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**PUBLIC HEARING**

before

**ASSEMBLY URBAN POLICY AND  
WATERFRONT DEVELOPMENT COMMITTEE**

To receive public testimony regarding the various proposed and planned developments in Hudson County and, in particular, Union City

March 19, 1987  
St. Anthony's Church  
Union City, New Jersey

**MEMBER OF COMMITTEE PRESENT:**

Assemblyman Ronald A. Dario, Chairman

**ALSO PRESENT:**

Assemblyman Jose O. Arango  
District 33

John A. White  
Office of Legislative Services  
Aide, Assembly Urban Policy and  
Waterfront Development Committee

\* \* \* \* \*

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**New Jersey State Legislature**

**ASSEMBLY URBAN POLICY AND  
WATERFRONT DEVELOPMENT COMMITTEE**

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Vice-Chairman

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March 13, 1987

NOTICE OF PUBLIC HEARING

The Assembly Urban Policy and Waterfront Development Committee, Chairman, Ronald A. Dario will hold a public hearing on Thursday, March 19, 1987 at 7:30 p.m. at Saint Anthony's Church, 8th and Central Avenue, Union City, New Jersey.

The purpose of this public hearing is to receive public testimony regarding the various proposed and planned developments in Hudson County and, in particular, Union City.

Anyone wishing to testify should contact John White, Committee Aide at 609-292-1596.

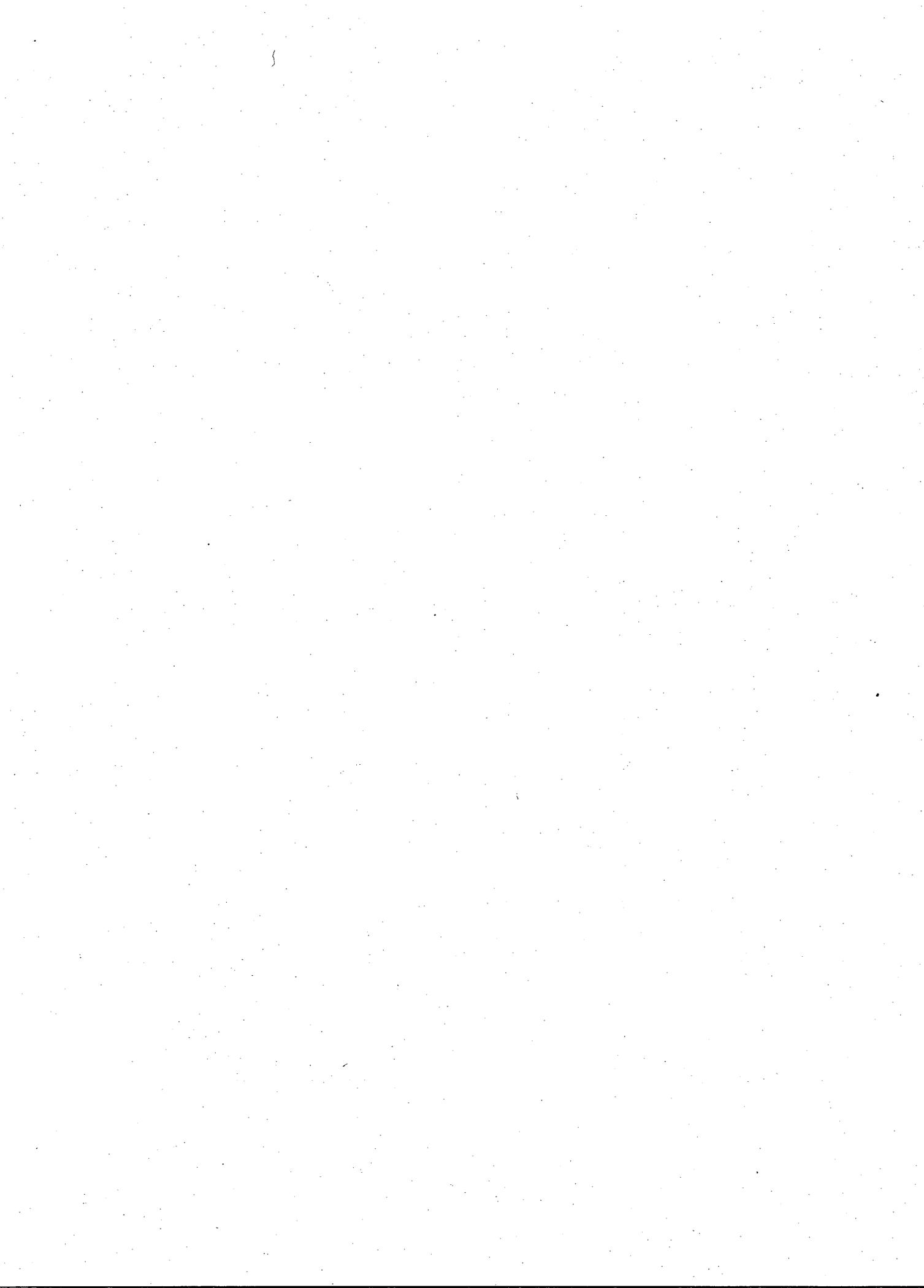
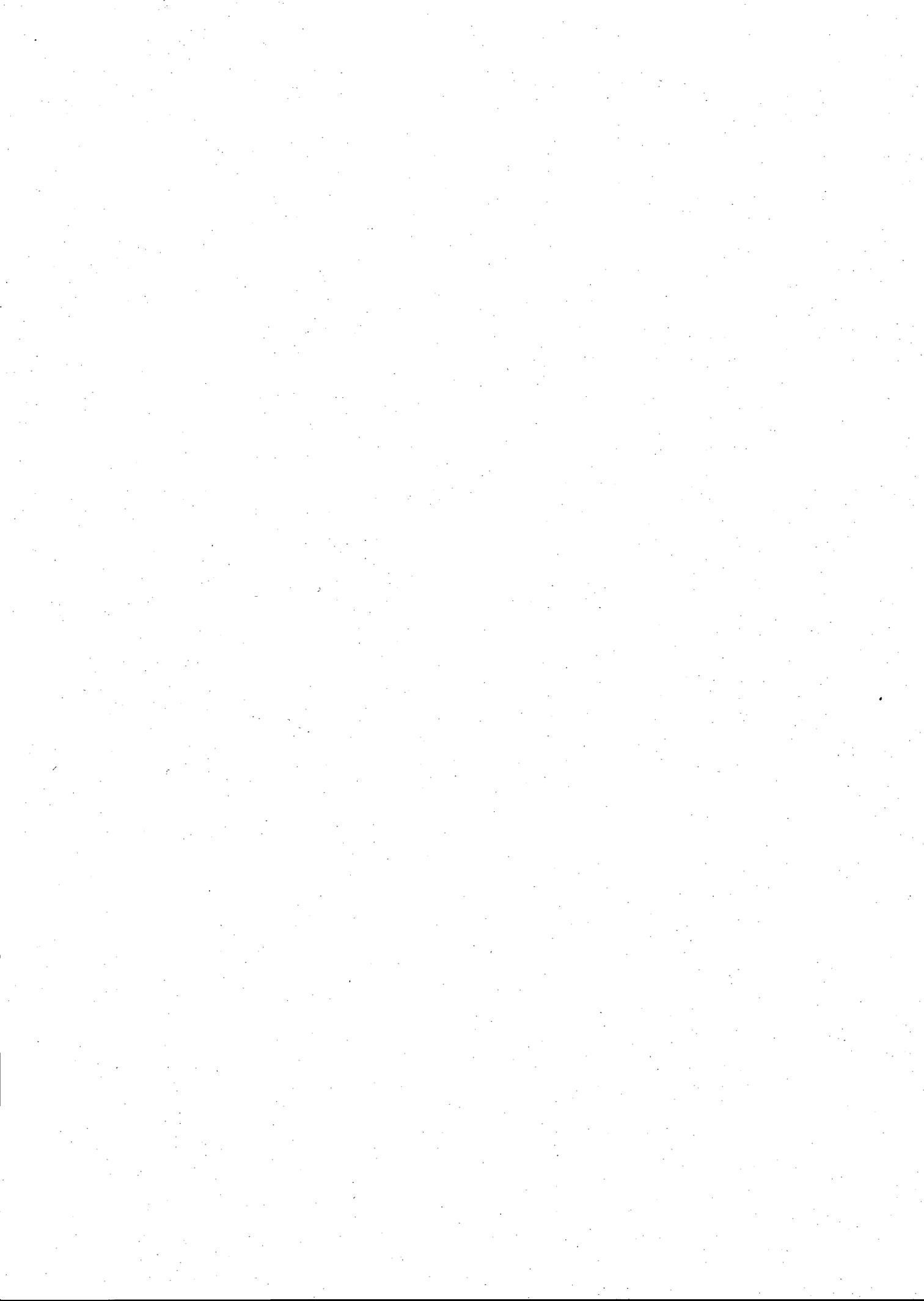


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**ASSEMBLYMAN RONALD A. DARIO (Chairman):** Ladies and gentlemen, may I have your attention? First, we would like to congratulate you people for taking the time to come to this hearing. I believe it is extremely important that you hear what's happening, or what might have happened. I am certainly delighted by the turnout here. I visualized this happening.

Before we start the session, I would like us to salute our flag. Please rise. (Committee and audience join in the Pledge of Allegiance)

I will introduce you to the people on the dais: To my left, Mr. John White, from Legislative Services; to my right, Assemblyman Jose Arango; to his right, from the Majority staff, Gregg Edwards; to the far right, also from the Majority staff, Bill Ulrey. Assemblyman Gargiulo called me and said that he will try to make the hearing. Frank is the principal of St. Joe's High School. He has a PTA meeting, but said that as soon as it is completed, he will join us here at St. Anthony's.

There have been a lot of things written in the local papers. There have been a lot of rumors. There has been talk of development, from high-rise to what have you, to the monastery grounds, to the problems with warehousing. I, as the Chairman of this Committee, which I was extremely lucky to get, as an Assemblyman -- and being a rookie, as they say-- When I got the title of Chairman of the Assembly Urban Policy and Waterfront Development Committee, I said to the Speaker of the General Assembly -- Assemblyman Chuck Hardwick -- that I would like to bring hearings and meetings to my district. I spoke to Jose Arango about this, and we were in firm agreement that instead of a lot of hearings taking place in Trenton, we should come to our district and listen to the people of our district.

Jose and myself have a philosophy, and it is a very simple philosophy. We like to vote on legislation that is good for the State, but extremely good for the Thirty-Third Legislative District. Yes, we are biased to our district, but,

yes, our district has more problems than most districts in the State of New Jersey. For example, we have densely populated cities in Hudson County. We house the poor; we have homeless problems; our crime rate is high. Shouldn't we be looked at -- and I say this in the Assembly -- a little differently? Not that I oppose other communities that have one-family houses with a lot of grass, where their neighbors are halfway down the block, and they also have a lot of grass. Their problems are a little different.

Yes, I'm sure they have problems, but their problems are not like ours. Yes, we would like to help them with their problems. So, with that thinking in mind, this is our second hearing. We had one dealing with the waterfront. This one is designed to let you know what's happening with reference to development in the downtown area -- from the monastery grounds down.

Now, let me tell you what happened approximately four weeks back. There was a bill introduced in the Assembly which asked for special legislation -- special legislation. The bill said, although there is a ban on the sewerage system which sends sewerage to Hoboken, there cannot be any development on new construction which has to send the waste to Hoboken. It is stopped. This new special legislation is asking for the sewerage to be directed to Jersey City, which then, in turn, goes out to the Passaic Valley.

In the legislation, it states that there are six or seven developments that are going to take place downtown in the monastery, and the only way this can be done is if we lift the ban, and the ban will be lifted in August, 1988 -- not this summer, the following summer. So, to circumvent, we're dealing with special legislation.

I understand there is high-rise development. I understand there are Palisade Avenue developments, overlooking the New York skyline. They are contemplating other

developments. Now, I am not against development, but what I think we have to do is have some checks and balances. I amended the bill out of my Committee, which gave the people of Union City the right to speak every time there was a development. So, in order to be granted a permit, each development would have to eventually come to the Legislature for permission to get its permit. After City Hall gives the approval, eventually they all have to come to the State.

Now, let me tell you what I think about development. I feel development is good. Of course it's good, if it is done properly. I was asked once by a politician-- He said, "You know, Dario, when you speak, what you say is that you are for development and you are against development." I said, "That is not what I said." I could vote for a 16-story high-rise, but I don't think I could vote if that high-rise was going to be right in the lap of a residential area, affecting hundreds of homeowners, who maybe have two-family homes, and the building is plopped right there. I don't know if I could support that. I do know I could support the same type of a high-rise in an area such as by the tunnel cut, where there are no residential homes, but more industry.

I am not a planner; I am not an engineer. But we are elected by you people to represent you, and we are trying to do that to the best of our ability. When we look at, and talk about development, we should keep in mind how it affects us, the people of the community.

Another big topic -- and Jose is here to verify what I am telling you -- is warehousing. We put that on the agenda because every day at our office -- the Assembly office, at 408 36th Street -- we receive between 10 and 20 people a day, telling us they are being evicted, they are being moved out, and they have nowhere to go. That is a problem. The tough thing about it is, right now, the answers are very difficult to come up with. In some cases, we actually try to find

apartments for them. We weren't elected to find apartments for people, but how can you say no when people are in there with tears in their eyes -- grown-ups with children? You can't, and you do your best.

But, let me tell you something: The most difficult thing to me, as your legislator, is for me to go home knowing I couldn't find a place for those people, and knowing I don't have an answer when they look into my eyes. We here in this city, in this county, in this State, in this country, better address ourselves to housing and how we can be fair.

Why I called this hearing, is to try to get some guidance. Jose and myself are not afraid of making decisions, but we would like to hear from the public. Tonight, some of you who have a desire to ask questions, or to make a statement, are going to be allowed to come up to this microphone. What we are going to do is take the information we get tonight, and if we have to, stand on the Assembly floor, in front of 80 Assemblymen and a gallery of the public, to tell them of what we face here in Hudson County. Arango has done it; I have done it. We have to keep doing it.

So tonight, those who would like to ask questions, or make a statement, please feel free to do so. Those who might want to ask me something on the side, or Jose, or send us a letter, or visit us at our office, please do not hesitate to do it. We try very hard to answer all of our phone calls, answer all of our letters. Sometimes it is difficult.

We have with us, and I have spoken to the gentleman, and I am going to mention his name-- I called him on the phone the other day and asked him if he was coming. I requested that he say a few words, and he said he would. I am going to ask him to start us off with whatever statement he would like to make. Mr. James Drago, will you please come up? Mr. Drago has been an advocate of Save the Top Palisades. He is a gentleman who has been doing this for years.

Let me just tell you a story. I was reading a document, I believe it was entitled, "River City," and it was a very informative document, with a number of pages. I was sitting in the Assembly Chambers looking it over. All of a sudden, from the corner of my eye, I saw this name Drago. It just hit me. What they did was dedicate that book to Mr. Drago. It made me proud that I knew him. So, Mr. Drago, even though you didn't know we were reading and looking at your name, you have made us proud. (applause) Mr. Drago, please feel free to start to speak.

**J A M E S D R A G O:** I have prepared a little statement here, but I wasn't sure of just what is involved in this hearing. So, I'll just read the statement as I wrote it. There may be some of it that is involved in this hearing.

Some 30 years ago, Union City was called the most densely populated city in the country. It certainly was very densely populated. Well, since then it has become even more densely populated. That the density has created sewer problems should not surprise anyone. Fortunately, somewhere in the future that problem will be solved. Yet, until that problem is solved, we certainly should have a moratorium on new buildings, especially big buildings.

However, there is another problem that calls for a moratorium on large-scale developments. That problem has no solution in sight. That is the problem of getting across the Hudson River, morning and evening, to keep our jobs in New York. The outstanding example of that problem is the Lincoln Tunnel. On normal days, as we all know, there is approximately a half hour delay just to get to the tunnel. A flat tire in the tunnel is enough to cause a three-quarters of an hour or one hour delay. The express buses are already running dangerously. We had two serious accidents only recently.

What needs monitoring by the State is the grandiose planning now going on for construction on the waterfront. If

such plans were to materialize, as some of the planning boards -- the Weehawken Planning Board has been approving, the Lincoln Tunnel will become utterly paralyzed for hours each day. Then, how do we get to work to earn money to pay our taxes or rents?

When this is mentioned to some State officials, we get the response that the State does not want to interfere with home rule. This brings to my mind the famous statement by the late William Jennings Bryan. Paraphrasing it: Must we be crucified on the cross of home rule? There should be a moratorium on all large-scale building developments until we have a solution to the necessary traffic across the river. Longer trains and stations on the PATH system will only bring a temporary solution to that problem. Ferries can cross the river in five minutes, but there will not be a boat every five minutes. Besides, they would not carry vehicles. The economy of Hudson County and the rest of the State depends on uninterrupted service by trucks, buses, and passenger cars.

If the State can step in and solve our sewer problems, it should have the authority to solve our traffic problems, too.

Thank you. (applause)

ASSEMBLYMAN DARIO: Thank you, Mr. Drago. Mr. DeRuggiero, would you like to step up? Will you kindly give us your name and your position?

R O B E R T D e R U G G I E R O: I am going to turn this way, if you don't mind. (turning away from witness microphone)

ASSEMBLYMAN DARIO: No problem.

(From this point on, other witnesses follow suit, and no longer use microphones, or refuse to use microphones. Due to this, the majority of the testimony is inaudible to transcriber, or nearly inaudible.)

MR. DeRUGGIERO: My name is Bob DeRuggiero. I have the distinction of having been born in Union City, and I have lived here half of my life. I have been operating a real estate office in the city for the past 15 years. As some of

you may know, we went up in flames over the weekend. I am here because this is an issue under concern, not only to myself as a businessman, but certainly to the residents of Union City. My family still lives in Union City, I work in Union City, and I have a very strong attachment to Union City.

I consider myself "somewhat of an expert" in the area of housing. My definition of an expert is an ordinary person who is a long way from home. But I am home in Union City, and I feel I can say that.

One of the concerns I have in the area of housing is twofold. One of the things I would like to address tonight is how it got to be the way it got to be. So, we will get into the history about why the housing situation looks the way it looks, and it's no mystery.

We have had very strong rent controls in Union City since 1971. This has kept incentive from building new housing. You haven't had much rental housing built to compete, so you would have a normal flow of apartments where people keep moving into better apartments. So, the housing stock has not increased considerably. There is no incentive. You know, developers do not develop for altruistic purposes. They don't particularly live in the town. They don't particularly care about that. What they are interested in is building a project that is vital and viable, so they can move on.

The projects they build are the projects you move into, so there is a concern. I think that several things should be addressed: One is the question of building affordable housing. We had housing years ago that we called projects. Many of you lived in that housing. Some of that housing was subsidized; some of that housing was subsidized by Federal funds. I would love to see our legislators bring to the State Assembly a request for Federal assistance, because we are dense; we are more dense than most other cities.

I would like to see affordable housing built in Union City, so people will have places to go; so there is no complaint, "We don't have anyplace to go." That is the first request. My request is that we legislate to have funds to deal with affordable housing. It can be done; it has been done. It's no mystery. It takes the will of the people, and it takes a commitment and a stand to have that done. If you have more housing available, your rents will level off naturally.

The other request I would have is to look at some loosening of your control. We might have a vacancy decontrol factor. With a vacancy decontrol factor, you will have less eviction. People will move into apartments that are apartment ready. You won't have landlords going through hardships and rent raises every year. That is the way it used to be. Your rent was never raised every year. You remember it. The rent was raised every once in a while when they wanted to raise the rent, and now they have to raise it every year in order to keep up. If you keep putting in stronger legislation that is going to underline the property owners-- Let's face it, the city is run by taxes. Yes, it's true, we can pay the taxes. It's true, we do. But the city is run by the taxes that the landlord or the property owner collects. And, if you don't have ratables, if you don't have the constant growth of the town-- You have to remember, the town is a business. You are all part of a big business, and the business is run by the revenue you collect.

I understand there is some talk about schools and teachers and jobs and salaries. Those people are paid. The people who put out my fire are paid by the taxes of the city. You need to have a strong tax base. In my 25 years of experience in this business, what happens is, if you take away the property value, the property owner has no choice but to appeal the taxes. He goes to the county, and they reduce the taxes. They win, they do; they have to. There is a justifiable complaint.

What happens is, the city needs that money to run its businesses, its schools, its public services, its ambulances, its firemen, its policemen. It's a business. So, it is a very emotional issue. It is a very passionate issue. I just relocated two families who were burned out in my building, and it's not easy.

What I am saying is, there are solutions. One solution is to legislate for affordable housing that can be built. I would love to see some of those buildings. Another is, look at lessening your control. I think the sewer problem will work itself out. I think that you need development. I think it is positive in a town. It creates jobs, it creates businesses, and it creates more housing for people to live in.

Many of the people who buy in this area come from the area, so when they move into something with new housing, that means another vacancy opening. There is a constant flow. So, my request to the Assembly is twofold: Look at lessening the rent controls in some respect. Probably basic decontrol would be the answer. Secondly, legislate for affordable housing.

Thank you.

ASSEMBLYMAN DARIO: Mr. Varano, I see you have your hand up. Kindly step forward, please.

C A R M E N V A R A N O: With respect to Mr. DeRuggiero's statement concerning the control that should be lessened-- Every rent control ordinance, to my mind, throughout Hudson County, and probably throughout the State, has built into it a factor whereby a landlord is entitled to make 11% or 12% profit. Now, if they are not making that profit, then they make out certain forms. It is true that maybe the form process might be a bit complicated, but they always have access to making at least 11% or 12% profit. You have to remember that the Union City ordinance reads: "Six percent above the current interest rate in banks," which is about 5% or so.

As far as decontrol is concerned, decontrol is just opening the door to the displacement, by way of harassment, of many nice people now living in the buildings. You can't tell me that what the majority of the landlords are going to do is not right. I wouldn't doubt that. But the few landlords who do not want to ascribe-- They will save all kinds of units, until the last tenants think of getting out, and then the next thing to happen will be decontrol, whereby your \$200 or \$300 apartment automatically goes up to \$600, \$700, \$800. They could easily get into this market, unfortunately, because of the supply and demand factor, which is in favor of those who own the buildings.

Unfortunately, anybody who owns a building is a monopolist; not that they started out being monopolists, but there are so few houses that if you own the house, you are automatically a monopolist. If you own two houses, you are definitely a monopolist. It is not that you went along in life to do a thing like that. It is because of supply and demand.

Now, for those people -- those developers -- who want to build brand-new establishments, they cannot comply with the rent control law because the rent control law prevents new housing from taking place. That is fallacious. Why? Because any new development that goes up, a man says, "I will charge you \$2000 a month rent." Nobody stops him. Once they get that money, then they move to 5% -- the ceiling that Union City has, as of now. So then he can become rent controlled. But there is no (inaudible) factor for the developer who develops land, should he find any in Union City, so they can start out with rent that meets the market demand. The market demand, unfortunately, cannot be equated with the commodity. You can buy apples or oranges, and if you don't want to keep them or buy them, you don't have to do that. You can go to another store.

I'm glad that Assignment Judge Burrell Humphreys, in today's Jersey Journal, brings out that particular point in his

opinion concerning the validity of the warehousing laws, where he says: "Housing is a basic human need." I don't think anyone would challenge that statement. Society would not tolerate warehousing food for greater profit, while people starved. Warehousing apartments for greater profit when people cannot find homes is not much different. So, the validity of the warehousing law has now been established in Hudson County. I imagine it will be subject to challenge in a higher court, but essentially it is out of fairness. With our whole enterprise system, we have to rule out the element of greed. That is basically what is wrong with society today. Greed is going to topple over everything we stand for in this country. The free enterprise system makes sense, but the greed in the system makes no sense. That is what we all have to get after and be aware of.

Thank you very much.

ASSEMBLYMAN DARIO: Mr. Marotta, I see you have your hand up. Please step forward.

L I B E R O D. M A R O T T A, E S Q.: I was born and have resided in Union City all my life. I must say that a meeting of this kind is definitely long past due and, personally, I want to thank Assemblyman Arango and Assemblyman Dario for conducting this meeting this evening here in Union City.

I believe I can honestly say, because of being a native of Union City who did not run away, and because, as some of you know, quite a few years of my life have been devoted to civic and political activities in this city, I, too, know something about the history of the city. I will make comments on what my very good friend, Robert DeRuggiero, said.

The point is, as elected officials, in my opinion, your concern must be to provide services for the people you serve, and to continuously improve the quality of life for the people of the communities -- continuously improve the quality of life. You see, we all have a vested interest -- all of us.

My vested interest is in improving the quality of life. Now, experience has taught me that the vested interest of a developer or a builder is to make money, money, money, money, money, and the hell with the quality of life for the people. (applause)

UNIDENTIFIED SPEAKER FROM AUDIENCE: That's right.

MR. MAROTTA: You know, a good friend of mine -- and I still consider him a good friend of mine -- James Drago -- mentioned here a few moments ago -- and believe me, Jimmy Drago knows the history of Union City and all Hudson, without question-- When he read his statement, he told us the truth. Thirty years ago, it was written that Union City was one of the most densely populated communities in the country. Since 30 years ago, until today, that position has not diminished, but has increased.

I point out to Bob DeRuggiero, that 30 years ago we did not have rent control. Bob DeRuggiero says that one of the reasons for the problem is that we have too strong a rent control. I say we do not have a strong enough, or as strongly implemented a rent control in Union City, West New York, Weehawken-- (remainder of sentence inaudible)

Let's not kid ourselves. When rent control was implemented in our community and in the surrounding communities-- If the rent control was \$200 on an apartment 15 years ago, believe me, landlords were getting more than \$250 an apartment. Supply and demand. The demand was, in this very densely populated community, "I need an apartment." God, we have examples, and some of us sitting in this room know, superintendents in apartment houses were auctioning off apartments to the tenants. Our officials did nothing about it, although they were well aware of what was going on.

We cater too much to developers -- too much. We have vacancy decontrol in the Union City Rent Control Office. We have it today. It is shameful; it is disgraceful. If the

fathers of our city-- If the elected officials of our city were sincere about protecting the tenants of our community, they would have introduced an ordinance as soon as they were elected, and they would have eliminated vacancy decontrol in our ordinance on rent control. That was a must; that was a necessity.

The history of Union City-- Because of rent control, it prevented builders from building. Where were they going to build? Honestly, where were they going to build then? How many vacant lots did we have in Union City. Those of us who have lived here for 15, 20, 25, 30 years, know there were very, very few vacant lots in Union City.

Let's talk about another example. From personal knowledge, an owner of a 50- or 60-family unit-- They own it for years, they suck the blood out of it. We have wires hanging; we have leaky ceilings; we have windows that do not go up and down. And what do they do? They collect the rent and collect the rent and collect the rent. Then after sucking the blood out of these buildings, they want to apply, and they make an application that they are now going to convert to condominiums. Disgraceful, after they made millions without giving services, now they want to make millions upon millions upon millions. Sure, it's a vested interest. They had a business, as Bob said, and it was a business of-- (inaudible) You must remember that, and our legislators must remember that. They are in business to make money, and they are not going to make money by providing the services we need -- or as much money, I should say.

About the use of taxes, I have been on both sides of the fence in that situation. I have been there appealing taxes for homeowners, and I have been there when I was corporation counsel representing the city. It is so proportionately disproportionate. They are more homeowners who go down there. They are lucky if they get a \$1000 settlement in the reduction

of their assessment. And, of the cases that are tried, very few are successful in winning. In fact, if you look at the statistics, and look at the history of the tax laws, the decreases do not go to the homeowner of the one- or two-family house. The decreases go on the commercial property. That is where the decreases go. And the owners of the commercial properties do not reside in our community, for the most part.

Ratables-- That is an interesting word -- ratables. I remember when the Troy Towers was built. I remember being told, "Boy, we have to have this luxury high-rise building. Just think of all the ratables that are coming to Union City." History will prove to us that the Troy Towers cost the people of Union City money. It did not make money for the people of Union City. Oh, we got some of our ratables in. When they talk about ratables -- the developers or the representatives of developers -- they never talk about the services that have never discovered the need. They never talk about the cost factor of the community to maintain that building.

I'll give you an example: We had the last piece -- a beautiful space in Union City, our beloved monastery grounds. Now, we had a couple of people come in over the last half a dozen years. The first time, we were going to have some kind of a supermarket put there, or a market of some kind. He ran out right away that time, because the people objected. This developer of the monastery grounds, at the planning board hearing that I attended, and Lenny Altamura attended, and some others who are in this audience attended-- We wanted to raise the question of sewers and, of course, we couldn't raise the question. The people who live in the surrounding area around the monastery grounds, particularly down the hill on the avenue-- If they get a rainstorm, they are covered with water. The sewers can't take it.

Just think if you cover up 10 acres of land. Forget putting the additional housing on there-- We have vacant land

that provides natural seepage. When it rains, the water doesn't roll off, it goes to the sewers. When it snows and the snow melts, the water doesn't roll off; the water goes down. They don't want to talk about sewers, because it is going to cost us millions upon millions of dollars to provide adequate sewerage.

But now they come up with this new bit -- the special legislation they want down in Trenton -- so from the monastery grounds downtown they can tie into the Passaic Valley -- the Passaic resources. I strongly oppose -- strongly oppose -- passage of that legislation. I say to Assemblyman Dario and Arango tonight, you must -- you are obligated -- you must stand up for the people of this community, because the local officials-- My God, in Union City today, and I have been around, they give out variances wholesale in this community, and I mean wholesale, not retail.

You know, when I talk, and I have been before the courts, etc., I am told, "Look, your answer is, you have to go to the polls." It's not that simple. It's not only that. Even if you vote them out, it's four years you had to suffer with them -- four years. A lot of damage can be done in four years. You know, when you build a building, you can't take the building down.

I remember in 1970 talking to the owner of the Troy Towers. He wanted to meet me because I didn't like the idea of the deal he got over there on taxes. He didn't like the idea that he was going to get hit with an increase in taxes, and he said to me, "Mr. Marotta, I am going to move it out of Union City, and then what are you going to do?" I said, "Move out. I want to see you put the Troy on your back and walk away with it. Move out, and what we will do is provide decent affordable housing. We will move five floors of this beautiful structure, where you have this beautiful view from the Verrazano Narrows Bridge to the George Washington Bridge, and we will put our

senior citizens in there. They can start living good. We can bring that quality of life to Union City. That's what we will do." (applause)

Jimmy Drago used the word "moratorium." No building, no conversions into condos. What are we going to become in our city? I was born here, like many of you; I still live here, like many of you. I don't want my city to be a bedroom community for the wealthy and the upper middle class from New York. I don't want that to happen.

Now, we can't get a moratorium. That comes from City Hall. Another thing, many people do not realize that our hands, as citizens, are really tied. Sometimes, when an ordinance is introduced by a municipality, we have the right, by petition -- by petition -- to get that ordinance on the ballot. A good example of the system. They said it couldn't be done, and we beat it. But there is one thing you cannot petition to get on the ballot -- zoning ordinances. The State Legislators, in their wisdom, decided that zoning ordinances should be left in the hands of the local politicians; that the people had no right to speak on zoning.

Well, let's look at some history. Our politicians in Trenton, for the most part historically eager, are also local politicians on the home front -- of which I am a guest -- or, their contacts come from the local politicians. It was the local politicians with their organizations in the political arena who elected them. And the local politicians want this. They don't want the people to have the right to speak on zoning. They want to keep it for themselves, so they can control every type of building, every type of subject that comes up in the city. Example: Right downtown on Third Street, 10,000 square feet-- Do you know what 10,000 square feet is? Most of our building lots in Union City are 25 feet by 100. Okay? If you take four homes in a row, that's 10,000 square feet. You know the city planning board granted home

sale variances to permit 13 stories. Think of it -- 13 stories on 10,000 square feet. The (inaudible) says you can build maybe five, maximum.

We have to look to the State on the situation as it exists in Union City. Quality of life and open space are necessities, or ought to be. I have always been against the construction of high-rises on the mountain side of here, where you look at New York. In the springtime and the summertime, the working people of all of our communities -- Union City, West New York, etc.-- How many times do they go there on hot summer evenings to enjoy the view of New York? These people can't afford vacations in Florida. These people can't afford to take their families and go down to the shore for two weeks. So they go over to Weehauken or the lower part of Union City, and they sit there and enjoy the most beautiful sight in the world. These giants of progress, these multi-millionaire, out-of-town landlords come in and take our view of New York away from us. For what reason? Profit. Profit and quality of life are not synonymous. They are the very opposite.

I remember a hearing before the planning board. I asked the urban planning expert for the developer, "As an urban planner, in your opinion, is the best use for the monastery grounds, knowing the nature of Union City, because you have obviously studied Union City-- From your knowledge of Union City, in your opinion" -- and mind you, this was the expert for the developer -- "are you of the opinion that the best use of this land is open space, and the development of open space, or is the best use of this building to put up what your boss wants you to put up?" The attorney objected, and prevented him from answering my question. They prevented him from answering the question because he was honest, and the problem would have been, "The best use is open space. Open space provides quality of life."

There is another point I want to make. If you object to any kind of burgeoning high-rise development, you are asked a question, and usually from a reporter: "Are you against progress?" You know, I think right away, when a reporter asks me that, "This guy doesn't understand what progress is." Progress doesn't mean constructing new buildings. It is not limited to that.

In addition to that, development does not mean singularly and solely and only to build a structure. Development includes developing park areas, developing recreational areas, developing an outside theater, where we can go and enjoy ourselves and enjoy the evening. That is also development. That type of development, legislators and people, is important to the quality of life.

Now, we are at a standstill in Union City. We are going to hear of a disgraceful situation on the beautiful monastery grounds, because the city will do nothing to stop it, and I don't buy that they couldn't do anything to stop it. I remember reading, back in May or June, where the Mayor of the city said, "If we continue the lawsuits, it is going to cost us thousands and thousands of dollars, and we can't afford that." If we can't afford it, why did they appropriate \$400,000 for one year for legal fees in the city?

We can't get it on the local front. Assemblyman Arango, Assemblyman Dario, we cannot. Very, very strongly, very, very sincerely, I urge upon you to improve the quality of life in this city. Don't give in to the carpetbaggers. Kill the bill in your Committee. The longer we can prevent any structures from going up, whether it be up on Hansberry (phonetic spelling) or down here on Third Street, the more difficult it becomes for the builder. We must come up with decent planning. We need affordable housing. Affordable housing is not a \$150,000 or \$200,000 one-bedroom apartment, or condominium. That is not affordable housing for the people of our community. (applause)

I said at the beginning that this meeting is long overdue. Sincerely I thank you, and sincerely I thank you again. Believe me, the people will be on your side, time will be on your side. Let's give us time to straighten things out in the city. We will straighten everything out in time, but please don't let them build, build, build. Stop it now. Stop it by killing the bill in the Assembly.

Thank you.

ASSEMBLYMAN DARIO: Thank you, Mr. Marotta. I see another hand here. Kindly come up and state your name. John (referring to Aide) asked me to be sure you state your names, because the hearing is being taped for the transcript, and we want to know who the people are who are speaking.

R I T A G O R M A N: My name is Rita Gorman. It has been mentioned that we have rent control in Union City. If we do, I think the powers that be better take another look at it. I have been looking in the paper for apartments available, and a studio apartment is \$400 or \$500 a month; two rooms, \$600. That is not rent control to me, and I think they better revamp it, and put rent control even on two-family houses. (applause)

ASSEMBLYMAN DARIO: Mr. Lagomersino (speaking to a gentleman in the audience), could you yield? We have a slight problem, so could you yield for one second to the young lady with the green sweater on? (affirmative response) State your name, please.

C A R O L H U R: My name is Carol Hur. I live at 127 Nineteenth Street, a building owned by John (inaudible). We have been harassed by him for about three years now. A year ago, he handed out eight pages of rules and regulations for all the families to live by. It is a six-family building. His family is in one apartment, and there are five other families. We don't destroy the property; we don't have parties; we all pay our rent, and then he hands us this.

Now, when we moved in, this wasn't in effect. We only signed it because we-- Me and my husband went up to City Hall about it. He was causing illegal hardship; he was getting illegal rent increases, so we went up to City Hall, and then he started harassing us. He wanted to evict us because we didn't want to sign that. He allegedly said that everybody signed it except me and the lady across the hall from me. Now, that's ridiculous -- eight pages. Rule 32 is no servants or maids allowed on the rooftop. If we had them, we wouldn't live in his building. It's ridiculous.

I went to Rent Control. They can't help. We got an attorney. His attorney and our attorney got together, and they wanted us to sign that. I am not going to sign that. And he wanted to evict us, just because we wouldn't sign that. That should be illegal. We shouldn't be forced to sign it.

When we moved in, there was no heat, no hot water -- for about six years. Then, all of a sudden, we got a new hot water boiler that was adequate. It's like nobody cares about us. The roof leaks; the wallpaper stops at the second floor. It's ridiculous.

So, you know, I would like some help, so I won't get evicted, because that's ridiculous.

ASSEMBLYMAN DARIO: We understand your problems. Hopefully, we can try to rectify some of them. We do have a copy of this document, and I promise you this: We will look into it. There are many problems in the community, and we will certainly try to address as many as we can handle.

MS. HUR: We have to have it signed by next week, and I am not going to sign that. I am not going to live like that. I have a heart condition. I am not going to wake up at 4:30 every morning, you know, and worry that I am going to break my lease, that he is going to evict me. There are so many ridiculous things on there.

ASSEMBLYMAN DARIO: Okay. Perhaps we can refer--

MS. HUR: Carol Hur.

ASSEMBLYMAN DARIO: What I would like to do, Carol, is speak with you in our Assembly office at 408 Thirty-Sixth Street.

MS. HUR: Okay.

ASSEMBLYMAN DARIO: If you will call, myself or Mr. Arango will certainly look into the matter.

MS. HUR: Okay.

ASSEMBLYMAN DARIO: Thank you for coming. I understand, Father, you would like to address--

J A M E S L A G O M E R S I N O (speaking from audience): Oh, no.

ASSEMBLYMAN DARIO: Sorry, Jim, I forgot. You're next.

MR. LAGOMERSINO: I yield to the Father.

ASSEMBLYMAN DARIO: You yield to the Father.

F A T H E R R A U L C O M E S A N A S: The parishioners here are happy to get their word in, and I think it is important to hear from them. But I would be remiss if I did not say that, as far as the Catholic Church is concerned-- The Church is very concerned. This past week has been an indication of the moves that are being made by the churches. We were discussing our-- (several sentences inaudible at this point) So, you can see that the Church is very concerned about what is happening. We priests, from parish to parish, have been hearing our parishioners on an individual basis with regard to the problems they are facing now with housing.

I will give you an example of some basic cases: People who are now retiring are looking at what the Federal government is going to give them in retirement; and what they are going to be receiving from their place of employment. They are realizing that in some cases they come out paying big rent, with additional expenses, and they wonder how they are going to live.

That is outrageous. We have prompted this situation because in many areas the rents are going up to such an extent. They cannot meet the high rents. They are trying desperately to apply, in other cases, for affordable housing, and there is no place to go. I don't know how long the waiting lines are, but I think they are a couple of years or more. This is another concern of the Catholic Church.

There is a third concern -- the homeless -- the growing number of homeless in our area. We find that many are children with families. I am talking about families with women as the heads of the households. Again, this is worrying. If there are fires, where do they go? That is a question I heard earlier in the evening. Where do we place them? Also, it is important to state that much of Hoboken has fled, especially the ethnic part of Hoboken, especially the Hispanics. They have been fleeing up to the plateau now through our area, and I don't even know if there are any apartments, because they don't know where to go, unless maybe they are going to go back or out to the suburbs someplace or to Newark or Elizabeth, and so forth.

This is a reality. The Church is quite aware of this reality. But there are also other concerns. When we hear, or when a parishioner of ours tells us that the owner of their building said that if they could change over they would probably burn the place out, you start wondering where we're going. The selfishness that was spoken about is growing. We are going to get phones. I happen to serve on the Waterfront Commission -- you all know the Waterfront Commission -- but I am here today as pastor of a church, representing our people. There is a priest here from St. Joseph's in West New York, because the Church is concerned.

Let me tell you what I mentioned at one of the Governor's Waterfront Commission meetings about something I was worried about some months back. I said at that time that in

the desire to see all the development along the waterfront, we were forgetting about the periphery. (sentence inaudible) I said we first better take care of the needs -- whether they be transportation or a fixed income or affordable housing, or whether it is nursing homes, and so forth and so on -- of our own people.

Most recently, I was approached by members of the Board of Directors of Palisades General, with a situation. I think most of you know that nursing homes are very difficult to come by in this area. We don't know where to send our aged that are in that type of a situation, and they are going out as far as the Delaware Water Gap and as far as South Jersey, looking for nursing homes. Their children are desperately looking and searching. All of a sudden, it came to my attention -- or was brought to my attention -- that they were holding back the development of this nursing complex -- the Palisades General -- and yet other developments in the area that were not of important need to the community, were already given the okay as to the sewage approval, and so forth.

Now, when I heard that, I immediately called the Governor's office. I said, "This is exactly what I was talking about." I said, "We first must meet the needs of the people of the area." Before we go on to future development, we have to have planning and study. We are talking about a sewerage proposal. This hall in (inaudible), when we have extensive railfall, floods. We haven't been able to figure out why yet. Now, I would bet anything-- We all know very well that there is an old pipe system here that has to be repaired. Now, before we can go ahead and do anything, we should have a study of the sewage system in the city to see where it needs changing to meet the purpose, before we go into adding other needs of the area.

As far as low-income housing, I have the same question that someone else had before: Where, when, and how? Even if

we do get the money from the developers to have affordable housing, or funds to help us with that purpose, where are we going to put it? We can go on and talk about displacement. Our schools-- Say, for example, if Washington Towers should go condo, there would be a displacement of people right away. I would say that about 30 families have children in our school. About 40 children would be automatically displaced. That is why the Church is also concerned. We would have displacement of our school. I don't know how many would be affected in the public school. But again, these are issues of why we need planning, why we need a study to be done properly, and we need bipartisan involvement.

You know, we all have interests. We know there are many political factors and many interests in the community. But this overrides the interests of one group or the other. This is the interest of the entire community that is at stake. The Church is concerned about this. That is one reason I have taken the position of even-- (remainder of sentence inaudible).

Let me just say, in conclusion, our concerns are the poor, the elderly, those who have no push. The Church is committed to fighting on their behalf. We will ever be more present to make sure that those interests are safeguarded. We will direct our interests according to the needs of the people, especially the poor. We are watching very carefully, because it is going to be decided here in the cities. It is not going to be decided on the higher levels. We have been told many times at the Waterfront Commission meetings that the decisions are going to be made locally. The decisions are going to be made here upon ourselves. Therefore, as I said, it must be bipartisan; it must be above special interests. We must look for positive progress that will create a growth that is beneficial to all, but, at the same time, we must assure quality of life of the people of our communities.

If you ever happen to take a trip, or travel around the country to other areas-- Many of my friends who have come back, and other people who have come back, say: "My goodness, compared to other areas, our quality of life is terrible." I think you will agree with me on that. We have a long way to go.

So, tonight I just thought I would share those thoughts with you and, again, the commitment that we have, as Catholics, as well as other churches, because the other church groups are also involved. At a meeting this past week we were discussing unifying our efforts as Christian churches, so we can get more for our dollar in defense of the poor and your own interests.

That is all I have to say. I recommend highly, and I reassert a study and proper planning before any action is taken on any legislation on the sewage system, as well as any other proposed projects, before they move to accept or to vote on any developments. I daresay that maybe you should have considered the monastery grounds for possible development as senior citizen housing.

ASSEMBLYMAN DARIO: Thank you, Father. Mr. Lagomersino, I'm sorry I neglected you. Please come up and take the podium.

MR. LAGOMERSINO: My name is Jim Lagomersino. I live 421 Third Street here in the city. What I am saying here tonight-- I have presented this plan to the local officials, the Mayor, Bruce Walton. I invoked them to come tonight to share their views with you.

I would first like to make a comment. I walked and picketed with Jim Drago when he tried to stop the construction of the (inaudible) Towers, which was built in 1969. I opposed it, saying it would take away our view of New York and reduce the quality of life in downtown Union City. What happened was, we had this most beautiful park on First Street, and the park deteriorated, along with the construction of the building,

because people did not frequent it. When we lost the view, we lost the people who came to share the park.

When that building went up, I said the money would not come for services. I was elected Commissioner of (inaudible) Finances in Union City in 1970. I took that building to court. We got more taxes out of them, but the money we got did not accountably increase services the city had to give to service the Towers. Right now, anybody who lives on Third Street knows that we park cars at night two and three blocks away from our homes, because people from the Towers park around the park. They have two or three cars, and they park three blocks away. And now they want to build a high-rise of 32 stories on Third Street. It's just maddening to believe what is going--

I don't want to digress. What I wanted to bring to the Assemblymen here is, I went to City Hall -- and Assemblyman Dario was also a Commissioner -- and he promised, after my idea was rejected, that he would have a public hearing here; that the people would have a chance to hear some of the suggestions that I had made. For that, I thank you, Commissioner.

When I was a Commissioner in 1972, we suggested to the monastery that we purchase the monastery for \$1.4 million. The monastery, at that time -- the Redemptionists Fathers -- rejected that. It was our intention -- one of our intentions -- to build a nursing home there. Now, a nursing home can be built at no cost to the taxpayers. Okay? It is nonprofit; there wouldn't be any taxes, but it would provide a service that our community needs. We introduced an ordinance that would give the city the power to float bonds, purchase the monastery, and reconstruct the building, and build a nursing home. The rates going to the nursing home would cover the bonds and the services. It's viable. It's done in other states. It is not something that has been done in New Jersey, at least not while I was in office, which was more than 12 years ago.

But, we do need nursing homes and services for the people of Hudson County. We are in a position now-- It's only a moratorium of two years. I would love the State to get along with the Church, or some other interested agency, to service the people, to be involved in maybe having the nonprofit home.

Right now, the builder is tied up for two years. He doesn't want his money tied up for two years. Let's be honest, when he buys this land, he has to put a few dollars down, and then finance the rest. Finance charges are choking the people in the monastery. We have two years to act. I think if the State gave some incentive to local-- I wouldn't want the State to carry it 100%. If the State would give home rule to all the (inaudible words here) cash incentives to build nursing homes, those services would give a quality to life to our community that we don't have now, I think it would be beneficial to all of us here, and to all of us in the city.

Thank you.

ASSEMBLYMAN DARIO: Thank you. Mr. Altamura, I'm sorry I missed you before when you had your hand up. Please come up.

LEONARD ALTAMURA, ESQ.: Assemblyman Dario, Assemblyman Arango: This is a special opportunity for us to have with us two Assemblymen, because the problems we are talking about go way beyond Union City. There are two issues I wish to address tonight. One is the affordable housing we have been talking about, and the other one is the monastery project.

With regard to affordable housing, you've got to understand, first of all, what is the cause of the problem. We have been hearing tonight the harassment on the part of the landlord and the problems of the tenants. But, what is the cause? Unless we know what the cause is, we are not going to be able to cure the sickness -- the illness.

Now, on one hand, we have the owners of the properties. Due to our laws-- You see, when I started to

practice law back about 20 years ago, there was a rule of thumb that the building was worth between four and five times its income, depending on the location. A good location, five times the income; a not-so-good location, four times. Perhaps because of poor location, three times the income. That means that if a building had an income of \$20,000 a year, and it was in a good location, the best he could get was \$100,000.

That has completely changed. A building that may have only a \$20,000 income may go for a half a million dollars. This started to baffle me when we started to have deals coming through our office -- since we do quite a bit of real estate -- as to how a building which only had an income of \$20,000, could be selling for \$300,000, \$400,000, a half a million dollars. How could the buyer of this property support it and pay for that kind of a building, with that purchase price, at a high mortgage, on \$20,000? He had to be losing a lot of money. But, that buyer knew better than I did, because with this conversion-- If you had, for example, 10 apartments, and those 10 apartments only had a monthly income of \$200 each-- Well, he wasn't thinking about that \$200 each. That was only peanuts. He was thinking about converting, and getting maybe \$50,000, \$60,000, \$70,000 for each apartment, which would have given him a very handsome profit.

So, the thinking started to click very quickly with investors, that it was very profitable for them to buy these buildings and turn them into condominiums. But there was a hitch to it; that was, in order to convert, it would be better for them to get rid of the tenants. There was one way, or maybe two ways to get rid of them. One was to make their lives so miserable that they would give up and move out, or perhaps buy them out.

So, the struggle began between landlord and tenants. First underground, and now it is reaching the surface, and everything is surfacing more and more. I'll tell you, I end up

going to court representing tenants. When I go there, I find that the attorney representing the owner of the building, tells me, "My client wants your client out." I say, "Why? What is the legal basis?" "No legal basis, he just wants him out." Well, I tell the attorney, "He is not going to go out. You go and prove your case." And so, we have some frivolous cases, but the point is, the poor tenant has to go to court. He has to lose a day's work. He has to pay for an attorney, and he can only afford to do this maybe once or twice. But he cannot do that on a continuous basis.

The landlord can. The guy who is making the investment has money, and he is determined to get that poor devil out. So, the harassing starts. If you think also that besides the conversion, even if he is not going to do the work, if he can get the tenants out, then the next one who comes in, he will have them write a voluntary agreement that he knows the previous rent was much lower, but if he wants this apartment, if it had cost \$200, it is \$600 now. Well, if someone has two or three kids and he is looking for an apartment, and there is nowhere he can go, he is compelled to sign that voluntary agreement. He is compelled; he has to, because there is no choice.

So, he winds up signing a voluntary agreement saying, "I know that the previous tenant was paying less, but I voluntarily accept this higher rent now, and I wish to pay \$600." I ask you -- and you know it better than I do -- how can a person who brings home \$200 a week -- and to bring home \$200 a week, you almost have to earn \$300 a week-- Or, if you bring home \$250, which means almost \$350, or you make \$300-- I'll tell you, the average income in Hudson County is less than \$15,000, meaning that the average person makes somewhere between \$200 and \$300.

Now, how can a person who has a family, who has to put that bread on the table-- How can that person pay \$600, \$700,

\$800 a month rent? So, then you have it again. What if this is for conversion purposes, or what if it is because the landlord knows that for this apartment today, he can get that \$600, \$700, \$800, \$900? That is what he is going to do. Mr. Varano was speaking about greed. If a landlord can double his income, if he can triple his income-- That is all he is dreaming of. If he can make a \$30,000 profit for the year, instead of \$10,000, his mind is going to work on how to make that \$30,000, because if other people can do it, he wants to do it. He wants all of the apartments to do that. And so, the struggle goes on.

We have to understand the forces that are working in this problem, so that we can then address ourselves to what the possible answers are. The problem is, we have something that is in small supply, and we have such a great demand. We have to understand, starting from that point -- a small supply and a great demand. When we have that kind of a situation, we have a disproportionate situation, because the shortage of affordable housing today has reached crisis proportions. You can't find any more affordable housing. If you have an affordable apartment, just hold onto it, because if you give it up it is going to be almost impossible for you to get another one.

So, what are some of the possible solutions? As long as we we keep that situation, there is no solution. We can start blaming the landlord. That's no good, greed and everything else. If we leave the situation to be solved between the landlord and the tenant, there is going to be no solution, as long as it is this disproportionate between supply and demand. As long as the supply is too small and the demand is too great, and we leave it today to find a solution, there is going to be no solution. There is going to be a continuous struggle -- war.

So, what is it we are going to do? In which direction are we going to start traveling? That is why I said before that I am very happy that we have you legislators here in the

State of New Jersey, because this is a problem, not only in Union City, but in all of Hudson County, and very possibly the entire State of New Jersey, certainly of this metropolitan area.

Again, because it is of such great proportion, we cannot leave it just to the town of Union City, or the town of West New York, or the other towns to find a full, complete solution, because it is not within their means. So, the State has to come in. The State has an interest in this problem, because it is a State problem, and it is of a crisis proportion. They have to start addressing themselves to passing meaningful -- meaningful -- solutions, not tokens just to give the impression to the people that they are trying to do something. We have to start working on this problem, and we have to start with the help of the State. They have to start making funds available, so that, for example, finances-- These are some of the possibilities: Finances can be made available, at no interest rate, in order to build affordable housing, or repair; make liveable what is now housing in disrepair and not in a liveable condition.

I think if that is done-- Certainly, it would not be a panacea for the problem, but, yes, I think working toward a financial-- Or, if interest has to be applied, let's talk about 1% or 2%, that kind of a thing. I believe that after the destruction of the apartments, if the finances are made available -- in whole or in part -- at no, or such low interest, then the rental, after the building is up, is going to be considerably less.

The State has an obligation. It is the State's responsibility, the State's obligation. It is not something for them to do out of the goodness of their heart, or just to be nice, but it is their responsibility because this is perhaps the greatest problem we have today. We cannot completely ignore it.

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Along those lines, another thought is, those builders, those developers, who are going to make a bundle on this new construction, or even by taking these buildings and repairing them, and then putting them on the market for a high profit-- They should give back some of their profit, in order to provide affordable housing.

So, I would give an invitation to the legislators, as well as to the people, and as well as to those who administer our city, as well as other cities surrounding us, to start thinking in terms of putting more affordable housing on the market -- creating a supply, or increasing the supply of affordable housing. As long as we have the same amount of affordable housing over here, and we leave it to the landlords and tenants to fight among themselves, the problem is not going to be solved. There is going to be more and more war.

I suggest that the solution is, the State, in conjunction with the towns, in conjunction with the developers, and in conjunction with the representation of civic associations, tenant associations, landlord associations-- They should all get together and start working toward creating more affordable housing. Once they have made more affordable housing, the problem will start to take care of itself, and will start to disappear.

That is all I have to say about affordable housing.

My second thing is about the monastery. You recall that last year there were a lot of hearings held at City Hall before the Planning Board, with regard to whether or not to change the ordinance to permit the building of luxury apartments -- luxury condominiums. As you know, I represent a group in town which is called Transformation. Transformation hired an expert, and he was very good, that kind of an expert, because we felt that if we had to present evidence as to what was the best use of this property to the Planning Board and to the people of Union City, we had to present that evidence

through an expert, someone who had done a study as to the best use of this property. He would tell the Planning Board what the best use would be. Not only that, but he would also make an informal survey as to what the people in the area preferred as the best use for that property.

The answer was that because there was hardly any open space or green space in Union City, and because that is harmful to the quality of life -- which Libero Marotta was talking about before -- the best use for the property would be open space, together with some development of projects for the benefit of the people, according to whatever the priority would be, which might have been perhaps an (inaudible) complex for our youth.

You know, today we sort of criticize-- We are so critical about youth today. We say, "They have lots of drug problems. They are not the way we used to be. Look what they do," and this, that, and the other thing. Well, who is responsible for that situation today, I ask? Is it the parents? After all, these youth, they would love to have (inaudible). They're kids. Can we really place the whole blame on them? We should start taking our responsibility for that situation which exists -- which is there.

I suggest that a great deal of responsibility we have to take, because we are bringing them up. We created the circumstances for them to be what they are now. I suggest that we start to recognize that fact, and start taking responsibility, because if we do not provide them with apartments where they can be raised in the proper way, if we do not teach them to respect the rights of others, the property of others, and we do not teach them by our example-- Some of the ministers of the town set the example, but if crooked things are done by the people who run the town, and they fail to set an example, why blame the kids?

So, I would suggest that that open space be used for the benefit of the people of the town, and not for the benefit

of out-of-town developers. The open space is needed. We could have maybe senior citizens -- a hobby for senior citizens; maybe a youth complex, a cultural center, whatever, but for the benefit and enjoyment of our people, not for out-of-town developers to make money. Once you pilfer that property, it is gone, and it is gone forever. If it could be stopped, I would be in favor of getting it stopped, and let's start thinking in terms of what we could then do with this property for the benefit of the people of Union City. (applause)

ASSEMBLYMAN DARIO: Thank you. Ladies and gentlemen, I would like to give each of you as much time as you want, but time is running on. I will entertain a few more statements and questions, and I will walk around with Jose. So, please, just give me an indication, how many people-- I see two hands -- one, two. Excellent -- three. I'm sorry, Bill, but if you will just keep it brief, we will be able to accommodate everyone.

B I L L K O Z O S K O: My name is Bill Kozosko. I am the Chairman of the Washington Towers Tenants Organization. It is a big building, if not everyone knows where it is. Now, I have been listening to warehousing problems and rezoning. I have been listening to ideas for rent leveling where it involves increases of 5%, which, by the way, are illegal, and have been illegal for the last two and a half years, when inflation dipped below that 5%. (Most of this witness's comments inaudible to transcriber)

Number two, the rental agreements. In Washington Towers, they will not rent you an apartment unless you sign that rental agreement. Most of the people coming into the building are from out-of-state, so they really don't know that there is a Rent Leveling Board; they don't know who to contact. So, they just sign these rental agreements, with the expectation that it does say, right in the law itself, that if

the living conditions of the individual are improved, then they are allowed to increase the rent to just about anything they want to.

I have a two-bedroom. I pay \$561. The two-bedrooms are renting for \$950 at this time. That is the disparity between, you know, the rent levels that are being paid by the older tenants living there and what the new tenants are paying. But, of course, with a lot of them not knowing the laws, they don't know how to fight to get the reduction in rent.

Now, a few people have gone to the rental board and asked what could be done about it, and they have been pretty much turned aside. They were told, on a number of occasions, that Washington Towers has a lot of problems. I know there is a gentleman right here in the room who waited two hours before he was even spoken to-- (remainder inaudible)

I have a couple of questions I would like to ask Assemblyman Dario. When it comes to certain legislation that is being-- I know it is not pending right now. I understand you brought it to a floor vote. That is the 51% vote, where it comes to, if there is going to be a conversion, whether it be condo or co-op, that if 51% of the tenants residing in a building vote against that conversion, then they would not be able to convert. Where is that at this point, and why is Joe (sic) Kelly -- he is an Assemblyman-- Why is he sitting on that?

ASSEMBLYMAN DARIO: Okay. Let me just make sure everyone knows what we are talking about. The bill which Bill is talking about is a bill that would allow tenants to make a decision if they are 50% plus one vote against a conversion, such as, say, Washington Towers. They would not be allowed to convert it. The sponsors of the bill, you are looking at -- myself and Jose -- and the main sponsor is Charles Catrillo. We are on the bill as co-sponsors. The bill is in Committee. The bill is having a difficult time at the moment getting out.

We spoke to Jack Kelly -- Assemblyman Kelly -- and asked him why wasn't the bill being moved out of Committee. The votes are questionable. The question that arose was, is it unconstitutional? The commitment, or the statement I made to Chairman Kelly, was, "Please, go to the Attorney General and get an opinion, because I feel we must act on the bill."

So, right now, that bill is being looked at. Hopefully, we will be able to move it to the Attorney General's office to get an opinion on whether or not it is unconstitutional. We are for the bill. We are on it as co-sponsors. So, we are trying to move it as quickly as possible. But success, I assume, depends on interpretation -- the interpretation of the Attorney General.

MR. KOZOSKO: Is there any indication, or anything in the near future that the bill is going to go out of Committee?

ASSEMBLYMAN DARIO: I think we can do it. We are on a budget break. Approximately four weeks from now we will be back. I think perhaps if the proper pressure, so to speak-- The word "pressure" always comes out with bills and politics and what have you. But, perhaps we can enlighten them and let them know how important that bill is to the communities.

We will be supporting it. We will do everything we can to get it out of Committee.

MR. KOZOSKO: Okay. Our building, at this time, is being warehoused by the owners, because of their contemplation of condo or co-op conversion. We haven't really been given any formal notice, but that is what their intent is. It would have to be, when you buy a building for \$17.5 million, which three years ago sold for \$9 million. No, they are not going to make it on the rentals; they are going to make it on the conversions.

At this time, there are 36 apartments that are not rented at Washington Towers, and that constitutes 12% of that entire building. For a lot of people who are looking for

affordable housing, or housing in general, there are 36 apartments that--

ASSEMBLYMAN DARIO: That's a crime. That borders on the criminal, in my eyes. Let me explain to you what warehousing is. If a big building that has, say, 40 units is in existence -- or 15, or 10, or 5 -- and someone leaves an apartment, the owner doesn't rent the apartment, he padlocks it. And every time someone leaves, he puts another lock on. The more that is happening in Union City, the bigger the problem with housing.

At the beginning of this meeting, I said to you, "We have a problem -- people coming in droves, an average of 10 to 20 people a day" -- and I am not kidding you -- "coming to look for housing." That is what is meant by warehousing. I just wanted to clarify that, and now I will tell you what we are trying to do to correct it.

MR. KOZOSKO: Is there anything that can speed up the process of fining the owners when it comes to warehousing, because they are given 30 days to correct the situation. I think there is an extended 60-day period in which they have to rent that apartment. Now, those apartments that have been empty -- the two-bedroom -- are right up on the 17th floor, overlooking New York and everything else -- prime apartments. Now, they have been vacant for eight or nine months already and, you know, nothing has been done. Well, they filed a first complaint against the building when I wrote the letter to the newspapers. That is the only way I got the city to act on behalf of the tenants of Union City -- by writing letters to commissioners, newspapers, State agencies, U.S. government agencies. That building was built with HUD funds. There is an agreement. In 1966, the original agreement with the City of Union City was to provide its citizens with affordable housing. One of the terms of that agreement was that they would provide affordable housing in a blighted area in the city -- which Union City was considered at that time.

Is there any legislation, either in action or being considered, to disallow buildings that have been built with HUD funds, or government funds, to prevent them from converting to condos or co-ops, when they were built for the purpose of affordable housing, and not for the purpose of a high-rise luxury building?

ASSEMBLYMAN DARIO: I don't know the answer to that, Bill. It's a good question. What I think we'll do, obviously, is look up that answer for you, and get back to you. John (speaking to Committee Aide), I would like you to take note of that. It's a good question. Just maybe that might be an area we can correct.

I will say this: In Union City, we have an anti-warehousing ordinance. I introduced that resolution, and it passed. But the question is, how do you enforce warehousing? That is important, because all the laws and all the resolutions that you can put on your books, we have to enforce.

I presented the idea of establishing an anti-warehousing committee -- a board, such as a board of adjustments, a board of education, a board of health. I did not receive support, but I am going to do it again and again and again, until we find out if we can get some people to support and enforce warehousing. To have it on the books is one thing; to enforce it is another.

So, I think I may need your help to tell the municipal government -- which I am part of -- that you want to develop some teeth to enforce anti-warehousing, so things like what happened in Washington Towers won't happen. I will need your help.

Bill, I hope I answered some of your questions. One I didn't know the answer to. I don't know how we can help with your problem. I would like to meet with you, perhaps tomorrow -- Saturday morning, Sunday, anytime you want. Assemblyman

Arango and I will meet with you to see if we can correct your problem at Washington Towers.

MR. KOZOSKO: We do have a substantial number of problems in the building, and I don't think they are being properly addressed. As I said, any time we need any action whatsoever on behalf of the city, it is only when we write letters. It is only when we write the newspapers, because, you know, they have to answer then. They have to answer the questions when the press agents call them -- when the reporters call them up. Otherwise, we don't get any answers.

I sent out a letter on Tuesday. I got a phone call, for the first time, from Bob (inaudible), who I met with last -- the previous Monday. We had asked him for certain things. We didn't even get anything. I don't think they would have acted unless I put everything in writing. In fact, I did send you a copy.

ASSEMBLYMAN DARIO: Right. I believe I got right on the phone and got to you.

MR. KOZOSKO: Yeah. You know, that is the only time we get any action, and it is very frustrating. It has been very frustrating for us. I want to see the same situation happen at Washington Towers as what happened at (inaudible) Apartments.

ASSEMBLYMAN DARIO: I agree with you.

M I C H A E L A N A S T A S I O (phonetic spelling): My name is Michael Anastasio. I am a Vice Principal, a member of the New York Stock Exchange, and I live on Eighteenth Street, close to the monastery. It is a great pleasure to have the Assemblymen here tonight. I have lived in this town for many years. It is the first time I have been asked to come to a hearing to present what I have to say. I think it is a wonderful beginning. (applause)

This is the beginning, and we can get it straight as we go. I propose that at future hearings, that we have a time

limit, so that our representatives will have time to hear everyone. Some people monopolize the microphones. We are not going to stay here all night. As a matter of fact, most of the people who are here are sleepy and they want to go home. Actually, they don't want to hear what I have to say. So, this is one thing I would like to say: From now on, let's have time limits.

ASSEMBLYMAN DARIO: Right. I'm learning, and I am learning rapidly. That's why we're doing these things. I want to hear from you. Small as that is, it is important. We will set time limits. Sometimes it is difficult, when an individual is attempting to express himself, to keep it within a time limit. I think you're correct, though. We should at least allow other individuals to get up. So, we will pay attention to that.

MR. ANASTASIO: Another thing I would say, unless something is of general interest to the whole community-- I say that those people who have personal problems should go to your office to see you, instead of coming here with their personal problems for the whole community to hear them.

Now, the thing that I wanted to say is, I live on Eighteenth Street, near the monastery. My friend stood here for an hour and expressed many things he had to say about the monastery, and the other speakers. But I live next to the monastery, and I have supported the monastery for the last 20 years. (this section of Mr. Anastasio's testimony impossible to transcribe)

ASSEMBLYMAN DARIO: Thank you very much.

W I L L I A M J. M E E H A N: Good evening. I am William J. Meehan. On the monastery grounds, back from 1970, when the (inaudible) Fathers decided it was time for them to leave the town, we proposed that the City of Union City take the land and use it as a Union City complex, which would eliminate the Union City City Hall and the Union City Department of Public Works

garage, up on Thirty-Ninth Street. We proposed a high school for down there, and we could then eliminate Union Hill and (inaudible). We asked them to give us the land so we could put the library on there. We could eliminate the two libraries we have in the city now. We could also eliminate the welfare station up here on Tenth Street, and we also wanted to eliminate the medical building up on Thirty-First Street. By doing this, every piece of land that I just got finished explaining could be turned over for affordable housing.

We are also looking at a situation where we are cutting 42 teachers from our education system for one reason, and one reason only -- we can't afford them. If we can't afford 42 teachers, then we have to start looking into the fact that we can't afford the buildings we are putting the children in either, because we can't afford two high schools. Teachers' salaries are high. They are paid for by tax ratables. We do not have the tax ratables coming in; therefore, we have to think about consolidation. We could then take the two high schools, eliminate them, eliminate the teaching staff, eliminate the cost of maintaining the buildings, which would then give us more and more money back into the city.

We should do this, just for the sewer problem alone. If we put a high school and a City Hall complex on this property, the sewer system, as it stands now, will absorb the sewerage that comes out of that type of a complex. The other buildings that would be torn down, and then the housing, could accommodate sewerage that would be discharged from the lines already, because (remainder inaudible).

Also, the City of Union City will have to pay for the development that these people are proposing to go on the monastery site. The people of Union City will have to pay for that sewer line to be connected to the line over here on the North Bergen side. That is not a fair situation for the people of Union City. The developers are -- as everybody has said

here tonight -- raping the town, and then will walk off with a sizable amount of profit themselves.

Therefore, this moratorium that is now in effect-- I think the city has to really seriously consider the fact that the city has to take over that land, and the city has to build its own Union City complex there, and start thinking about getting rid of some of the buildings the city owns that do not pay any taxes.

In answer to the gentleman's statement about affordable housing and the two families that have two-bedroom apartments in the Washington Towers-- It was \$900, is that what you said?

MR. KOZOSKO: Nine hundred and fifty.

MR. MEEHAN: A person came to me by the name of Russo, who used to live in the low-income project over here on Third Street. He had a two-bedroom apartment over there, and he was paying \$818. He moved to Cliffside Park.

I don't know what the answer to affordable housing is. In fact, to be perfectly truthful with you, I don't know what the meaning of the word "affordable" is. What is affordable for one person, naturally is not affordable for another.

The Federal government has a standard that you will pay 25% of your gross income to live in that project. Now, if that is an affordable situation, then I believe rent control should be that you cannot pay anything more than 25% of your gross. Now, I don't know whether that-- You know, you might have some people who are paying 10%. Twenty-five percent to them would be (inaudible). Yet, there might be other people who are paying 30% or 35%. Twenty-five percent would be (inaudible).

So, more and more of these problems crop up. What's good for the goose, is bad for the gander. One of the problems we are seeing in town is -- as Mr. Altamura said -- the battle

continues. Unfortunately, or fortunately, Union City is one mile from Forty-Second Street in Manhattan. I used to work in the (inaudible) Building on Fifty-Seventh Street and Eighth Avenue. I would leave the office at five o'clock, get on the subway down at Forty-Second Street, and be home in my house at 5:30. There were people living in New York City who didn't get home until 6:30. So, Union City is a desirable place to live for people who work in New York, because of its proximity to Manhattan. That is going to be a situation that has to be addressed, because they will come over, and they will pay a higher rent, because a higher rent in Union City is a rent decrease from living in New York City.

As long as this situation continues, you are going to find that we are going to be having this urban renewal, and you're starting to see that. If you realize, in the last month, we have had more fires, that have not taken out a house, or an apartment. They have taken out blocks. Right over here on Seventh Street -- you can see it right from the parking lot -- in less than two years, six houses on one side of the street, and then on the other side of the street, they took out another six. Within two years, they wiped this whole place right out. You are going to find that more and more, unless there is an accommodation made with some people to try to figure out just what affordable housing is, and how it is going to be regulated.

I wish the State would try to come in and have the Department of Education give the city an expert opinion as to funding for building a high school, and building maybe another grammar school, and getting, like Gilmore (phonetic spelling)-- Gilmore School is practically falling down, but the Gilmore School could be turned into a senior citizens' nursing home with very minimal repair, with on-site parking. And one great thing about it, it would get the kids out of there who are selling drugs.

You also have another situation. If you put a high school on the monastery grounds, and the police station less than a half a block away inside the Union City complex, those children who are in those schoolyards will be only a half a block away from the police, and that would probably cut down on a lot of the drug use, too, and the vandalism.

Thank you very much.

ASSEMBLYMAN DARIO: Thank you. Before we close, we have one more speaker Charlie Mahurter.

C H A R L E S M A H U R T E R: Fulton Sheen, I'm not. (laughter) I lose my train of thought sometimes, so you will have to bear with me.

There must be a better way, in a country as rich as this country, where you can go on the avenue over here and see people sleeping in automobiles; sleeping in cardboard boxes, vacant lots, sleeping in the bus station down here. There is such tremendous wealth and such abject poverty. There has to be some medium someplace.

Now, just like somebody mentioned no money for schools, no money for senior citizens-- When they pushed the race track down our throats, when they pushed Atlantic City down our throats, the money was supposed to go for senior citizens and schools. I fail to see it. There is no accountability.

Now, to destroy that hill over here-- When I was a kid, we used to go up there and watch the boats and the river, the Navy ships. You could see all the way up and down the river. (inaudible couple of sentences here) If they keep putting up these things for tremendous rent, the people are going to have to move out.

Now, there are two mayors, who told the landlords to raise the rent as high as it would go. There is no sense of locking the stable after the horse is gone. The new people

can't do anything about it. When people such as me-- A few years back, I could get by very nicely on my little pension. Now, the rents have gone sky high. If I have to move, I am going to give \$100 or \$150 more, and have the rest of the dole to eat. How can I eat for four weeks with that much money? And more and more people are getting less money than me. The rents are \$700, \$800, \$1000, \$2000. Something has got to be done.

This was before Truman's time, I imagine. They were building Federal housing for the poor. They were built kind of (inaudible) and they were kind of hard to manage. But they should have been kept low, kept manageable, so people could afford the rent, like the man said, 25% of their income. Anything more than that was considered using you, a few years back. Anything more than 6% interest was considered using you. Now you pay 23%, 25% for a house, 25% for a car. Every four years you got a house bought, and you still haven't got the house. You've got 20 years to pay for it.

There has to be some way for the people to be able to live. Now, the welfare people are getting along very nicely. They don't have to worry. Their medical bills and everything are paid for. The rich people don't give a damn. They don't want no parts of these people who are sleeping in automobile, sleeping in cardboard boxes. The middle-class people are the ones who are hurting. Their income is staying stationary, and the rents, food, everything else is going up. There has to be a better way.

ASSEMBLYMAN DARIO: Thank you, Charlie.

MR. MAHURTER: Before I conclude, I would like to-- Will you give me just one second -- just two more minutes, please? I would like Assemblyman Arango to say a word, and then I am going to end by telling you what I feel should be done, and the direction we should be headed.

ASSEMBLYMAN DARIO: Assemblyman Arango?

ASSEMBLYMAN ARANGO: First of all, I want to say thank you to each and every one of you. I think this had been a good meeting. I feel very sad that I don't see more elected officials at this meeting, concerned about our problems, especially with housing, which is the main problem we have in the entire county.

We are going to make sure about the 50% plus one for conversions. I am the Vice Chairman of the Housing Committee. I am pretty sure-- I guarantee that that bill is going to be out of Committee as soon as possible.

About the constitutionality of that bill, we are going to let the courts decide. But, we are going to fight. We are going to do whatever we have to do to make sure that that bill is on the floor, to guarantee that we have affordable housing. Affordable housing, as they say, is something-- Nobody knows what affordable housing is. Affordable housing is housing for the working people. We have many here today, and they deserve to be protected.

For you people who are senior citizens, we have a great concern, especially Assemblyman Dario and I, because when we got elected, and we went to Trenton, we never saw any legislation in favor of our tenants or our people suffering from evictions. I think the local elected officials have to be a little tougher. A little bit more housing inspectors should be in the streets. There should be more concern for our people. I don't know how we could have more problems than what we have, I'll tell you the truth. We are leaving houses like a -- with cables hanging all over, all of the electrical-- It's a disgrace.

We have 4% homeless in Union City and West New York. We have to be tough, and we need your support. Without you people, we can't do anything. Thank you, and God bless you all. (applause)

ASSEMBLYMAN DARIO: I will end by saying this, before we move on any piece of legislation that is going to affect you people, we are going to come back here. We are going to ask you to tell us how you think we should vote. Right now, I will sit and hold any bills that are going to affect the quality of life in Union City. When the time comes that we have to make a major decision, we are going to come to you, and you will help us to make it.

God bless you.

**(HEARING CONCLUDED)**



