahead.

ASSEMBLYMAN SOSA: It appears to me, based on the testimony that I think we have heard so far, that there needs to be a clearer definition of what I understand to be a lack of a housing policy; that there has to be some direction provided, perhaps hopefully on a bipartisan basis, from this Committee to the Department of Community Affairs and others.

The second thing that really concerns me is that, based on what I have heard so far, there seems to be some discomfort with the lack of communication, if you will, between the departments of government, as if to say that they don't seem to work very well with each other. That concerns me greatly. If that is, indeed, real, then that is something we

need to be focused on; we need to concentrate on. We need to make some determination as to why that exists if, indeed, it does exist on a great scale, and ascertain what we can do as a Legislature and within the executive branch to try to correct the problem.

I think this is a great benefit, having this hearing. I seem to sense from the Chairman that this is going to be continuing. This is going to be a dialogue between people from the community, as well as this Committee, that will, hopefully, bear fruit one way or the other, whether it be this bill, a modification of the Chairman's bill, or something, that will lead us on the right road towards a policy that will help all of us and all of the interested groups that certainly need fair attention.

ASSEMBLYMAN KELLY: Any other comments or questions?  
(no response) Thank you.

MR. RIVERA: Thank you, Mr. Chairman, and thank you for the opportunity.

ASSEMBLYMAN KELLY: Mr. Joseph Riordan.

J O S E P H H. R I O R D A N: Thank you, Chairman Kelly. I think I kind of understand that you have some problems with housing in this State. My only thought is, if there is something wrong with the housing group in the Department of Community Affairs, why not find out what's wrong, and find out what we have to do to correct it? We have a new Commissioner, and I am sure she is going to make the effort. I think the remarks that were made here today indicate a strong feeling that maybe things have to be looked at.

When first the report came out about changes in the government, I remember I pursued Departments on Aging. In the United States, there are 24 states that have Departments on Aging. I don't know, and I am not being facetious in saying to you, I wonder how many states have a Cabinet level Department of Housing.

ASSEMBLYMAN KELLY: Several. If you are talking about Housing, several.

MR. RIORDAN: Seven?

ASSEMBLYMAN KELLY: Several.

MR. RIORDAN: Several. I said there are 24 states that have a Department on Aging, so, you know, the precedent could go back to what we originally talked about in the Division on Aging. We really wanted a State Department of Aging. We are willing to concede that that is probably not very practical now, and I think you have to pursue your problem to see what should be done in the Department of Community Affairs first; put the problems on the table and see how they can be addressed.

I don't think many real specifics have been addressed here today, except you made the statement that you wanted a Department of Housing. I think we ought to give the new Commissioner a good shot at seeing if she can resolve the problems, and after that maybe come back and look at it again, because maybe we'll be back by that time looking for a Department of Aging.

ASSEMBLYMAN KELLY: Mr. Riordan, I think I said this bill was not moving out today. We are going to have extensive hearings. I did say that when I started this meeting earlier. This bill is not going out of this Committee today. We are going to have extensive hearings.

I know if you want bureaucrats excited, tell them you want to move them around, and they will come in and answer all of your questions. I'll guarantee that we are going to get all the questions answered. That is the reason for this bill.

MR. RIORDAN: You probably can get much more heated comments than I have given you, but I'm sure saying let's see if we can work the thing out without turning the Department of Community Affairs upside down.

Thank you, gentlemen.

ASSEMBLYMAN KELLY: Any questions of this young man?  
(no response) Okay. Thank you.

Jacqui Eaker.

J A C Q U I E A K E R: I am Jacqui Eaker. I represent the New Jersey Multi-Housing Industry Council, which is the trade association that represents the major apartment owners in the State of New Jersey.

I don't want to duplicate what has been said before. I think Pat O'Keefe from the Builders Association eloquently placed some of the problems of housing before you, the frustrations, etc.

Having been with the Builders Association and then the Apartment Association, and having been affiliated with the Legislature for over 12 years, we have always called for a Department of Housing, or a specific place in government where housing would be a priority, whether it is an advocacy position or whether its mission is to ensure the fact that housing at all levels is provided for the citizens of New Jersey; and efforts that we participate in on the legislative level one year do not dismantle the possibility five years down the road of having housing come on stock.

Representing the rental industry, I'm sure that being on the Housing Committee you understand the seriousness of the shortage of rental housing. I am not just talking about rental housing for poor people. I am talking about rental housing for all citizens, at all levels. We would attribute that reason not necessarily to the economy of the country, but some decisions that have been made right here in the State of New Jersey.

Several years ago, there was a considerable debate on condominium conversions. At that time, we tried to secure from the Department of Community Affairs statistics on housing. Well, it was very, very pathetic the kinds of records that are kept in the State to give us answers to some of your questions

about what housing stock is about at all. I'm sure that you don't even realize that we cannot tell you how many rental units there are in the State of New Jersey precisely, because the records are kept as five units or more. With the proliferation of condominium units that came on in the '80s, five or more are condos and rentals. So to even begin we had to hire a group of professors from Rutgers, who worked with the Department to try to come up with these numbers.

They said that one of the most critical problems they saw in the State of New Jersey is the fact that we really don't know what our situation is as it relates to housing. We don't know how many people are out there who need housing, and what is available in the categories of needs. So I think that by making a Department of Housing, or some branch of government whose exclusive responsibility--

Listening to the speakers who came up here before from the Division on Aging and the Division on Women, I think indicates why a super agency handling housing issues, women's issues, and seniors' issues probably would make it very difficult to have a focus on housing, except when there is a crisis. Then the Legislature, or the Department, is dealing with the crisis. We are not forward thinking; we are not planning for tomorrow; we are not looking at how we are going to house our children in the future. We are not looking at how we are going to replace the stock that is on the market, because, quite frankly, there is no one central place in the State that has that mission.

If there is any problem in the State-- I think housing has helped to bring the State out of recessions, and the country out of recessions in the past. I think it contributes to the economy of the State. I think it should be elevated to the status of importance that it is to the citizens and it could be to the economy.

ASSEMBLYMAN KELLY: Thank you. Any questions of this young lady? (no response) Okay.

Albert Kelly.

A L B E R T M. K E L L Y: How are you doing?

ASSEMBLYMAN KELLY: All right.

MR. KELLY: Mr. Chairman and members of the Committee: My name is Albert Kelly. I am the Executive Director of the Tri-County Community Action Agency. We represent Cumberland, Salem, and Gloucester Counties. I am also the First Vice President of the Community Action Program Executive Directors' Association of New Jersey, otherwise known as CAPEDA. I would like to thank you for this opportunity to present this perspective regarding A-1475.

When Governor Hughes proposed the creation of the Department of Community Affairs in 1966, he cited New Jersey's population growth and mobility, rapid economic development, and the emergence of entire new suburban communities, as well as the deterioration of the richness of life and services in older central cities as having all produced unique pressures and problems for communities and local and State governments. He went on to articulate the realization among New Jerseyans that they live in an interconnected society in which problems of education, housing, crime, and poverty cross every geographic and political line. He asserted that the community problems of modern living in New Jersey could no longer be addressed solely by individual local governments working without State assistance.

He recommended that the Department should be first and foremost a service organization in which the full resources of the State would be made available to communities for coordinated assistance for the many different problems they face.

Today, the Department continues to fulfill this essential function. The need for the services DCA provides is

greater than ever in New Jersey, the most urban State in the nation. The Division of Community Resources, the descendent of the original Office of Economic Opportunity created in 1964, was an essential part of the Department.

The Office of Community Services operates the Community Services Block Grant for New Jersey. Under this program, approximately \$11 million in regular CSBG and Emergency Homeless Program funds are distributed to 23 community action agencies and four limited purpose agencies. The funds are used to assist low-income people to become self-sufficient through services and activities that have a measurable and potentially major impact on the causes of poverty. In Fiscal Year 1990, approximately 88,000 people received services through this program in New Jersey. On average, each CSBG dollar leveraged approximately \$13 from other revenue sources.

Second is the Weatherization Program, which I would like to speak on. While it is funded from a number of different grants, the two largest are from the United States Department of Energy and through a transfer from the New Jersey Department of Human Services under the Low-Income Energy Assistance Program. Funding from these two sources equals approximately \$9 million each year, and is augmented with oil overcharge funds and other programs which are allocated more sporadically. These funds are distributed to 22 weatherization agencies, which use the money for shell weatherization and heating system repairs and replacements for low-income people, particularly disabled people and senior citizens. In Fiscal Year 1991, 10,036 New Jerseyans benefited either through heating system replacement or repairs -- 1657 units -- or shell weatherization -- 3890 dwelling units. This program saves lives and energy.

This year, over \$24 million in Federal funds will be leveraged by \$370,000 in direct State service funding for the



Division. The State's investment in the Division of Community Resources provides a return which compares favorably with that in any other part of State government. The State's contribution to some of these Federal programs is small compared to a number of other states. Yet, in addition to enabling New Jersey to administer these valuable Federal programs, the direct State service funding pays for technical assistance for nonprofit agencies serving the poor and advocacy work on behalf of low-income people throughout New Jersey.

Throughout the years, DCA has been a willing partner in all the community action agencies' endeavors. Recognizing the importance of community action agencies, DCA made a commitment to see that legislation authorizing CAAs was developed and followed through to a successful conclusion. There has been a conscious effort on the part of DCA to develop initiatives, which include CAAs, with other State departments in an attempt to maximize the expertise of existing grantees, rather than looking outside its arena for needed resources, therefore judiciously utilizing limited funds. Now more than ever, it is imperative that DCA remain a viable force in the challenges before us all.

This partnership has been mutually supportive in good times and bad. The recent case of the Passaic Community Action Program, located in Passaic, New Jersey, is a good example of the commitment that exists between DCA and the disadvantaged of New Jersey. Although it was clear that there were improprieties, DCA made every effort to be fair and compassionate in their investigation of the irregularities and actions that ultimately resulted in the closing of the agency.

The success of the DCA, as well as the CAAs, is directly linked to the staff of professionals working within the Department. These individuals understand the problems that plague our communities and are committed to identifying solutions whenever possible. Dismantling the Department -- and

let's make no mistake, we are talking about dissolving the Department of Community Affairs and placing the Office of Community Resources in the Department of the Treasury -- clearly indicates that the plight of the poor is a low priority in this State.

While this is not to infer that the staff working in Treasury is anything but professional, the point is that by removing various parts of a whole, what remains is forced to survive independently. The Office of Community Resources in Treasury would be much like a square peg in a round hole.

It is agreed that New Jersey needs a comprehensive housing policy, one which mandates that every resident is entitled to decent and affordable housing, including the poor. However, it is believed that this would be best achieved within the Department of Community Affairs, where the policy would be developed in concert with other services available throughout the Department.

DCA and community action agencies deserve credit for working on these problems when they are "popular" and when they are not. We have a track record of commitment. The residents of New Jersey have been the beneficiaries of this commitment. Who benefits if DCA is dissolved?

Lastly, gentlemen, Tri-County has a number of programs spread out throughout DCA. By dismantling DCA and placing those programs in other State departments, we would be hard-pressed to be able to service the poor in the way we believe we have done and we can do in the future. So I am asking, on behalf of my agency, the Tri-County Community Action Agency, that the Division of Community Resources remains in DCA, and DCA remains as a whole.

ASSEMBLYMAN KELLY: Thank you. I'll be honest with you: My opinion is that we really haven't done a job for the poor in the past 15 years, and that is frustrating me.

MR. KELLY: Well, we haven't done what we could do, but we are doing better than we have done.

ASSEMBLYMAN KELLY: Well, I want us to do better, and I think we should.

MR. KELLY: Well, sir, by dismantling the Department of Community Affairs, I can tell you that the voices of the community action agencies would not be as strong in New Jersey. When you come to the table in our local communities and they know the Department of Community Affairs is backing you with their expertise and also their resources, it says something, and it gives us leverage in enabling us to help the poor. But if it was spread out along the board to Treasury, Human Services, and what have you, you would be lessening the power of the community action agencies.

I say that because, not only have I been an Executive Director, but I have worked with the poor all my life, and have been able to create programs that we see have helped youth, helped the elderly, helped the disadvantaged, helped Alzheimer's victims, helped women all along the board to better their lives. So, by dismantling DCA-- I think we all want to help the poor, but we would be doing the poor, I think, a great disservice.

ASSEMBLYMAN KELLY: That was the reason for this meeting, sir, to get input. Thank you.

MR. KELLY: Thank you very much.

ASSEMBLYMAN KELLY: Thank you. Are there any questions? (no response)

Carol Clark. Is there a Carol Clark here?

C A R O L C L A R K: Yes.

ASSEMBLYMAN KELLY: Come on up. You have the floor.

MS. CLARK: My name is Carol Clark. I am the Executive Director of the Urban Women's Center in Trenton.

ASSEMBLYMAN ZANGARI: I can't hear you. Could you speak a little louder?

MS. CLARK: There are four Urban Women's Centers--

ASSEMBLYMAN KELLY: You don't have to sit close to that; that is just for recording. That records, but it does not amplify.

UNIDENTIFIED MEMBER OF COMMITTEE: Just open your mouth a little wider.

MS. CLARK: Oh, okay. You are going to be sorry you asked me that.

Again, there are four Urban Women's Centers in the State of New Jersey funded by the Division on Women: Newark, Camden, Plainfield, and Trenton. Our job is to teach women to empower themselves. Our job is to help women to become self-sufficient and economically independent of the welfare system. Our women have been on welfare or on some kind of governmental assistance, such as unemployment, SSI, or Social Security through the death of a mate, and they want better lives for themselves and for their families.

They tend to be single women who are heads of households, with a minimum of four children. They tend to be in their 20s to early 30s. They want a better life for themselves. They want to break the poverty cycle. With Division funding, we help them to do this. We have training. Each center has some sort of employment training. In Trenton, we have training on computers and we have an entrepreneurship program. We teach them job readiness, job search, how to interview, and how to do their resumes. We go through effective interviewing techniques. We do placement and follow-up with them. We teach them; we help them; we guide them; we assist them, but we do not do it for them.

What we do is try to reeducate them to get out of that welfare attitude, that welfare mentality. Moving the Division on Women from the Department of Community Affairs to Human Services is going to get us the label of "just another welfare program." When you deal with welfare programs, you bring up a

certain mentality. It is to "beat the system." This is what we are trying to keep them from doing now. You know, when they come in and they ask us, "How can I get over?" we tell them, "Be honest, be truthful." We know what the repercussions are going to be. You can't always keep on trying to beat the system. This is not what it is about. It is about human growth.

I have a prepared statement, but I am not going to read it because a lot of things have been said already and I do not want to be redundant.

I have worked with this program for two years, and I have seen successes and I have seen failures. I have had valuable technical assistance given to me from the Division on Women. Through them we were able to obtain a \$35,000 grant, which was discretionary funds, to start to implement our computer training program. We targeted six people per cycle, and we had seven cycles. We had a waiting list of over 100 women, so we had to increase the number of participants per cycle to meet the demand. We just, you know, can't tell you and explain to you how important it is for the Division on Women to stay where it is. We network within the Department of Community Affairs. If we hadn't networked with them, they would not have given us the tip that the RFP was coming out from the Division of Community Resources, and we would not have been able to start our computer program.

Also, they give us other resources that are available. I think it is an injustice to the constituents and the communities statewide for you to take it and put it in another welfare agency.

ASSEMBLYMAN KELLY: Any questions? (no response)  
Thank you.

MS. CLARK: You're welcome.

ASSEMBLYMAN KELLY: I visited one of those operations up in North Jersey, in Newark, and it is rather interesting.

MS. CLARK: The Women's Center in the Essex Community College. We also network with the Hispanic Women's Resource Centers and the Displaced Homemakers' Center.

ASSEMBLYMAN KELLY: You do get around.

MS. CLARK: Yes, we do, because we have to empower women.

ASSEMBLYMAN KELLY: I get around, too.

MS. CLARK: Why don't you come over to our Center at 40 Fowler Street and--

ASSEMBLYMAN KELLY: I will.

MS. CLARK: You can attend maybe one of our graduations and we can show you how our women are really reaching dreams that they thought they would never achieve.

ASSEMBLYMAN KELLY: I congratulate you, but I am not here to dismantle your Division. Believe me when I tell you that.

MS. CLARK: I really think that moving it to the Department of Human Services would give us another label, and we don't need any labels.

ASSEMBLYMAN KELLY: Okay. I understand what you're saying.

MS. CLARK: And we might lose women who would never have come to us knowing that we were not a welfare agency.

ASSEMBLYMAN KELLY: Maybe we'll change your name to Human Services. I'm only jesting.

MS. CLARK: Please.

ASSEMBLYMAN KELLY: Okay.

ASSEMBLYMAN ZANGARI: That's a good idea, John. You just put another thought in my head.

MS. CLARK: Don't give him any more thoughts.

ASSEMBLYMAN KELLY: Who's next now? Paula Rothenberg?

P R O F E S S O R P A U L A R O T H E N B E R G: Good afternoon. I appreciate the opportunity to speak before you.

ASSEMBLYMAN KELLY: You testified before us, I think, on other legislation.

PROFESSOR ROTHENBERG: I testified before the Joint Appropriations Committee--

ASSEMBLYMAN KELLY: I remember you.

PROFESSOR ROTHENBERG: --on behalf of my own Project, the New Jersey Project, which is a statewide curriculum Project that was eliminated from the budget this past year.

ASSEMBLYMAN KELLY: I am not on that Committee anymore.

PROFESSOR ROTHENBERG: Unless you refund us, we will go out of business in June, but, of course, I am not here about that. I am here to speak about other matters.

My name is Paula Rothenberg. I am a Professor at William Paterson College, and I am Director of the New Jersey Project, which is a statewide curriculum Project funded by the Department of Higher Education.

As an educator, a parent, and a citizen, I am deeply concerned about the fear, anger, and despair in our towns and our cities about the sense of hopelessness and injustice that is a product of the current economic crisis, as well as the legacy of years of invisibility and neglect. It is inconceivable to me that the State of New Jersey would, in effect, abolish the Department of Community Affairs in this moment in history.

The Department, as was stated earlier, was established in recognition of the kinds of interconnected problems our communities face; problems generated by the rapid population and economic growth that New Jersey has experienced; problems which now are exacerbated daily as racially and ethnically diverse populations skirmish over ever-dwindling resources.

It seems to me that the strength of both the Department of Community Affairs and the Division on Women is that they seek to address the needs and issues of the people of this State before they coalesce into hard-core problems,

problems which then demand crisis intervention and the expenditure of large sums of money in order to find resolution.

In these troubled times it seems to me that it would be penny wise and pound foolish to, in effect, eliminate a governmental mandate to address directly the interconnected nature of these problems. The Department of Community Affairs does just this, and there has never been a greater need for such an agency. And, just as we need the Department of Community Affairs, we need to house the Division on Women in that Department if we are to ensure its continued ability to address the diverse issues of women of every race and ethnicity and at every economic level in our State.

The Project that I direct -- the New Jersey Project -- works with thousands of college and K through 12 educators in this State to create programs which enhance teaching and learning for all of our children. The Division on Women is very important to us. It consistently plays an advocacy role with respect to our educational initiatives throughout the State. This kind of support for equity and excellence in education is only one of the many diverse roles the Division plays. I believe it is crucial that the Division remains within the Department of Community Affairs, so that it can continue to provide the leadership and vision for women-centered projects that defy easy categorization which will fall by the wayside or slip through the cracks if the Division is placed within any other agency of the government.

As an educator and as an activist on behalf of women, I know we need a Division on Women that can operate without the inevitable constraints that would flow from its location in the Department of Human Services. I am concerned about narrowing the focus and vision that such a move would produce. I worry that we would lose sight of the forest for the trees; that we would irreparably damage the ability of the Division on Women



to adopt a holistic approach to the needs of women in this State.

As an educator and as a parent, I am continuously asking how what I do today can prepare and empower our children for tomorrow. I believe that many of the problems we face in this State are virtually unsolvable. By that I mean, once they ossify into problems, or erupt into violence, our best options are often no more than damage control.

Many of the programs run by the Division on Women and the Department of Community Affairs are designed to address social problems by preventing them. These agencies adopt community-based strategies which emphasize training and empowering people so they can build constructive and productive lives for themselves and for their communities.

As a citizen, I believe this is the best use of my tax dollars. As a parent and as a teacher and as a woman, I believe that this approach holds out the best, and perhaps the only hope of creating a viable future for all of us.

ASSEMBLYMAN KELLY: Are there any questions from any members of the Committee?

ASSEMBLYMAN SOSA: Yes, Mr. Chairman.

I have not taken a position on this bill, and the Chairman knows that. I was hoping today that I would be afforded an opportunity for help from the public. I have been asking, and maybe I have been asking in a veiled way and I need to be more direct about specifically -- about getting some specificity, if you will, of all of the people who have testified so far, and from people who would testify afterwards, about what the real impact would be on each department that would be proposed for transfer; and why, for example, the Department of Human Services would negatively impact on the Division or Divisions that would be moved into it?

It seems to me that we are talking about a behemoth Department over there that is not carrying out its mission.

That alone concerns me, and should concern all of us. But I have not gotten enough specific information from the public to help me out; to help me to make a determination on the merits or the demerits of this bill. I think, if you don't have them presently, I would demand that those testifying today present that in written form, because we haven't gotten it -- I haven't gotten it.

PROFESSOR ROTHENBERG: Well, I would appreciate the opportunity to speak to that very briefly.

ASSEMBLYMAN SOSA: Then please give me some specifics.

PROFESSOR ROTHENBERG: Well, let me try to speak from where I sit, which may or may not satisfy you. All right, but let's try.

My training is in philosophy, and I have taught philosophy in colleges for about 25 years now. Philosophers are not grounded in specifics. I can begin with that.

ASSEMBLYMAN SOSA: It doesn't help legislators.

PROFESSOR ROTHENBERG: Well, but I think maybe legislators need to be statespeople, which is to say that some of our greatest statesmen have, in fact, been philosophers.

ASSEMBLYMAN SOSA: And we, indeed, are trying to be by asking these questions.

PROFESSOR ROTHENBERG: Okay. So maybe we need more of an ability to conceptualize broadly, as opposed to losing sight of the forest for the trees. That is why I used that analogy.

So, having said that, I think we are talking here about different ways of conceptualizing problems. I believe that half the battle -- perhaps more than half -- lies in how we define and name our problems or our issues, and not just in the ways we choose to solve them. Depending upon how we define the problem, we may, in fact, deal with a symptom or may, in fact, deal with the problem, depending on how we conceptualize the mandate of a governmental agency or division. Lots of things flow from that.

So, it seems to me that there is a fundamental philosophy that I have heard people testify to today that distinguishes the Division on Women and, indeed, the whole Department of Community Affairs, from the Department of Human Services. One, in fact, the Department of Human Services, is essentially an interventionist agency that is burdened with dealing with crises at critical moments and, in fact, I would say, at best, can try to Band-Aid, to hold together, to sustain, to do damage control. I am suggesting to you that, in fact, the Division on Women has a different conception of itself. It is not there to intervene and hold together crisis problems, but, in fact, is part of a Division that sees itself as thinking broadly about the community; the way in which the different problems in the community and the aspects of it relate to each other; and then conceptualizing holistic solutions which, in fact, try to support and empower, as opposed to intervening.

ASSEMBLYMAN SOSA: It seems to me that your argument falls short when you consider that Human Services not only intervenes, but also does, and should establish policy proactively, as does the Division on Women intervene on programs that would benefit women. Correct?

PROFESSOR ROTHENBERG: Yes. But we are talking here about emphasis, and I think emphasis is enormously important.

ASSEMBLYMAN SOSA: Well, there is no doubt about that, but I yet maintain that there have to be more compelling arguments to help me anyway -- and I am speaking only for myself -- from the community about why this change of some of these Divisions would be negative and would negatively impact those aspects of our community.

PROFESSOR ROTHENBERG: Let me try one more time, and I know the hour is getting late. Let me speak very candidly.

It seems to me, it seems to many women in this State, that the issues of women in New Jersey are not being dealt with

respectfully by this Legislature. We have seen this Legislature slash program after program that was there to support women and to create better opportunities for all of our children in education and in social services.

Now we find a move to take the Division on Women out of the Department of Community Affairs, where we see it as a very strong voice, a very strong advocate for women in this State, and place it elsewhere, where we believe it will shrink in status; that its voice will, in fact, be muted, if not directed differently; and we see it as one more attack on the very meager gains that women of New Jersey have made in the recent past.

ASSEMBLYMAN KELLY: Are there any other questions?  
(no response) Thank you.

PROFESSOR ROTHENBERG: Thank you very much.

ASSEMBLYMAN KELLY: Robert Nasdor. Are you going to add anything to what has already been said, or are you going to repeat what we just heard? Are you going to add anything new to what has been said for the last two hours?

R O B E R T N A S D O R: I hope so; I hope so.

ASSEMBLYMAN KELLY: Good.

ASSEMBLYMAN ZANGARI: We're going home; make sure.  
(laughter)

MR. NASDOR: My name is Bob Nasdor. I am with Middlesex Interfaith Partners With the Homeless. We build transitional housing for homeless families in Middlesex County.

ASSEMBLYMAN KELLY: Was I there?

MR. NASDOR: You were there.

ASSEMBLYMAN KELLY: Did I like it?

MR. NASDOR: You liked it.

ASSEMBLYMAN KELLY: Okay. I'm in your corner; you know that.

MR. NASDOR: That I know.

ASSEMBLYMAN ZANGARI: Certainly, it's a Republican place. (laughter)

ASSEMBLYMAN KELLY: Go ahead. I'm sorry.

MR. NASDOR: When we developed our transitional housing project over the past, you know, several years, we went to the Department of Community Affairs for help. They, of course, provided financial help in a lot of ways, but I think what they provided more than anything else was a sense of vision for the project. They understood, as an agency, what transitional housing was about; that it was a program for homeless mothers and their children so they wouldn't be dumped in welfare motels and wouldn't be stuck in shelters somewhere endlessly.

What I continue to find in dealing with the Department of Human Services in contrast, is that there is an entirely different vision. Mr. Sosa, is it? You wanted to know what is the difference if a program is in Community Affairs or a program is in Human Services? How will it affect how those services are delivered?

ASSEMBLYMAN SOSA: I've been asking all day.

MR. NASDOR: It's the bureaucracy. It is the type of bureaucracy you find when you deal with the agency. You go to Community Affairs. You ask for some assistance, you ask for a decision. You get a decision. You might not like the decision. You might argue with them about the decision, but you do get a decision. You go over to Human Services and ask the same question. You have a committee of 14 people who will meet with you for about nine hours, none of whom are empowered to make any decision whatsoever, and you leave there worse off than you were when you came in to begin with. It is not just a matter of what label do we put on top of this program or that program.

I'll give you a specific example: In the area of transitional housing, DCA has been running its own transitional

housing program for several years now in a scattered site model. They understand that in order to move from welfare to self-sufficiency, you have to give people some opportunities; not opportunities to simply learn how to flip burgers, but an opportunity to go to college, a two-year college, to make some kind of a future for their family. You take a woman who has been, in some cases, a drug addict, a prostitute for many years, and you say, "We are going to turn your life around." You can't do that in a couple of months. But when you raise the same issues with the Department of Human Services, you get a very different response. The answer from them is, "Move them in, move them out." This is about money.

The Middlesex Interfaith project is part of a demonstration. New Jersey got, I think, \$4.2 million of Federal money for transitional housing. It was administered by the Department of Human Services. We are a subgrantee of that, as are several other projects. I can tell you categorically that if that Department were to call me today and offer me a million dollars, and all I had to be was a subgrantee of the Department of Human Services again, we would tell them to go away. "We don't need your money. We are better off without it." We are so frustrated as an agency dealing with that Department that I cannot see moving good programs into the Department of Human Services and simply making them bad.

I am here to say that the Department of Community Affairs is not a perfect agency, but they have an understanding; they have a sense of vision. They help the nonprofits develop not only the bricks and the mortar, but also the services. They provide an essential link between those two. If we have to just go to Community Affairs for the bricks and mortar and go to Human Services to deal with the services, that simply makes the process more complicated. It builds less housing, not more.

Specifically, one of the proposals concerns me most of all here. It has to do, I understand, with the Community Service Block Grant money. I have been told that is being moved to Treasury under this proposal. When we began our project, we got some assistance from Community Affairs, from that program. What they provided us was the ability to get our program started. They gave us some operating money. This was a very big project for us. We were a small nonprofit serving meals out of the trunks of our cars three or four years ago. Now we have a residential program for 27 homeless families. The assistance that was provided by Community Affairs enabled us to make that kind of transition to develop our ideas.

Most importantly, they left us alone to run the program that we told them we could run. That is not the case over at Human Services. I don't know what the case would be at Treasury. But I can tell you that in terms of the program we are operating, and future programs we hope to develop in the Middlesex County area, I would much rather deal with the Department of Community Affairs and get all of my assistance in the construction area, in the service area, in developing my program, than I would going to two or three other agencies to accomplish the same purpose.

ASSEMBLYMAN KELLY: Thank you.

MR. NASDOR: Did I add anything?

ASSEMBLYMAN KELLY: Do you have a question? Go ahead, Mr. Green.

ASSEMBLYMAN GREEN: I support the fact that Mr. Sosa--

ASSEMBLYMAN KELLY: Assemblyman Sosa, Vice Chairman Sosa.

ASSEMBLYMAN GREEN: The reason I am having a hard time getting it out-- I support his position in terms of-- At the last meeting that he chaired we talked about housing. It is very shocking to feel that we don't really have a good housing policy in the State of New Jersey. The reason why maybe I had

a hard time, you know, saying your name there, was that from my experience with the Department of Community Affairs in this last two months, dealing with a town in my district, I got a totally different picture. In fact, I am embarrassed by some of the things that have come on. So I'm happy that you are bringing this all out on the table. When you talked about housing, and based on the testimony last week, you told me that you were going to Chair -- to have a roundtable meeting so that we could talk about the whole particular issue.

ASSEMBLYMAN SOSA: Absolutely.

ASSEMBLYMAN GREEN: When you come here and sugar coat it like everything is great, I'm getting mixed signals. Would you say yes or no?

ASSEMBLYMAN SOSA: I would agree with that. The more I think about this, and the more testimony I hear, it wouldn't be a bad idea, Mr. Chairman, perhaps to explore -- and we could offer this to the Chairmen of the Health Committees -- to explore the operations of the Department of Human Services and the Department of Community Affairs, to see just how they run their shops.

We are hearing very favorable things about DCA. If that is the case, maybe the Department of Human Services can learn from that, or vice versa. Let's find out just how these Departments-- Let's begin the process of finding out how these bureaucratic Departments are operating.

ASSEMBLYMAN ZANGARI: Maybe the Department of Community Affairs is too lax and too lenient, because a lot of the--

ASSEMBLYMAN KELLY: They do a great job. Mr. Zangari, you have to see this.

ASSEMBLYMAN ZANGARI: No, because a lot of the applications that are put in-- First of all, the inception of many of the programs were from pork barrels that, you know, were in abundance years ago. The funds are not there now, so



we are looking more closely to scrutinize the action. What has happened over the years is, because you are a good grant writer, you come in and submit a grant which sounds fine and dandy to the legislators. We, in turn, since we look for constituent service and people to bring us back into office without doing any investigating whatsoever, we take them at face value. Okay? Maybe in Human Services they have people who come out and scrutinize that you're doing, and they are not at all satisfied with what you're doing.

What would be the difference if you took the group out -- the Division on Aging -- and moved them to another Department? It would be the same people under a different title, but doing the same job. Why would that frighten you that you would give up a million dollars, not to serve the people that you say you serve -- a million dollars that you would give up? Why?

MR. NASDOR: We would serve our people better without the money, because so often when you are given money from one source, it is taken away by another source, and you add nine more layers of bureaucracy at the same time.

ASSEMBLYMAN ZANGARI: Well then, that is all we have to do, streamline the bureaucracy. Okay?

MR. NASDOR: I share the goals of this Committee and many of the other speakers in wanting to elevate housing to a higher priority in this State, but I don't think that by changing a name that that alone is going to do it. It is going to take a significant amount of money before we really address this housing problem. Let's not think that just by changing a name or moving out a few Divisions, that that is going to solve the housing problem.

ASSEMBLYMAN ZANGARI: If you don't have a warm bed to get into at night, or hot and cold water to take a shower-- I looked at a tape that Quincy-- What's the--

ASSEMBLYMAN KELLY: Quince.

ASSEMBLYMAN ZANGARI: --that Quince sent me. You know, he just sent it to me and I took the opportunity to look at it last night. He prefaced the video by showing six or seven people, how proud they are that for the first time in their lives they were able to get a low-income house, where they could now bring up their children. So, you know, this is where the emphasis should be. You give them the right beginning, someone who cannot afford to live -- you know, someone who lives in dilapidated housing, give them a good, sound place to live in, a good beginning, that is the foundation. You know, forget about all the other things.

I am not here to justify your job or anybody else's who is here. As far as I am concerned, Mr. Chairman, a lot of the people I have heard here today were just justifying their existence. There has to be a change whether you like it or not. Okay? Things are getting worse. People can't live anymore. Where is this money going to come from? I don't have enough money to shell out to keep your program going anymore. I mean, let's be blatant about it and, you know, put the facts on the table.

I look at these gentlemen here. You know, I am going to be a senior; he's already a senior. Where do we get the money to subsidize you people? It's got to come to a halt. Bring it down, minimize, consolidate and, you know, give the kinds of services we provide for the people of the State. That is where we are going to be better off. I think you're heading in the right direction, Mr. Chairman.

MR. NASDOR: Just one further comment: The people in this State do not mind spending money; they mind wasting money. The systems we have now waste colossal amounts of money.

ASSEMBLYMAN ZANGARI: Give us those facts. That's what we want.

MR. NASDOR: Well, \$45,000 was spent on a single family several years ago to put them into a welfare hotel.

That doesn't build housing for people; that doesn't teach them how to become self-sufficient. Programs like the one we--

ASSEMBLYMAN ZANGARI: Who gave that money? Human Services gave that money, or DCA?

MR. NASDOR: Human Services gave that money, federally matchable money.

ASSEMBLYMAN KELLY: All right, we are getting off the topic -- way off. Thank you, sir.

MR. NASDOR: Thank you for your time.

ASSEMBLYMAN KELLY: Al Evanoff.

A L E X A N D E R E V A N O F F: Thank you, Chairman Kelly. I understand you're a senior.

Members of the Committee, my name is Al Evanoff. I am Executive Vice President of United Senior Alliance, which is a coalition of senior organizations in the State. I am also the Vice President of District 65 UAW Retired Members, about 1400 retired members in Jersey.

I don't want to take a lot of time. I would just like to respond to the part of the bill that says you want to move the Division on Aging.

ASSEMBLYMAN KELLY: And the people with it, everybody who works in that Division.

MR. EVANOFF: Right, yeah, I understand that. I read it and I understand exactly what you want to do. I want to just say, we are not happy where we are.

ASSEMBLYMAN KELLY: I heard that.

MR. EVANOFF: We think we ought to be a department, right?

ASSEMBLYMAN KELLY: I heard that.

MR. EVANOFF: It would be wonderful if you could do it. It is the 10th anniversary after the United Nations recognized that there is an elderly problem all over the world, and it is going to be a greater and greater problem. As a matter of fact, I was at the United Nations yesterday

celebrating the 10th anniversary of it. But I don't think you are in a position to move it, because it would create another department and people would say, "It is another bureaucracy."

About a year-and-a-half ago, there was a rumor around that we were going to be moved to the Health Department. Frankly, I would say that there is nothing wrong with the Health Department, but I am not sick, and I don't want anyone to put me into a Department that says I am sick..

Now, I also want to tell you that I don't want to be on welfare, and I don't want to be in a means program. Now, Human Services--

ASSEMBLYMAN KELLY: What is a means program?

MR. EVANOFF: Where you have to qualify because your income is too low.

ASSEMBLYMAN KELLY: Or too high.

MR. EVANOFF: Or too high, right. Human Services does not in any way, in my opinion, do a bad job. They function in programs such as PAAD. They use casino funds for it and they do a wonderful job of administering that program. But, in order to be a member of that program, to be part of that, you have to have an income that is below a certain factor.

There are, in my opinion, approximately 225,000 people in that program. We could most likely have a few more in that program, registered seniors. However, there is a vision on the part of seniors that that is some kind of a welfare program, and as long as they are not really hard-pressed for pharmaceutical costs, they will not join that program.

ASSEMBLYMAN KELLY: That is their prerogative.

MR. EVANOFF: That's right; that's right. They have that right. That is why I am saying to you that I don't think it is proper for you to even think of putting us into a Human Services program, because Human Services, as a Department, administers Medicaid for the poor; administers PAAD for people who are a little above poor. In other words, they have a role

to play, and that role is looked upon as if seniors are being put somewhere where there is charity involved.

ASSEMBLYMAN KELLY: I understand your point.

MR. EVANOFF: That is my answer to you, Assemblyman. We don't think we ought to be put into that kind of an atmosphere. We now are in the present Department. We have a new Commissioner -- Commissioner Bush. We would like to see how we are going to work there. We have been working there for quite some time as an overall unit. I clearly understand that you don't want to take pieces of us out. You want to move the whole unit. But I think we ought to remain where we are, and you ought to try to solve your housing problem, which is very important for both seniors and for others, without taking this Division out, unless you are taking it out to create a new Aging Department in New Jersey.

ASSEMBLYMAN KELLY: No, no, no.

MR. EVANOFF: I know you are not ready to do that. Therefore, leave us where we are. Don't give us the label of--

ASSEMBLYMAN KELLY: I have no objection to that, but we will never be able to get it. I mean, right now, with the present constraints, we'll never get it.

MR. EVANOFF: You might be qualified to be the Commissioner.

ASSEMBLYMAN ZANGARI: Next year, as soon as the ratables start coming in again and the economy turns around, we'll be able to do it.

MR. EVANOFF: Yeah, you and who else is hoping on that? (indiscernible comment from audience)

ASSEMBLYMAN KELLY: Who are you?

DAVID KEISERMAN: I'm Dave Keiserman. I am a retired Social Security executive. I have had 14 years as a volunteer since I retired. By the way, I am older than both you and Esther, if you want to go by age, but that is not the point.

It's true. In 1973, the Federal government realized, too, that there is a stigma to seniors, who will starve before they will take welfare. You have a mother, you mentioned.

ASSEMBLYMAN KELLY: Yes.

MR. KEISERMAN: Just ask her how she would react, or how any of her friends would react if she thought anything was welfare. Do you know that Social Security took over SSI in 1974 -- January 1, 1974 -- from the welfare departments, because seniors would not accept welfare. They would rather starve and live in the streets, if necessary.

ASSEMBLYMAN KELLY: All right.

MR. KEISERMAN: So this is what you are going to be doing. We have those same seniors with the same stupid ideas--

ASSEMBLYMAN KELLY: Mentality.

MR. KEISERMAN: --I grant you. But if you put them under welfare, you are going to lose a lot of them from applying. If you want to save money, you'll save a lot of money.

ASSEMBLYMAN KELLY: I don't want to do that.

MR. KEISERMAN: But you are going to cause a lot of hardship.

That is all I wanted to add.

ASSEMBLYMAN KELLY: Thank you.

ASSEMBLYMAN ZANGARI: Put them in the Governor's Office.

ASSEMBLYMAN KELLY: Terry Newhard?

MR. KEISERMAN: Thank you, sir.

ASSEMBLYMAN KELLY: Are you all finished?

MR. KEISERMAN: All finished.

ASSEMBLYMAN KELLY: Terry Newhard, you're last on the list here.

T E R R Y   N E W H A R D: I feel like the guy who bought the Lottery ticket and he had to stay through the whole dance to see if he won.

ASSEMBLYMAN KELLY: Well, you didn't win, so--

MR. NEWHARD: Okay. I don't know how you guys sit here and listen to all of this stuff all day. I will try to be quick.

ASSEMBLYMAN KELLY: I can listen.

ASSEMBLYMAN ZANGARI: It's easy. You put earplugs in.

MR. NEWHARD: You're listening now, though, aren't you?

ASSEMBLYMAN ZANGARI: Oh, yeah.

MR. NEWHARD: Good. My name is Terry Newhard. I am Executive Director of the Northwest New Jersey Community Action Program, commonly known as NORWESCAP. We serve the five northwestern counties of Warren, Hunterdon, Sussex, Morris, and Somerset, serving the low-income folks in a number of programs.

As a nonprofit that serves that area and serves low-income folks, I want you to just hear our relationship to DCA and the cross-fertilization within the organization, not over to DHS, but just kind of listen to these things. Also, listen to how many of these are housing related, because my real concern here is the Division of Community Resources going to Treasury. These programs are coming out of Community Resources, yet they are housing related.

First is the McKinney homeless funds, housing related. Second is weatherization; we have two weatherization programs. We have 11 contracts with the Department. The next two are weatherization, both housing related. Heating system improvement and repair, housing related. The Community Services Block Grant, which is our administrative piece, is not housing related, but allows us to raise \$37 for every administrative dollar we get. So, that is real key to us. We also use the Community Services Block Grant for prenatal services, other homeless services, and after-hour day care.

Safe housing: Another housing related service where we put in measures with casino funds to help seniors in their homes. Housing development: We have gotten seed money from

DCA to develop affordable housing. We have a 36-unit project going on in Hunterdon County, and a 12-unit project in Sussex County -- housing related.

Chore and minor home repair, housing related. We have gotten funds to do minor home repairs and chore services for seniors. We also have two others that are DCA related: senior transportation and outreach.

We are also currently working -- and we are going to get a couple more contracts-- All this is done between the Divisions. That is the beauty of this whole thing for NORWESCAP. We are working with the Department's Housing Division in a lead role with Jack Kemp's -- two of his programs, HOPE and HOME. We recently went in on a joint venture with DCA and we have a HOPE III grant. Once again, that was a joint venture with DCA. They have been the world to us -- also home related, housing related.

The next thing that is housing related is that we are in on the Family Self-Sufficiency Act with HUD. HUD realizes that they are building all these places, but the people in them are not getting the services. So, what are we going to do? We can't just be bricks and mortar. We have to provide services. So NORWESCAP, in a unique opportunity, brought together a couple of Divisions within the Department of Community Affairs. The public housing authorities in Morris County -- there are five of them there-- We are going to coordinate the services for them, which will allow them to get more Section 8 units and more housing for low-income folks. Once again, a lead role in housing. So all of this is coming out of DCA, most of it out of the Division of Community Resources.

In addition to the current contracts, DCA has helped us to start a food bank. They gave us seed money. Now we provide over a half a million pounds of food to folks; not housing related, but a key to the people who are living in the housing. This saves the agencies that use it, and the people



who use it, over \$900,000 a year, with their initial \$50,000 grant.

They also provided seed money for family day care that has provided 150 new day-care slots for \$20,000. Go start a day-care center and do it with \$20,000 and get 150 slots. You can't do it. DCA has made the difference.

They also pulled together the Division on Women, the Division on Aging, and the Division of Community Resources and put together-- We worked with those three Divisions and created an intergenerational latchkey day-care program in a private nursing home, where the kids were brought in from school to the nursing home, and the nursing home residents were the caregivers; brought three Divisions together and had a model program that got some national recognition. Once again, it is this, you know, cross-fertilization that you talked about within DCA, that makes it unique and good for us.

They have to be housed under one roof. That is really the difference. You know, if Community Resources is moved to Treasury-- It just doesn't make sense. I mean, look at our name -- Community Action; it is not Treasury Action. It just doesn't make sense to me. We are community related. All of those neat programs that are there are through community action, through community resources, and that is where we want to go.

In your hearts, do you really believe that Treasury is going to go out there and advocate for low-income people? I mean, let's get serious. It is not going to happen. They have a different function. They are not going to get out there and advocate for the programs we need to provide to the people we serve.

From reading this bill, it appears as though you really are trying to say to New Jersey, "We need to have a housing policy," and that's great. I am going to make a politically naive statement right here. Just call me the

bumpkin from rural New Jersey, and I will accept that. But why not just give housing top billing, and call it the Department of Housing and Community Affairs? Put them together; put services together with brick and mortar. It is just that simple. I know it is naive, but I make that statement anyway.

ASSEMBLYMAN KELLY: Well, you may be right.

MR. NEWHARD: Anyhow, give them top billing, make them happy.

On behalf of NORWESCAP, I request that you merge these divisions, agencies, and departments and don't divide and separate them, because it really makes a difference for us to coordinate. The fellow who was up here before really told the truth about Human Services. That would not happen if we were there. If I need to call somebody-- If I need to call the Commissioner or a Division head in DCA, I can do that. If I call the Department of Human Services, I am lucky to get past a secretary, and I have contracts with them, also.

ASSEMBLYMAN KELLY: Maybe we should review them next, okay?

ASSEMBLYMAN ZANGARI: It seems that is where the focus is. Do you know what I mean?

ASSEMBLYMAN KELLY: You are enlightening us. I can assure you that our intent was not to move anything closely related to housing away from Housing, so this is enlightening to me, also. Okay?

MR. NEWHARD: Community Resources makes the difference. Please don't put it in Treasury.

ASSEMBLYMAN KELLY: We're listening.

MR. NEWHARD: That's my point.

ASSEMBLYMAN KELLY: Does anyone else wish to address us, because I have no more names on the list? (no response)

Well, I am just going to say a few things. I want to extend my thanks to all of you. This is the first step in assessing whether changes in the departmental structure and

process can further sharpen the Department's housing mission and functions so that we can start implementing a real comprehensive housing plan in the State of New Jersey, which is lacking.

That is what this legislation is all about. I want Community Affairs to come in here and show me what they are doing with all of the money they are collecting, all their fees. I have an epistle here of many questions to ask them. We are not finished with that Department. I want to give the Commissioner time, but we are going to have them in here to address the fees that are being charged which are affecting housing in the State of New Jersey. I also want to get DEP in here, because they are affecting housing. I want to get--

We are going to have a review of most of the departments that have anything to do with housing to find out why the housing mission is not being accomplished. I have been hearing about the 140,000 houses that we need for COAH, and we haven't done anything. I think we built 5000 homes in the last five years. And when are they going to attain this? It looks like never. So I want to wake up the Commissioners to the fact that housing is important; the single most important thing in the State of New Jersey, as far as I am concerned.

With that, I will say that this meeting is adjourned.

ASSEMBLYMAN SOSA: Mr. Chairman, before we adjourn--

ASSEMBLYMAN KELLY: Go ahead.

ASSEMBLYMAN SOSA: While we are at it, in the context of this piece of legislation, there is no reason why we can't invite the Department of Human Services to come to chat with us, too.

ASSEMBLYMAN ZANGARI: I think that would be beneficial.

ASSEMBLYMAN GREEN: Mr. Chairman, before you close--

ASSEMBLYMAN KELLY: Yes?

ASSEMBLYMAN GREEN: Your remarks are on time. I am hoping that we will follow through, because I think if we are

going to accomplish something here, we have to make sure that we bring them in. As far as I am concerned, it falls on deaf ears when you talk to these people and you ask for information. I have a serious problem with that.

ASSEMBLYMAN KELLY: We are going to get Human Services in and work them over. But I'm telling you right now, Community Affairs is going to answer first.

(MEETING CONCLUDED)

## APPENDIX



**TESTIMONY OF  
PATRICK J. O'KEEFE  
NEW JERSEY BUILDERS ASSOCIATION  
IN RE  
THE DEPARTMENT OF HOUSING  
(A-1475)**

**OCTOBER 1, 1992**

**MR. CHAIRMAN, I APPEAR TODAY TO TESTIFY IN SUPPORT OF A-1475, THE BILL TO CREATE A DEPARTMENT OF HOUSING BY RESTRUCTURING THE CURRENT DEPARTMENT OF COMMUNITY AFFAIRS. THE NJBA COMMENDS YOU FOR INTRODUCING THIS LEGISLATION AND BEGINNING A DIALOGUE REGARDING HOUSING'S POLICY PRIORITY AND THE INSTITUTIONAL FRAMEWORK FOR ADDRESSING NEW JERSEY'S HOUSING CRISIS.**

**THE CREATION OF A DEPARTMENT OF HOUSING HAS A VERY SIMPLE GOAL: TO ESTABLISH HOUSING AS A PRIORITY OF STATE GOVERNMENT AND TO PROVIDE THE INSTITUTIONAL APPARATUS NEEDED TO ADDRESS THE SHELTER NEEDS OF OUR STATE'S CITIZENS.**

**PROMOTING A DEPARTMENT OF HOUSING IS NOT TO CRITICIZE, EITHER IMPLICITLY OR EXPLICITLY, THE COMMITMENT OR PERFORMANCE OF THE DCA OR THE STAFF THAT IS CURRENTLY RESPONSIBLE FOR THE AGENCY'S HOUSING ACTIVITIES. THEY ARE DEDICATED PROFESSIONALS. THIS IS NOT ABOUT THEM; IT IS, INSTEAD, ABOUT THE TOOLS THEY HAVE TO RESPOND TO THE STATE'S SHELTER CRISIS.**

**AND WE SHOULD NOT CONFUSE THE POLICY PRIORITIES OF A DEPARTMENT WITH THE PERSONAL COMMITMENTS OF ITS COMMISSIONER.**

I AM SUPREMELY CONFIDENT THAT COMMISSIONER BUSH WILL BE AN AGGRESSIVE ADVOCATE FOR HOUSING--EVEN AS SHE DISCHARGES HER OTHER RESPONSIBILITIES AS THE HEAD OF THE DCA. BUT CAN WE BE EQUALLY CONFIDENT OF HER SUCCESSORS? MIGHT NOT ONE OR ANOTHER OF THEM RELEGATE HOUSING TO THE BACK BURNER AS SOME OF HER PREDECESSORS HAVE DONE?

THIS COMMITTEE HAS RECEIVED VOLUMINOUS TESTIMONY REGARDING NEW JERSEY'S HOUSING CRISIS. LET ME HIGHLIGHT A FEW NUMBERS--ALL OF THEM BASED ON THE COMPREHENSIVE HOUSING AFFORDABILITY STRATEGY (CHAS), WHICH THE DCA SUBMITTED TO HUD LAST YEAR. ACCORDING TO THE CHAS, SOME 675,000 HOUSEHOLDS EITHER LIVE IN SUBSTANDARD HOUSING OR SPEND TOO MUCH OF THEIR INCOME ON HOUSING. ON ANY GIVEN NIGHT, AN ESTIMATED 15,000 INDIVIDUALS ARE HOMELESS. IN COMPARING THE CHAS PROJECTIONS OF NEED WITH CURRENT LEVELS OF PRODUCTION, IT IS READILY APPARENT THAT THE SITUATION IS DETERIORATING--SIGNIFICANTLY DETERIORATING--DUE TO STAGNATING HOUSING PRODUCTION.

PROBLEMS OF THIS MAGNITUDE DEMAND CONCERTED ACTION, IN BOTH THE PUBLIC AND PRIVATE SECTORS, OVER AN EXTENDED PERIOD OF TIME. PRIORITIES WILL HAVE TO BE ESTABLISHED, PROGRAMS COORDINATED. WE NEED LONG RANGE PLANS, PROGRAM MONITORING AND MID-COURSE CORRECTIONS, ALL IN THE CONTEXT OF A HOUSING POLICY THAT ESTABLISHES MEANINGFUL GOALS AND OBJECTIVES. THIS



IS UNLIKELY TO HAPPEN SO LONG AS HOUSING POLICY REMAINS SUBMERGED WITHIN AN AMALGAMATED AGENCY--ONE WITH SO MANY COMPETING OBJECTIVES.

WE HAVE CABINET LEVEL DEPARTMENTS COMMITTED TO HEALTH, EDUCATION, TRANSPORTATION, LABOR, BANKING, ENVIRONMENTAL PROTECTION, ETC. EACH OF THESE AGENCIES SERVES THE DUAL FUNCTIONS OF REGULATING AND ADVOCATING. DON'T THE SHELTER NEEDS OF THE STATE'S CITIZENS DESERVE SIMILAR ATTENTION? INDEED, GIVEN THE IMPACTS THAT THE POLICIES OF MANY OF THESE OTHER DEPARTMENTS HAVE ON THE HOUSING PROSPECTS OF THE CITIZENS, ISN'T A DEPARTMENT OF HOUSING NECESSARY JUST TO LEVEL THE PLAYING FIELD?

A DEPARTMENT OF HOUSING WILL HAVE AS ITS *RAISON D'ETRE* THE GOAL OF PROVIDING ALL NEW JERSEYANS WITH SAFE, HEALTHFUL, AFFORDABLE HOUSING. IT WILL FORMULATE POLICIES AND IMPLEMENT PROGRAMS CONSISTENT WITH THAT GOAL. IT WILL PROVIDE THE CRITICAL MASS NECESSARY TO ORGANIZE OUR SCARCE HUMAN AND FINANCIAL RESOURCES IN PURSUIT OF THAT GOAL. WITH A PLACE AT THE CABINET TABLE, IT WILL ASSURE THAT HOUSING WILL BE A PRIORITY IN THE CONSIDERATION OF ALL STATE POLICIES.

IN THE DIALOGUE ON THIS TOPIC, THE PROPONENTS OF THE STATUS QUO HAVE FAIL TO EXPLAIN HOW A CONTINUATION OF THE CURRENT ARRANGEMENTS WILL ALLEVIATE NEW JERSEY'S HOUSING

CRISIS. THOSE WHO OPPOSE A-1475 WOULD BE MORE CREDIBLE IF THEY COULD EXPLAIN HOW THINGS WILL BE DIFFERENT IF THINGS ARE LEFT THE SAME. OUR SUPPORT FOR A-1475 MIGHT BE LESSENERD IF THEY DESCRIBED HOW CONTINUATION OF THE STATUS QUO WILL BENEFIT THE 675,000 NEW JERSEYANS WHO, UNDER THE STATUS QUO, REMAIN ILL-HOUSED AND UNSERVED.

MR. CHAIRMAN A-1475 HAS THE POTENTIAL TO PROVIDE THE INSTITUTIONAL FRAMEWORK NECESSARY TO ADDRESS NEW JERSEY'S HOUSING CRISIS. IT CAN DO SO IN AN ADMINISTRATIVELY EFFICIENT, FISCALLY PRUDENT MANNER. THE NEW JERSEY BUILDERS ASSOCIATION STRONGLY SUPPORTS ITS ADOPTION.

THANK YOU.

Testimony by Robert Nasdor on Assembly Bill 1475  
October 1, 1992

Assemblyman Kelly, members of the committee, my name is Robert Nasdor, and I am the Vice-President and Project Development Director for Middlesex Interfaith Partners with the Homeless. I came here today to tell you about my dealings with the Department of Community Affairs over the past several years as I worked to develop a transitional housing project for homeless families in Middlesex County. The project, which was the first of its kind in the country to be built on federally owned land, succeeded in large measure because of the support we received from DCA. For those of you who might be unfamiliar with transitional housing programs, I invite you to come and see our project, as Assemblyman Kelly has. Briefly, transitional housing is a program which provides independent living in a supervised setting along with the social services necessary to assist homeless families to achieve self-sufficiency. It is an alternative to warehousing homeless families in run-down, drug-infested welfare motels or in overcrowded emergency shelters.

Testifying before a committee in support of a state agency is unusual for me to say the least. Ordinarily, I confront

state agencies for creating needless obstacles which prevent those most in need from receiving help. The reason that I am here today is to help this committee to better understand the role of the Department of Community Affairs in the development of service enriched housing by non-profit organizations, and how the development process will be made more difficult by this legislation.

When I developed our transitional housing program, I began with a three acre parcel of vacant land and no money. Under our original plan, we envisioned moving an old modular office building onto the site and converting into transitional apartments. I came to DCA and met with Assistant Commissioner Richman who told me that his Department would provide us with a significant construction grant from the Shelter Support Program. At the same time he also urged us to expand our vision. He introduced us to other non-profit and for-profit developers who might be able to assist us. He gave us a pre-development grant from the Housing Demonstration Program which allowed us to do preliminary architectural drawings and federal funding applications. As a result of this assistance, we were able to develop a national model for transitional housing. In addition, DCA agreed to provide the plan review for our project and to issue the building permits since it was being built on Federal property. Finally, they assisted us in

obtaining a mortgage from the Housing and Mortgage Finance Agency.

The assistance which we got from DCA was not limited to the financing and the construction oversight. They were also available to assist in the design of the social services which were provided to residents. DCA had been operating its own scatter site transitional housing program, and was a valuable resource to us. When it finally came time to open our doors, DCA gave us Social Service Block Grant funds to begin operations. I understand that responsibility for administering these funds will be moved out of DCA under the proposed legislation. DCA continues to be of critical help to our program by providing our graduates with Section 8 subsidized housing assistance to ensure that the families do not become homeless again. DCA is not just a funding agency. It provides a combination of funding, technical support, and most importantly, a vision of what service enriched housing is about.

Its not that DCA doesn't have its problems. But in my opinion, these problems pale in comparison to those of other State agencies. In particular, I am alarmed by the proposal contained in this legislation that certain of the service oriented programs which are presently administered by DCA

will be moved over to Human Services. The contrast between these two state agencies is a stark one. Human Services is an agency which is paralyzed by its own bureaucracy. In the seemingly neverending series of meetings and conversations I have had with DHS over the past several years, I have never met anyone who is capable of making any decision much less a good decision. One official at DHS once described his job to me as smoke and mirrors. I was astonished that someone would describe their own job as one which was designed to make it look like a problem was being solved without actually solving the problem. What will happen to those programs which are being relatively well administered by DCA once Human Services is in charge of them. The Department of Community Affairs understands that the link between housing and services cannot be forged from smoke and mirrors.

The goal of creating a Department of Housing in this state is a laudable one, and I would hope that this Committee will also recommend sufficient additional funding to make a meaningful impact on the affordable housing problem. But at the same time, I would urge the Committee to maintain the critical link between housing and services which presently exists at DCA. Perhaps the Department should be renamed as the Department of Housing and Community Affairs to reflect

the important linkage which is presently provided at DCA.  
Thank you for the opportunity to address the Committee.

PRESENTATION AT PUBLIC HEARING ON REDESIGNATION OF DCA  
10/1/92

GOOD AFTERNOON. MY NAME IS TERRY NEWHARD AND I AM EXECUTIVE DIRECTOR OF THE NORTHWEST NEW JERSEY COMMUNITY ACTION PROGRAM (NORWESCAP).

THANK YOU FOR GIVING ME THE OPPORTUNITY TO PRESENT OUR POSITION ON THE REDESIGNATION OF THE DEPARTMENT OF COMMUNITY AFFAIRS TO THE DEPARTMENT OF HOUSING.

AS A NON-PROFIT ORGANIZATION THAT SERVES 20,000 LOW-INCOME PERSONS IN WARREN, SUSSEX, HUNTERDON, MORRIS, AND SOMERSET COUNTIES, THE DEPARTMENT OF COMMUNITY AFFAIRS PLAYS A MAJOR ROLE IN OUR EFFORTS. CURRENTLY, NORWESCAP HAS ELEVEN (11) CONTRACTS WITH DEPARTMENT FUNDS TO SERVE YOUR CONSTITUENTS. THEY INCLUDE SUCH SERVICES AS:

1. MCKINNEY EMERGENCY HOMELESS PROGRAM - PROVIDES EMERGENCY SERVICE TO THE HOMELESS.
2. DHS WEATHERIZATION - ENERGY CONSERVATION MEASURES FOR LOW-INCOME PERSONS.
3. DOE WEATHERIZATION - SIMILAR TO DHS MEASURES.
4. HEATING SYSTEM IMPROVEMENT - RETROFITS OR REPLACES HEATING SYSTEMS.
5. COMMUNITY SERVICES BLOCK GRANT - THE ADMINISTRATIVE CORE OF THE AGENCY THAT LEVERAGES \$27 OF OTHER DOLLARS FOR EACH CSBG DOLLAR.
6. MORRIS CSBG - ASSISTS IN HOMELESS, PRENATAL, AND AFTER-HOURS DAY CARE SERVICES.
7. SAFE HOUSING - PROVIDES SECURITY MEASURES IN THE HOMES OF SENIOR CITIZENS.
8. HOUSING DEVELOPMENT - SEED FUNDS FOR THE OPERATIONAL COSTS TO DEVELOP AFFORDABLE HOUSING.
9. CHORE & MINOR HOME REPAIR SERVICES - MINOR HOME REPAIR AND CHORE SERVICES FOR SENIORS.



10. SENIOR TRANSPORTATION - OUT OF AREA MEDICAL TRIPS FOR THE ELDERLY.
11. OUTREACH - LINKING SENIORS WITH NEEDED SERVICES.

NORWESCAP IS CURRENTLY WORKING WITH DCA'S HOUSING DIVISION TO HELP NEW JERSEY TAKE A LEAD ROLE IN JACK KEMP'S HOPE AND HOME PROGRAM. THESE PROJECTS WILL GET LOW AND MODERATE INCOME PERSONS OUT FROM SUBSIDIZED HOUSING AND INTO THEIR OWN HOMES. LAST WEEK, IN A JOINT APPLICATION WITH DCA, WE WERE AWARDED A HOPE-3 GRANT.

IN ADDITION, WE HAVE TAKEN A LEAD ROLE IN THE STATE BY WORKING WITH FIVE MORRIS COUNTY PUBLIC HOUSING AUTHORITIES TO COORDINATE SOCIAL SERVICES FOR THEIR CLIENTS. OUR EFFORTS WILL FACILITATE THEIR ABILITY TO GET MORE SECTION 8 UNITS UNDER THE FAMILY SELF-SUFFICIENCY PROGRAM.

IN ADDITION TO THESE CURRENT CONTRACTS, THE DEPARTMENT HAS PROVIDED SEED MONEY TO START OUR FOOD BANK THAT PROVIDES 425,000 POUNDS OF FOOD TO LOCAL FOOD PANTRIES, SHELTERS, AND FEEDING ORGANIZATIONS; SAVING THEM OVER \$900,000 A YEAR. THEY ALSO PROVIDED SEED MONEY TO START A FAMILY DAY CARE PROJECT THAT HAS PROVIDED 150 NEW DAY CARE SLOTS FOR \$20,000. A DAY CARE CENTER FOR 150 SLOTS WOULD COST AT LEAST 30 TIMES THAT AMOUNT.

NORWESCAP'S SUCCESS IN DEVELOPING ALL OF THESE PROJECTS IS DIRECTLY RELATED TO HAVING THOSE PROGRAMS HOUSED UNDER ONE ROOF - THE DEPARTMENT OF COMMUNITY AFFAIRS.

THE BILL THAT IS PROPOSED MOVES MANY OF THESE PROGRAMS TO OTHER DEPARTMENTS.

FOR EXAMPLE, THE DIVISION OF COMMUNITY RESOURCES IS TO BE MOVED TO TREASURY. IN YOUR HEART, DO YOU REALLY BELIEVE THE DEPARTMENT OF THE TREASURY IS GOING TO ADVOCATE FOR COMMUNITY PROGRAMS? ABSOLUTELY NOT! THAT'S NOT PART OF THEIR MISSION.

SO MUCH OF WHAT THE DIVISION DOES OR HAS COORDINATED WITH OTHER DIVISIONS TO DO IS HOUSING RELATED. THE HOMELESS FUND, WEATHERIZATION OF HOMES, HEATING SYSTEM REPAIR, SECURE HOUSING MEASURES, MINOR HOME REPAIR, HOUSING DEVELOPMENT, HOUSING AUTHORITY SERVICES ARE ALL A RESULT OF OUR ASSOCIATION WITH THE DIVISION. TAKING IT OUT WOULD ONLY FRAGMENT THE HOUSING EFFORTS OF THIS BILL.

THE TITLE OF OUR AGENCY, NORTHWEST NEW JERSEY COMMUNITY ACTION PROGRAM, DOESN'T HAVE THE WORD TREASURY IN IT. IT HAS THE WORD COMMUNITY. THAT'S WHAT WE ARE: A COMMUNITY BASED ORGANIZATION. THIS DIVISION SHOULDN'T BE LOST SOMEWHERE IN THE STATE BUREAUCRACY THAT DOESN'T CARE ABOUT IT.

BY READING THE BILL, IT APPEARS TO ME THAT YOU ARE TRYING TO SAY TO NEW JERSEY THAT YOU WANT TO PUT STRONGER EFFORTS INTO AFFORDABLE HOUSING. HOPEFULLY, A REAL STATE HOUSING POLICY WILL EMERGE. HOPEFULLY, NON-PROFITS LIKE NORWESCAP WILL GET REAL SUPPORT TO DEVELOP AFFORDABLE HOUSING.

WE APPLAUD YOUR EFFORTS TO BRING HOUSING TO THE FOREFRONT. IT'S ONE OF THE TOP THREE NEEDS IN OUR AREA FOR THE PEOPLE WE SERVE. BUT, WHY NOT HAVE A DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS? BY THE NATURE OF THEIR MISSIONS, THEY ARE DEPENDENT ON EACH OTHER FOR SUCCESS. IT'S ONLY THROUGH PARTNERSHIPS THAT WE PROGRESS, AND THE COMMUNITY BENEFITS.

ON BEHALF OF NORWESCAP, I REQUEST THAT YOU MERGE THESE DIVISIONS AND AGENCIES -- NOT DIVIDE AND SEPARATE THEM. MAKE ONE AGENCY THAT ADDRESSES HOUSING, NOT JUST FROM BRICKS AND MORTAR, BUT ALSO WITH THE AGENCIES THAT WILL HELP THE RESIDENTS BECOME MORE SELF-SUFFICIENT.

THANK YOU AGAIN FOR THE OPPORTUNITY TO SPEAK.



BURLINGTON COUNTY  
BUSINESS & PROFESSIONAL WOMEN, INC.  
BURLINGTON, NEW JERSEY

October 1, 1992

The Burlington County Chapter of the New Jersey Federation of Business and Professional Women are very concerned about A-1475 which would disband the Department of Community Affairs and transfer that department's Division on Women to the Department of Human Services.

The Division on Women is an essential component of the Department of Community Affairs. The department is the very matrix of the many services the division provides, as all of these services are based in communities. Shelters for battered women, emergency services, the police, legal services, housing placement services are among the necessary and often lifesaving services the division provides. The women who utilize these services are beaten, choked, stabbed and/or shot. Their children are frequently included in these situations. The Division on Women is dependent upon the Department of Community Affairs for networking these services.

To place the Division on Women in the Department of Human Services would be a grave injustice to this division. The Division on Women is most decidedly not a social service agency. The Division on Women does not encourage women to become and remain dependent upon the services it provides. The Division on Women is far, far more than a safety net. The division is also devoted to empowering women, thus strengthening their self-confidence and self-respect, enabling them to become self-sufficient and independent.

The foundation upon which our country operates is the family. In this critical time of economic stress, we need to band together, IN OUR COMMUNITIES, to keep families together. The Division on Women works closely with the community: judges, prosecutors, public defenders, court clerks, police, to enforce the Domestic Violence Act and to serve as an information base. When a marriage is jeopardized or ended because of domestic violence, the victimized spouse and the children are still a family and must receive all the assistance we -- the Division on Women and the community -- can give them to stay together. To support this bill is to chip away at our very foundation. If our basic foundation begins to crumble, what hope does New Jersey have? What hope does our nation have?

T. Lucille Boone  
President

Judith A. Fuqua  
Legislation Chair



## SOMERSET COUNTY OFFICE ON AGING

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RUTH M. READER  
EXECUTIVE DIRECTOR

### Statement regarding A-1475 (Kelly Bill)

I am writing to oppose A-1475 which would change the Department of Community Affairs into a Department of Housing and assign the responsibilities of the Division on Aging to other Departments.

In 1990, to prepare for the Governor's Conference on Aging, seventy-five people were convened in each of three Committees to discuss future planning and needs of the older population. Representation on these committees was very broad, including government (local, County and State), Hospitals, Health Care facilities and Agencies, Institutions of Higher Education, Minorities, the Media, Senior organizations, Housing Authorities, Planning Boards, and Older Adults themselves. After three days of discussions, final recommendations were made by each Committee working independently of the other. In each case, the first recommendation was to establish a Department on Aging in the State of New Jersey.

To move away from this recommendation and to dismantle the entity within State government responsible for planning for the future of the burgeoning older population seems counter productive. In 1990, 18.7% of New Jersey residents were age 60 and over. By 2025, that number is expected to increase to 32%. This population cannot be effectively served without a governmental entity at the State level to identify needs, plan effective programs, make policy recommendations, provide advocacy and serve as the focal point.

Presently, New Jersey's aging programs are administered by sixteen different departments and divisions, which directly impact on policy development as well as delivery of services to the elderly. It is difficult at best, to develop effective long range plans when programs are administered by some other entity. Given the significant increase in the elderly population, we cannot afford to continue to operate under such fragmentation.

May I respectfully request that at a minimum the Division on Aging be left in tact within the Department of Community Affairs, and optimally there would be a Department of Aging established, there is in many other States, to plan, set policy, manage funding and to administer and monitor services.

Thank you for your thoughtful consideration.  
Ruth M. Reader

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