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PUBLIC HEARING  
before  
ASSEMBLY TASK FORCE ON HOMELESSNESS

Recommendations as to the services provided,  
or which might be provided,  
to alleviate the problem of homelessness  
in this State

January 24, 1989  
State House Annex  
Room 341  
Trenton, New Jersey

MEMBERS OF TASK FORCE PRESENT:

Assemblyman Patrick J. Roma, Chairman  
Assemblywoman Maureen Ogden  
Assemblyman Louis J. Gill  
Assemblyman Bernard F. Kenny, Jr.  
Regina M. Purcell  
Alan McGarry  
Grace C. Applegate

New Jersey State Library

ALSO PRESENT:

Norma Svedosh  
Office of Legislative Services  
Aide, Assembly Task Force on Homelessness

\* \* \* \* \*

Hearing Recorded and Transcribed by  
Office of Legislative Services  
Public Information Office  
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M E M O R A N D U M

TO: Legislative Information Service  
FROM: John B. Lee, Research Associate  
DATE: January 13, 1989  
SUBJECT: Meeting of Task Force on Homelessness

This is to inform you that the Task Force on Homelessness created by the Speaker of the General Assembly will meet on Tuesday, January 24, 1989, in Room 341, State House Annex, beginning at 10:00 a.m.

Various State officials and private organizations have been invited to provide the Task Force with information and recommendations as to the services provided, or which might be provided, to alleviate the problem of homelessness in this State.

Persons desiring further information as to this meeting should contact Deborah Smarth of the Assembly Majority Office ([609] 292-5339) or John B. Lee of the Office of Legislative Services ([609] 984-0231).



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ASSEMBLYMAN PATRICK J. ROMA (Chairman): Good morning. I'll start this hearing. First, what I'd like to do is to introduce myself. My name is Assemblyman Pat Roma. I'm from District 28 and I've been appointed by the Speaker of the General Assembly, Chuck Hardwick, to chair this meeting.

I'd also like to introduce the members of the Task Force that will be working with us in this project. First, I'd like to start at my right. We have Grace Applegate from the Department of Labor. Grace, would you like to say a couple of words?

MS. APPLGATE: Well, I'm just happy to be on this Task Force. I appreciate the Speaker appointing me to it. It's a strong issue that's facing our country today and our State. So, it's really an honor to serve on this Task Force.

ASSEMBLYMAN ROMA: I understand the microphones are for recording. Perhaps, what we will have to do is to keep in mind that we will have to speak a little louder so everybody can hear us. It's not like the regular hearing where we have the two separate microphones, where one is for the augmentation of voice and the other is for recording. But, we'll do the best that we can in order to make sure that we're understood.

We also have Assemblyman Kenny with us. He is one of our freshman members, along with myself and Assemblyman Gill. Bernie, if you'd like to make a couple of remarks?

ASSEMBLYMAN KENNY: Thank you, Pat. I'd like to thank the Speaker for appointing me to this Committee and for forming the Committee, and Assemblyman Roma for organizing this meeting. I think I'm very interested in hearing the testimony and I'd like to reserve any comments on the issue until I do hear from various people who are going to testify today. Thank you.

ASSEMBLYMAN ROMA: Assemblyman Louis Gill.

ASSEMBLYMAN GILL: Thank you, Mr. Chairman. I'm also very happy to be appointed a member of this Committee. Just

yesterday, as I was walking out of my office towards my home, I found a few people, homeless, lying in the doorway seeking shelter. It's an issue that we should be addressing. It's one of the most pressing issues in the State, and I'm very happy to serve on this Committee.

ASSEMBLYMAN ROMA: Thank you. We also have with us Regina Purcell from the New Jersey Catholic Conference.

MS. PURCELL: I'm the Associate Director for Social Concerns at the New Jersey Catholic Conference. We're very grateful to be a part of this Task Force and are eager to listen to all of your comments and try to address them the best way we can. Thank you.

ASSEMBLYMAN ROMA: And Mr. Alan McGarry, from the Union County Board of Social Services.

MR. MCGARRY: It's a great privilege for me to serve on this board. I appreciate the Speaker's consideration in asking me to serve. I hope I will learn something from this and that my input will be beneficial in the overall considerations of the Committee.

ASSEMBLYMAN ROMA: I'm also advised that Assemblywoman Maureen Ogden is on her way. We figured we'd start the meeting and as Maureen gets in here, we'll introduce her.

Just as an opening statement, I believe we all understand the problem that faces the Legislature and government in general, with respect to the issue of homelessness. Every day that you pick up some type of publication we're faced with the statistics of what has happened, and the problem is increasing. We all know that there are a number of issues that we face in government, but also certain types of focus have to be brought on issues that exist. I came into this -- I would call it a problem -- with the idea of coming up with recommendations from this panel, and at the same time, being in a position to collect information to report back and come up with legislative initiatives. As

indicated, it is a special Task Force. The whole idea is to collect a lot of information this morning. We'll be hearing from a lot of different people. It's not going to be the last meeting, and certainly, as we have a number of people to testify, we would like to get an even better understanding. There have been Federal reports; there have been State reports; there have been county reports. I come from the County of Bergen and I work in Hudson County. Bergen County is probably one of the first to have a study on the homeless. And that was recently released. We have copies up here. And I think that type of information dovetails with a lot of the other things that we will be getting into this morning.

I don't think I need into to get the all the descriptions or all of the information. We're very much aware of the problem. As I said before, you pick up the newspaper. The New York Times recently had an article talking about the ever increasing number of homeless. And we can't even get to the point where we have an accurate census -- 28,000 to 35,000 people in the State of New Jersey; approximately 9800 people being added each year as a result of different problems.

Unfortunately, there has been some stereotyping with respect to people who are homeless. And when you start looking at the information that we have, a large percentage of veterans, a large percentage of families with children, we have to start examining this problem from the standpoint of what can be done. A lot of the testimony that we're going to have is going to be extremely helpful in terms of what initiatives can be started, what can we do in order to have a partnership of the government and the private sector, and hopefully as a result of all of this information, we will all have a better understanding to be in a position to make recommendations.

As I said, it is a first meeting. I did not want to go through all of the information that we have here. We have a number of speakers. But we will have additional meetings and



we'll take all of this testimony, and it will all be put together for the recommendations for future years.

What I'd like to do at this time-- We have a rather -- and not that we have a specific formality, but we have a number of people from the State and public sector. I'd like to, if possible, go through those individuals, have them testify, and perhaps following the testimony, we will be in a position to ask a couple of questions, and perhaps the panel members, if they feel there is a particular question at that point, we will entertain those questions. At this time, we would like to hear from the Department of Community Affairs, William Connolly, who is the Director of the Division of Housing and Development.

W I L L I A M M. C O N N O L L Y: Mr. Chairman, thank you very much.

ASSEMBLYMAN ROMA: Good morning. Thank you for being here.

MR. CONNOLLY: I appreciate your willingness to take the time to spend with all of us on what's a very important issue. I'd like to introduce Roy Zigler. Roy is the Chief of our Bureau of Housing Services and is the person in the Division who is directly responsible for administering most of our programs that are designed to assist the homeless in one way or another.

Homelessness is obviously a housing problem. From an individual standpoint it's the most extreme sort of housing problem -- having no home at all. But from a public policy standpoint, it's also the most extreme expression of a severe housing affordability problem, especially.

The homeless in New Jersey, as you pointed out in your opening remarks, is not the stereotypical man on the Bowery, or a bagwoman. They are the elderly, children, and ever increasingly they are wage earners. The fundamental problem, is that it is difficult for most of our State citizens to meet

their housing needs. And it's often impossible for those on the margin. New Jersey is a very expensive place to live.

The average rent for a two bedroom apartment in the United States is around \$360. In New Jersey, it's around \$680. The average price of a home, new and existing in the United States is around \$87,000, in New Jersey it's around \$160,000. And in the northern part of our State, in Bergen County, it's approaching \$400,000. That's a countywide average of all homes that are sold.

Housing costs across the State in the last two years have risen three times faster than income. And in Hudson County, the most extreme example, housing costs have risen six times faster than incomes. We have a one percent rental vacancy rate across the State and condominium conversions have taken twice as many rental units out of the housing markets as we've replaced through construction during the decade of the '80s.

Rental housing itself is down from 50% of our housing construction 10 years ago to five percent today. Whether they be public assistance recipients or low income wage earners, those kinds of housing costs have placed many of our citizens on a terrible treadmill. Every year a small percentage of them fall off that treadmill and the Department of Human Services and the Department of Community Affairs respond with the emergency program with the Homeless Prevention Program and other of our programs for the homeless.

We have to remember that there's a great deal more to be done with the homeless -- the problem with homelessness -- than simply helping people to get back on that treadmill, which is basically what Emergency Assistance and Homelessness Prevention does. It's very important that we do those things, but they are only the beginning. We have to begin in this State to address our housing problem in a comprehensive way through a comprehensive program.

With the time that you've been good enough to give me this morning, I'd like to do three things: 1) take a look based on the information that we have on who the homeless are, 2) describe the nature and the extent of our responses thus far and how they measure up to the need, and finally talk a little bit about the kind of comprehensive program we're going to have to mount if we're ever going to end the tragedy of homelessness in our State.

First, let me talk about who the homeless are and how many of them there are. As you pointed out in your opening remarks, there's a lot of dispute on that subject. Our estimate -- the Department of Community Affairs' estimate -- is around 10,000 households. Around 28,000 people each year find themselves homeless. Nobody really knows. We don't have the data to really know. The DCA estimate is my estimate. It's three years old now. Since we first made that estimate, I've encountered more information that seems to support it than to contradict it. I think it is in the right order of magnitude.

In this year, though, I think we're going to turn the corner on estimating, for a number of reasons that I'd like to share with you: One, we're undertaking at the present time, a lockout survey. We know from earlier surveys that each year in this State 12,000 families are actually locked out of their homes through the rental eviction process. There's 130,000 eviction actions brought in the State each year. But 12,000 reached a point where a warrant for procession is issued and the people are locked out of their homes. We're following up on that number to try to get some detailed information on who's locked out and where they go and what happens to them, that sort of thing. That should provide a very good piece of information on the homelessness problem.

Second, we'll have this year, data from our Homelessness Prevention Program for an entire year. As you may know, that program has not been fully funded in earlier years,

and therefore, what information that we have on the people who came to the Homelessness Prevention Program was a part of the year type of snapshot. We have enough funding this year to get through the entire fiscal year. So, for the first time, we'll have a good picture of that.

We also will have -- beginning in April -- some fairly detailed information on our shelter population. As a result of some shelter licensing rules that will go into effect on that date, the Department of Community Affairs will have a handle for the first time on who's in our shelters, when are we overcrowded, who's being turned away, and that sort of thing.

Presently the best information that we have comes out of our Homelessness Prevention Program. The program intervenes at the very last minute to prevent homelessness. You must be at the point of eviction or at the point of mortgage foreclosure. You must be having a problem that some temporary assistance will help you get over. And you must have some prospects of maintaining housing given six months of temporary help, after the temporary help has to be withdrawn. So, it's somewhat by a sample, but it's still very good information.

In '86, '87, and '88 Fiscal Years, we were able to help between 23,000 and 28,000 households each of those years. Overt homelessness-- This and the other program is fully funded and will help around 5000 households -- overt homelessness. That gives you an idea of the size of the data base.

I have brought with me this morning copies of our final statistical report on the Fiscal Year 1987. We're working on '88 now; we'll make that available in the near future. It's about 70 or 80 pages of very detailed information. I would, however, like to highlight what at least we consider some of the very significant facts that have emerged from an analysis of the people that we helped in the Homelessness Prevention Program. Twelve percent of the households are handicapped, in just five percent is that

handicap mental. Of the homeless, most are not former mental patients, although certainly, there are former mental patients who have had the problem.

Fifty-eight percent of the households we've helped are single-parent households with children. Eighteen percent of the households are two-parent households -- 18% of them, or 5000 this year, are conventional households with two parents and children who lose their homes due to New Jersey's very high costs. Seventy-four percent of the households are headed by females. Two-thirds of the two-parent households had a wage earner earning money at the time they became homeless. One-third of the two-parent households had both adult members of the household working, yet they became homeless.

Programwide, 77% of the income of the people we help goes towards rent during the period of time immediately before they were in danger of homelessness. And of those limited number of families that we assist through the Homelessness Prevention Program, 94% of their income is dedicated to rent. It's not surprising that we have a lot of homeless in this State. You can't spend 94% of your income on your rent for very long, that's for sure.

The mean rent for the family was \$414 a month. If you compare that to AFDC benefits in the \$400 range or the income that a family whose wage earner was out or near the minimum wage, around \$550 a month, you could see with housing costs of over \$400 a month, a large number of people are constantly at the margin and in danger of becoming homeless.

The major causes, in roughly 50% of the cases, are accounted for by either a breakup in the household or a loss of income. There's a lot more detailed information in the report which, as I said, we're going to share with you at the conclusion of our testimony. What I'd like to do now, is turn to just what it is we're doing to help, and how it measures up.

As I indicated earlier, this year for the first time, we're beginning to meet most of the immediate needs. We'll be able to help roughly 500 families through the Homelessness Prevention Program. We have at the present time about 1600 shelter beds in New Jersey. The Emergency Assistance Program in the Department of Human Services is also helping large numbers of households, and I'm sure Marion Reitz will address that in a few moments.

If you add them all up, you will see that we are fairly close to 10,000 households assisted in some way each year, which again is fairly close to our working estimate to the number of families who are afflicted by homelessness in a year. This is primarily because the Legislature took the initiative last year with the supplemental appropriations bill of fully funding many of these programs for the first time. I think we all need to be grateful for that.

The kinds of things that we are doing this year-- We're providing \$2 million in shelter grants which amount we will need for several years if we're going to increase both our shelter capacity and the conditions of our shelters to the point where we would like to see them. We're spending \$8 million this year on the Homelessness Prevention Program and the Transitional Housing Program. We'll spend about \$5.5 million to assist those 5000 families in the Homelessness Prevention Program. We're also using those funds to create congregate transitional housing and enhance the supportive transitional housing programs and rehabilitate existing substandard or vacant housing, in order to provide temporary housing for the homeless. And we'll describe each of those in just a little bit more detail.

Shelter grant funding allows us to add at the present time about 300 more beds per year to our shelter capacity. Adding beds is our priority at the present time, but we see a continuing need for those funds, even when we get the numbers

of beds to the level of where we would like to see it, because there is still some significant improvement that would be needed in our shelters to make them what we would like them to be.

Transitional congregate housing: We expect to be able to create 180 units this year and we would like to be able to do that in future years as well. The best example of that is the Harmony House project in Newark presently under construction, which is a joint effort between our Department and the Department of Human Services, the Newark New Communities Corporation, and most significantly, Hartz Mountain Industries which is providing the construction financing, and arranging the permanent mortgage.

Harmony House is the excellent example of the kinds of things that we can do, in that it finds a way to create an alternative to motel placements; not just a roof over people's heads, but a supportive environment which includes social services and day-care and the sorts of things that homeless families need, to get themselves on their feet so that when they've been in the transitional housing environment for six to eight to twelve months, they are able to stand on their own two feet when they move out.

On to the economy at large again. We expect to be able to do that in at least two other counties this year as well as in Essex County, and we would like to replicate that model in future years, which is why we need to continue to maintain at least the \$8 million a year level of funding. We're also working with public housing authorities and our Housing and Mortgage Finance Agency to identify vacant and deteriorating units within our existing subsidized housing stock. The Newark Housing Authority is the first example of that kind of a project where the Department of Community Affairs will provide up-front money to rehabilitate those units and put them back in service and, in return, the housing

authority or other housing providers will agree to accept homeless placement through the Department of Human Services for the foreseeable future, and that Department will be able, through the counties, to use Emergency Assistance monies to support the cost of that housing and also ultimately to amortize the cost of the rehabilitation itself.

Both the congregate transitional and these temporary rentals address one of the fundamental problems that has kept us from dealing with the motel placement issue. Earlier, it's sort of a chicken and the egg situation. You're spending tremendous amounts of money on temporary housing: But you don't have any capital money to create something other than a motel, so that you don't have to spend those tremendous amounts on motels. These initiatives that we're working on will create alternatives, so Emergency Assistance money can be used in more constructive ways than motel placements.

We're also providing this year \$220 housing vouchers -- Federally funded housing vouchers -- that that will enable families that we really can't help any other way, to have a permanent solution to the housing problems for subsidized apartment, within the existing housing stock.

Last, I'd like to mention programatically, your Enhanced Transitional Program, where we, utilizing State funds and some Federal McKinney funds have gone out and acquired apartments in the private rental market and put together a package of supportive services and other kinds of assistance for families, many of which have been inhabiting motels for as long as ten or twelve years, in order to not only get them out of the motel and get a roof over their head, but help them put their life back together so that they can begin to move on to job training and things like that, and no longer be homeless.

Perhaps the most exciting part of what we're doing in the homeless area this year is what both we and the Department of Human Services call the family shelter strategy. Our two Departments have for the last five months been working very



closely together to try to match State housing resources with State social service resources so that we can make a comprehensive attack on the homelessness problem.

We're using our housing money to try to break the cycle of motel placements and provide capital funds up-front as I described. We're also working very closely at the service delivery end. At the top we're coordinating our grant programs with the Department of Human Services Assistance Program. Out at the county level, we've got our field people working with the CEAS committee which coordinates homelessness responsiveness in each county. And we're also working very closely with the Department of Human Services county reps in each of those counties.

Let me just say one thing before I close on our programatic efforts, and on that's Federal McKinney funds. There's not a lot of money from the Federal government. The McKinney Act is a nice idea, but it's not very well funded when measured against the need. The Federal government really has walked out on just about every aspect of their housing obligations. We've drawn just about all we can. The Department of Community Affairs has aided a number of nonprofits in this State by providing the match that's required to draw down funds for particular McKinney projects, but the numbers are really quite small. And the money that we can get from the Federal government doesn't make much of a dent in the problem and doesn't really stack up very well when it's compared to the amount of money that State government is putting into the homelessness problem.

It's really difficult to be proud of attacking a problem -- any efforts attacking a problem -- like this, which just shouldn't exist at all in a society like ours. But, I'm happy to be able to tell you this morning that the Federal government, as it begins to move on the problem in a new climate in Washington, is launching two major new policy

directions, both of which are based on our experience here in New Jersey. They are trying to take steps to engender across the nation and may provide some funding too, as an incentive, for housing agencies and social service agencies to work together to address the problem. We're already there. The idea is at least, in part, based on our experience. And second, the Federal government is going to begin to put some serious money into homelessness prevention. And the program that they have in mind is, in fact, based on the New Jersey Homelessness Prevention Program, which at this point is very highly regarded all the across the country.

Let me turn now to -- and finally -- to the more fundamental problem. We're beginning to establish pretty well our ability to respond to the individual tragedy of homelessness. And what we've done thus far is really no more than establish a beachhead. We need to get off the beaches and then address the more fundamental problems. Governor Kean, in his State of the State message, devoted a lot of time to New Jersey's housing problem and called for a comprehensive attack on that problem. Commissioner Villane just a couple of days later outlined that problem and what I would like to do is just briefly summarize it for you here today, because it is very important, and we'll never solve this problem as long as we continue to attack only the symptoms:

One, is to make the Fair Housing Act work better than it's worked up to the present time, by streamlining the regional contribution agreement process through State brokering those arrangements, rather than individual negotiations between municipalities. That could conceivably produce 2000 dwelling units in this State if we could make that process work better.

More -- and we need to emphasize this ever so much -- more voluntary compliance on the part of our municipalities with the Council on Affordable Housing process. That process has the capability to enable us to produce about 8000 units of

low- and moderate-income housing a year if we gain the cooperation of our municipalities.

Second, we need to continue and increase the levels of State financial assistance in housing programs. This year we'll spend about \$30 million out of the Housing Trust Fund created by the dedication of the portions of the regional transfer tax. That will enable us to do about 2500 additional units a years of low- and moderate-income housing. Last year we began the Urban Multifamily Production Partnership. We're going to be increasing the funding for that in the coming year, and it will enable us to add about a thousand units of rental housing to our State housing stock each year.

ASSEMBLYMAN ROMA: I don't mean to interrupt you, but if there's any way you could summarize it, I would appreciate it. We have a number of people here.

MR. CONNOLLY: I'm getting very close to the end.

ASSEMBLYMAN ROMA: I certainly don't mean to cut you short, but if you could give us a synopsis at this point. We have some questions.

MR. CONNOLLY: Sure. As I said, I'm very close. We plan to add a two-family production program which would be good for about 400 units a year. If you've been adding along with me, you know we're somewhere between 12,000 and 20,000 units a year. The Federal government, for all of its efforts in all of the years, has spent all the money. Its spending has created about 120,000 units in 50 years in New Jersey. So, while certainly we in the Housing Division would like to be able to spend even more on housing, the effort that this State is making at this time is pretty substantial.

We need to attack the housing costs problem at the other end by untying the regulatory mess that's driving housing costs up in New Jersey. New housing doubled two years ago, in just a one-year period, and that had to do with a lot more than just supply and demand. Why don't I stop?

ASSEMBLYMAN ROMA: Okay. I know I have a couple of questions. I realize that we're talking about a number of agencies. So, please understand that from my standpoint, it's more of a fact-finding mission. But sometimes there is the feeling that there's a lot of overlapping between the agencies. I understand that with DCA and Human Services that we're all well intended. We try to do the best that we can. But a lot of this seems to be one agency talking to the other. And it's certainly not meant as criticism, but when you take the example of a motel being used at \$1500 a month, and try to convert that into costs, there are a lot of other projects perhaps that, that money can be put into, realistically, where housing would be available.

One of the things that disturbs me is that affordable housing is not really affordable. And while it's a different aspect, perhaps there could be a little more communication between the Departments so that when we sit down during the appropriations process, we will be able to coordinate a lot of those efforts. It's really not in the nature of the question, but I think you understand where I'm coming from. We sit down each year -- certainly I, as a member of the Appropriations Committee -- and we're very sensitive to a lot the needs that we have in the State. I was very disturbed that the homeless initiatives that we had, a lot of which, were line vetoed.

And as you made reference to the McKinney Act, looking through that, I've become somewhat familiar over the last two or three months. And the Emergency Shelter Grants Program, the centerpiece of the Act, was authorized at \$120 million for 1988, yet only \$8 million was appropriated.

So, your point is very well taken -- that we not only need the Federal government and the State government, but we also need some help from the private sector to make sure that if we're going to have units out there, that they are going to be affordable for the people that need them. Because even if

we have units that are available, it would appear that those people that need them would not be able to afford them.

So, I guess the threshold question would be, whatever you can do to help out with that type of interdepartmental Communication, that would go a long way towards the appropriations process and helping us. That's really a question and a declarative statement.

MR. CONNOLLY: I think that the comment is a terribly legitimate one. I think Doc Villane must have brought it with him from the Appropriations Committee, because since he's been Commissioner since July, we've developed an extremely close working relationship with the Department of Human Services, and as I pointed out in my testimony, we're really trying to mesh our resources so that our ability to create some housing can help them get off this terrible circular situation where they are constantly spending inordinate sums of money on something that really isn't any good for anybody.

ASSEMBLYMAN ROMA: Thank you. Questions from the Committee?

ASSEMBLYMAN KENNY: Mr. Connolly, thank you very much for your presentation. Let me ask you in your opinion, is the problem of the affordability of housing a statewide problem?

MR. CONNOLLY: It's absolutely a statewide problem, although the further north you go, the more severe it gets. It's a good deal less severe in Salem and in Cumberland Counties than it is in Bergen and Essex and Hudson Counties. But it's a statewide problem.

ASSEMBLYMAN KENNY: And so the homeless issue would also be a statewide issue, more or less?

MR. CONNOLLY: Absolutely.

ASSEMBLYMAN KENNY: Okay. I don't mean to use this forum to argue a point as to another piece of legislation, but I've spoken to the Commissioner, Mr. Villane, and I appreciated your remarks, especially earlier in the presentation.

Coincidentally, yesterday the Senate passed a bill on non-eviction of tenants on account of condominium conversions. Unfortunately, the vote reflected a partisanship. It was 23-11. I would ask that you would convey at least my personal sentiments to the Commissioner and to the executive branch, that as that bill now is going to be focused on in the Assembly, where it has languished for months in the committee, and that serious consideration be given to broad bipartisan support for it. You, yourself, mentioned that the condominium conversion issue has been the reason for much of the housing problem, especially in Bergen, Essex, and Hudson. What we're in need of here is a law that prevents the eviction from affordable units, rental units, on account of condominium conversion.

I think that it's very necessary that we look at this now that the Senate has finally moved the bill out, and that the Governor and the Commissioner, and certainly leadership on both sides of the aisle in the Assembly give it every consideration. And I just wish you would convey those sentiments of mine to the Commissioner and the executive branch.

MR. CONNOLLY: I certainly will.

ASSEMBLYMAN KENNY: Thank you.

ASSEMBLYMAN ROMA: Thank you, Assemblyman Kenny. Assemblyman Gill?

ASSEMBLYMAN GILL: Mr. Connolly, thank you very much for your remarks. It has been quite interesting. I think part of the problem we have with the homeless is the image that they portray and the image that the general public perceives of the homeless. Are you doing anything in the way of public relations to point out that many of the homeless are women with families, many of these are children, and they are not the Bowery type of individuals? In my opinion, I think that the point should be stressed more that these are normal regular people who need shelter, and they are not getting it at this

point. I think the public relations aspect must be brought out. I don't know if you're doing anything at that point?

MR. CONNOLLY: We do everything that we can at every opportunity and I'm heartened, because there is a dawning consciousness, that that is the case. I think there's a much better understanding all across this State that homelessness in New Jersey, in contrast to maybe some other places in this country, can affect a very large percentage of our people, because it is a function of a very, very high housing costs.

ASSEMBLYMAN GILL: Have you any recommendations as to what we can do to bring out this image to make the public aware that these are just normal Americans, normal people, who are seeking shelter?

MR. CONNOLLY: I think the same kinds of things that we're doing, you know, the member of the Legislature basically represent our political leaders on a statewide basis. And it's very important for the people to hear from the political leadership of our State that this is who the homeless are and this is why we have to do something about it, and it could be you.

MS. PURCELL: Mr. Connolly, a twofold question: One is regarding transitional housing. Can you give me a definition of "transitional housing"? And I would also be curious as to how many units presently exist? How many do you anticipate or would you like to have built in the next year, and how the social services are provided with transitional housing?

MR. CONNOLLY: The definition of transitional housing is housing that's temporary and it's combined with an array of services that are directed toward the fundamental problems of the household that caused them to fall into the problem of homelessness in the first place. Transitional housing is not for people who have lost a job, will get another one in four months, and if, they have some temporary assistance, that will be the end of the problem. Those are the folks that the Homelessness Prevention Program can assist. Rather,

transitional housing is for people that are locked in a cycle of homelessness and are going to stay in that cycle until they get some very fundamental assistance with job training, life skills, and some of the most fundamental things that you can imagine in order to begin to get their feet on the road to recovery. And they need to get that in a very enhanced atmosphere. We have under development this year, including the McKinney Act money, about 350 units of transitional housing, and we think we need to sustain an effort at that level for several years, in order to be able to have enough transitional housing to meet the needs of all the homeless whose problem is not just simply just a temporary illness, or a temporary loss of a job, or the breakup of a family, but whose problems are much more fundamental.

MS. PURCELL: So, those would be the same residents as would appear at the shelters for the homeless with long-term problems?

MR. CONNOLLY: That's right. Although again, some people who would appear in the shelter, may not need that intensive kind of help. But those who do, should be able to be moved from a shelter environment, and that's our objective.

MS. PURCELL: And the casework management is on-site for the residents of transitional housing?

MR. CONNOLLY: There are two kinds that we're working on. One is the congregate which, in fact, is provided on-site through the facility. Harmony House in Newark is an example of that. Our Enhanced Transitional Program which works in existing apartments throughout the community is a little bit different from that and the social services are provided through the ordinary service delivery network. What we're involved in is a very intensive effort to coordinate those services so that they will be provided to the people that need them.

MR. McGARRY: A couple of other questions. You touched on on-the-job training and also on transportation, and



I guess part of that is day-care. And We're very concerned about day-care. A lot of the situations that I have come in contact with are as a result of representing clients who have difficulty being able to meet the rental payments and have difficulty being able to work. And as you pointed out, as rent increases, it becomes increasingly difficult. Perhaps you can give us a little more information on-the-job training, transportation, and day-care? While I understand a lot of this dovetails between the two Departments, it may be an unfair question, but if you can answer it, please do so.

MR. CONNOLLY: There's no doubt from our experience with the transitional housing program and a predecessor called Project Self-Sufficiency that we did on a pilot basis, that transportation is a very big issue. One of the ways we try to address that is if we can provide Section-8, existing housing subsidies, for someone who can find a job -- a place to live relatively near the job. But there are also problems that need to be addressed through other kinds of transportation arrangements. There's no doubt that the shortage of day-care availability is a very real problem in terms of placing people who would like to work but are unable to because of child care responsibilities and job training as well. Our role in all of those cases is to try to link people to those kinds of services, and so we have a very firsthand experience and they are in short supply. There's no doubt about that. Perhaps some of the other departments can address why they are in short supply, but we can certainly tell you from firsthand experience, they are.

ASSEMBLYMAN ROMA: I understand. Yes, Mr. McGarry?

MR. McGARRY: I guess the Homelessness Prevention Program came into existence -- about 1985 or '86 was the first year?

MR. CONNOLLY: December '84.

MR. McGARRY: And basically the statistics that we see are generally in response to that year or the previous year's

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MR. MCGARRY: And basically the statistics that we see are generally in response to that year or the previous year's

expenditures and who's been assisted at that time. What I'm curious about is whether or not anyone goes back to review the people that were assisted or the situations, and how they were addressed and whether or not the method is successful over the long term? In other words, has anyone reviewed to find out whether or not the people that were assisted in '85 and '86 have managed to get off the treadmill, as you put it, and function on their own without the assistance of being repetitive or whether these people recycle through--

MR. CONNOLLY: We studied our experience in that program a lot. I'd like to ask Roy Zigler to talk just a little bit about that.

ROY ZIGLER: We did a study in 1986 -- towards the end of '86 -- to try to find out how many of the people we assisted in the first two years of the Homelessness Prevention Administration actually made it, after we withdrew. We were intending to do that same survey again at the end of this year, because a lot have been assisted since that time -- roughly 14,000 families have been assisted, and we've surveyed maybe a third of those.

Our indication in '86 was that roughly 71% of the families that were assisted by the Homelessness Program had remained in place at the time the survey had been circulated across the State. We feel fairly secure that that is a good figure, because of the enormous response which we had received mainly from landlords who had participated in the program, whose tenants were on the verge of eviction, and we came in at the last moment and saved the process. So, we feel very certain with almost an 80% response ratio, which overwhelmed our clerical staff at that point, that that segment of the percentage figure is pretty accurate for those two years.

MR. MCGARRY: I know that in the course of time that you've revised your priorities in terms of your population. Is that in direct response to what your findings were in those surveys?

MR. ZIGLER: I think partly because of that, but I think also because of the energized working relationship which we have with Human Services at this point where they are serving a population which is an Emergency Assistance need population, and we're serving mainly the wage earners which Mr. Connolly mentioned earlier. I think we have defined our roles and we understand that rather than overlapping and duplicating State finances, that we can each serve the population which is within the purview of our program's intent.

ASSEMBLYMAN GILL: One of the points, Mr. Connolly-- Homelessness Prevention, is probably the best way to approach the problem at this point. Among the recommendations you made were that there should be more compliance by municipalities. Could you elaborate on that somewhat?

MR. CONNOLLY: Those were sort of separate points. The one on Homelessness Prevention, we think, is very cost-effective. The average amount of money expended to assist a family in the program was about \$1100, which is less than we spend on a motel for one month. It's definitely the most cost-effective way, in terms of money; but it's also the most effective way in terms of the human cost. It's an awful lot better to stay in your home than transit through the shelter network before you find another home, or through a motel.

The point I was trying to make with cooperation from municipalities, is that what and how much we build in this State is, in large measure, controlled by the municipality. That's our land use system; that's home rule. I'm not proposing that we change that altogether, but to give you one example: In Mercer County, the county planning board did a study of what it would mean to build out under the zoning ordinances of all of the municipalities in Mercer County. There's enough land zoned for business and industrial to support the creation of 1,100,000 new jobs, and enough land zoned for housing to support the creation of 100,000 dwelling

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units. That's 11 wage earners per dwelling unit. Obviously, that ridiculous. We're totally out of balance in terms of the amount of land, we're totally out of balance in terms of a lot of our zoning requirements and the impact they have on the ultimate cost of the housing. And unless this dawning consciousness of what we're doing to ourselves in housing reaches all the way down to those decision makers at the municipal level who make those decisions and who are making housing so expensive in this State, we're not going to get a handle on the problem. Because there just isn't enough subsidy money in the world to address the problem entirely through the provision of subsidies. We also have got to get the cost of housing down in this State.

ASSEMBLYMAN ROMA: All right. As I said, we have a number of people that would like to testify this morning. Mr. Connolly, I'd like to thank you for being here. Certainly, you've given us information.

MR. CONNOLLY: Thank you. If there's anything further that we can provide at any time, don't hesitate to call.

ASSEMBLYMAN ROMA: You can tell Doc that we will be in constant communication. At this time we have from the Department of Human Services, Marion Reitz, the Director of the Division of Public Welfare. Good morning. Thank you for being here with us.

MARION E. REITZ: Good morning, Mr. Chairman, and thank you very much, members of the Task Force, for this opportunity to present some information to you today on the growing problem of homelessness in New Jersey and the response of the Department of Human Services has mounted.

I'd like to discuss three areas of concern today. First, some information and thoughts about why we're here today; second, what we in the Department are doing about homelessness; and third, what more needs to be done. New Jersey, like many other states, has a serious homeless

problem. We are one of only 26 states nationally with a AFDC Emergency Assistance Program. That program, out of necessity has more than quadrupled over the last three years, from \$9 million to almost \$43 million in 1989.

As you know, estimating the numbers of homeless people is always difficult. Some define homelessness one way, others another. Some social scientists will look at families in a welfare hotel and count them as homeless, while others seeing a roof over their head, will not.

In addition, some estimates we see are single night counts, while others are annual accounts of all those who are homeless for any period of time within that year. In the final analysis, we believe that this numbers game is irrelevant. The problem is obviously a big one, and totally unacceptable in a society such as ours. In fact, if I can make a few little side comments from my formal testimony, I would urge the Committee not to get into the numbers game, but to look at the homeless as groups of people who need individual responses; families, individuals with drug problems, mentally ill, and not try to count numbers totally.

In New Jersey, we estimate that more than one-third of the homeless are families, reflecting the general change nationally in the face of homelessness. Today, the homeless are younger, more and more are from minority groups, for many of them alcohol and substance abuse is a big problem, and more and more of the homeless are families. In fact, families are the fastest growing portion of the homeless in the State. Children are the overwhelming majority of homeless people.

This is why shelter is not -- and I really emphasize "not" -- a straightforward answer to a problem called "homelessness." Rather, the solution is beyond the resources and responsibility of any single agency or group. There is a compelling need to address the root causes of homelessness, poverty, and the lack of affordable housing, as well as drug

abuse, illiteracy, and inadequate skill training. Of course, at the same time, we must address the very real problem of people in crisis, which brings me to my second point about that emergency portion of the program.

From our assistance records from the Department, we served 16,000 families last year in our AFDC Emergency Assistance Program, about 48,000 individuals overall. While the numbers are large, there's one important fact. By and large, the AFDC-EA Program is working. Of the 16,000 families, approximately 12,000 received back rent or mortgage payments to prevent homelessness, security or utility deposits, moving expenses, and other services that prevented those 12,000 from becoming homeless.

Four thousand families, however, representing, I might say, 66% of the expenditures in EA, required emergency placement. And I believe that's the area of the program that needs to be fixed. While the program has grown from \$9 million serving 5000 families to \$43 million serving 16,000, it is the shelter component that is consuming most of our resources, most disruptive to families, and challenging public policy.

We believe strongly that the Emergency Assistance Program cannot be asked to serve as the solution to the broader low income housing crisis. Nevertheless, it is a vital part of our overall response. In late 1986, the Department made two major changes in our Emergency Assistance Program. First, we greatly expanded eligibility, providing EA benefits for the first time to families and individuals who were threatened with, or were actually evicted.

Secondly, we expanded the maximum benefits from three months to five months. I might add at this juncture that this is exactly the opposite direction that the Federal government is taking. The Department of Health and Human Services, has proposed to cut back EA to only thirty days. Congress has imposed a moratorium on implementing this provision until more

studies can be done. This cutback, if implemented, could cost New Jersey over \$7 million next year in our EA Program.

Several other steps have been taken in the past year to respond to the growing crisis we face. I would like to briefly note them and then move onto what more must be done, because I think that really needs to be discussed. What more? Because more does need to be done.

First, in the the spring of 1987, we provided \$2 million to the counties in the first rental assistance program operated through the Emergency Assistance Program. Second, we implemented, when the Supreme Court in June upheld our five-month time limit, a prolonged phase-out of the 940 families affected by that decision so that there would not be a wholesale dumping of families out of shelters and hotels.

Third, we provided \$500,000 to the counties to fund this phase-out for some transitional funding. Forth, we made \$600,000 available for a home-finder's fee available to nonprofit organizations in the hopes that nonprofit organizations would be able to find some permanent housing and when they place the families, they would receive a fee for finding that housing.

Fifth, we turned over State property for Volunteers of America and Catholic Community Services to operate shelters as a last resort for families who still had no alternative. And Sixth, we offered a 50/50 grant program to counties for non-hotel emergency shelter placements for families whose EA had expired.

These programs were developed as we continued to assist the situation as it developed over the year-and-a-half. We are now concentrating our efforts on a total reform of the EA Program over the next several years. This brings me to my third point: What next?



First I must state, I suppose what is the obvious to all of us who have worked in the area of homelessness, and that is the Federal government must get back into the business of low-income housing. The continued withdrawal of the Federal government from low income housing programs will maintain pressure on the Emergency Assistance Program -- trying to force a solution in the wrong area and placing families in shelters instead of permanent housing.

Apart from the Federal response, however, we believe the State must provide the leadership and join with counties who administer the programs to resolve this problem. We must then state clear goals, provide incentives and the tools for counties to get the job done. For the first time, starting this July, counties will have to submit a plan to us on what mix of services they will use to respond to homeless families in their communities. This is designed to eliminate the use of hotels for emergency placement in three years. But most importantly, to spend \$40 million -- \$43 million, whatever the cost is in a given year -- in programs that help families to resolve their crisis in the most humane manner.

Counties will have an incentive to use placements other than hotels because if they meet their target reductions, which in the first year, I might add is 20% then 60% and then 100% -- if they meet the reductions in hotel use, the county match for all EA placement will be picked up by the State.

The tools that we think we are providing to the counties to be able to be able to develop this mix of services are some of the following: First of all, we have already given to the counties 1200 rental assistance slots, equalling \$3.6 million in funds. That was done about a month-and-a-half ago and we'll continue until those slots are used and as the program becomes more formalized in July. We have been working with counties to develop leased apartments whereby the county or nonprofit agencies leases apartments for families.

One of the things we found in our experience -- you talk about the stereotypes, Assemblyman Gill, of homeless people -- it really is a stereotype about people on welfare as well. And we have found in our experience that if a nonprofit agency or county rents an apartment, a landlord is more willing to rent them an apartment than they are to someone who's on welfare. So, if we can have an intermediary who will rent the apartment, guarantee the rent, and work with the family to maintain that apartment properly, we think it is an alternative to be used other than hotels.

Thirdly, the transitional housing program, similar to the one under way in Essex that Bill Connolly talked about in more detailed, is another way, and we're working with some of the counties in those types of programs. There's a very good organization down in Burlington County called MEND that is working on similar types of programs, and we have others in the works.

Fourthly, we're developing with the Foster Care Association a transitional family support that uses foster care like arrangements to assist homeless mothers and a child. It's a small part of the program, but we think an important one for young mothers, especially a young mother with only one child who could live in a foster care type of setting.

And then one of the largest components of these programs at this time is the \$22 million joint shelter expansion program, again talked about in more detail by Bill Connolly, which is a joint initiative between the Departments of Community Affairs and Human Services. And it is this joint initiative that's allowing us to stretch funds farther by using DCA. Essentially the principle that we're using is DCA's funds for bricks and mortar; and Human Services for the services that are needed to run the operations.

I think it is fair to say that we have continued to meet the growing crisis of homelessness with compassion,

frustration, and funding. We have in place a plan to dramatically improve what had been an inflexible program that relied almost exclusively on hotel placements and that helps only a narrowly defined group of families.

Besides these continued efforts, however, there are other things that need to be done. I think we must involve more nonprofit and religious organizations in our efforts. We must better address the social services and educational needs of homeless families. We should continue the REACH Program to give people a chance to become self-sufficient and the job training that is required. We should continue to find ways to fund alternatives to hotels to provide this better mix of services. And lastly, the thing that was touched upon already is to provide for more public debate and education of public officials and private citizens about the issues of homelessness, a role which I think this Task Force can play.

I think I would like to stop there. I know I presented a lot of information about some specific programs and I'll be glad to answer questions. Also, let me say up-front, I would be more than happy to work ongoing with the Committee.

ASSEMBLYMAN ROMA: Thank you. Before getting into the questions, I'd like to note attendance of Assemblywoman Maureen Ogden who has just come from another committee meeting. Maureen has been not only a veteran legislator, but a fine person to work with in the Assembly. Good morning Maureen.

ASSEMBLYWOMAN OGDEN: Thank you, Pat.

ASSEMBLYMAN ROMA: One of the questions that I would like to ask deals with the REACH Program. I had the opportunity during the Appropriations Committee meeting to hear the testimony of a number of people who were affected firsthand by the program -- young women who were able to obtain employment and to be put back into the workplace. And I think one of the things that was extremely important and which I really haven't heard this morning is the fact that they were

given the opportunity to have dignity, to be able to work, to be able to feel as though they are part of the work force in any way, shape, or form. I think that's the overall concept -- the concept being to put back those people that are able to be put back. We understand that in a number of situations, unfortunately, a person is not able to work. But for those people that have the desire to work, I think the REACH Program is an admirable concept. Perhaps, you can give us a little more information about that, and perhaps there are some more of these success stories that I had spoken about?

MS. REITZ: Well, as a matter of fact, Assemblyman, I would really encourage the Task Force in your deliberations, if not today, to make every effort to talk to some homeless people and to get a really good firsthand picture of some of the problems they are facing, and some of the successes that we've been able to accomplish by helping people to get out of that cycle that they are in.

We are very proud of the REACH Program. One of the things that we're doing in the connection between REACH and the homeless, is anytime someone now receives rental assistance through one of our programs, we are urging the counties to make sure that person-- Once the crisis is resolved -- because when somebody becomes homeless, they are in crisis-- Once the crisis is resolved, perhaps they are in a rental apartment with a rental assistance subsidy, that they become part of the REACH Program as quickly as possible, so that over that year, they can have a job, so they would then be able to meet the rent when the subsidy is terminated. And there are just so many ways that those connections can be made.

ASSEMBLYMAN ROMA: All right. The other question goes to the same statement that I made with Mr. Connolly, and therefore, the two agencies working together, in order to achieve the best possible results. But rather than belaboring

that point, you're talking about the numbering, the capability of obtaining that information. While I understand how you meant it, Mr. Connolly brought up an excellent point. When dealing with the situations of evictions, that's the firsthand opportunity to find out certain information as to the number of people that are being evicted. As you are aware, the judge has the ability to stay that execution, that warrant for removal, for a period of up to six months.

But, at the same time, perhaps, what we would have to look at is not only the remedial legislation to help somebody to stay in housing, but at the same time, what can be done to get that information available. Obviously, we're not going to know how many units to have available if we don't know how many people are out there. And I think from what I have seen, there's such a disparity in the information. We don't know if it's 28,000, 35,000. We talk about 3 million throughout the entire United States, and yet we're not really sure. So, we need some kind of factors to be able to work; not to look at this problem from a mathematical standpoint, but to know what we're dealing with.

MS. REITZ: I'm sorry if you interpreted that as my not wanting to look at numbers.

ASSEMBLYMAN ROMA: I understood it correctly. I just wanted to clarify that point.

MS. REITZ: Okay. I just urge you to look at the groups of people, because to formulate a response for a mentally ill single person is so totally different from the response needed for families. And that's what we would need to look at.

ASSEMBLYMAN ROMA: And as in the situation that I noted earlier, we have veterans and so many different groups that are affected.

MS. REITZ: Yes, absolutely.

ASSEMBLYMAN ROMA: And as Assemblyman Gill pointed out, I think there is a perception out there which is false,

and we have to do something to correct that problem. Any questions from the panel?

MS. APPLEGATE: In a Home News editorial that I read back in the spring that really made me get in touch with Speaker Hardwick was the fact that we were spending \$29 million -- it was stated. Is that a true figure in '88? The problem this year is that \$29 million will be spent on emergency housing across the State. Is that right?

MS. REITZ: No, well, I'm not sure what that figure is. More accurately, for Fiscal '89 we are spending \$43 million in our Emergency Assistance Program -- that's total funding, which is 50% Federal funding, 37.5% State, and 12.5% county.

MS. APPLEGATE: Now this article was to-- I guess specifically you're talking about housing, families, and motels. So, you're saying in '89 we're going to spend \$42 million?

MS. REITZ: Forty-three.

MS. APPLEGATE: Forty-three million on housing. That's just appalling to me -- I think it is to the rest of the panel -- that we are spending that much. You know, you look at building, but why? What are we doing? I guess Community Affairs was talking about this. There is coordination to try to get out of this -- of actually getting people in housing rather than putting them-- I think of families in motels with children.

MS. REITZ: Absolutely. We couldn't agree more, and that's why we've tried to develop this better mix of programs of what counties can do, rather than just putting people in motels. I think we are in that -- the motel business -- for a couple of reasons. One is we live in the world of categorical funding. Since 50% of the money is Federal money, there are a lot of strings attached as to what we can do with that money, and believe me, we are stretching that to the limit in the

programs we're developing right now. And we are negotiating at all levels of the Federal government to try to get them to be more flexible and allow us to spend the money more sensibly than to just pay \$1500 for a motel.

Secondly, I think, and in all honesty, because of some lack of leadership on our part, we needed to direct the counties more in what they needed to do to respond. The easy response was to put somebody in a motel, because when push comes to shove, nobody wants a shelter in their back yard. It's the old NIMBY kind of response. So, when a county is faced with the growing number of homeless families, they can't get a shelter developed because of the community problems and the length of time it takes. When they can successfully work out those problem, the easier response was to put somebody in a hotel.

MS. APPLEGATE: What percentage of the 43 million comes from the Federal government?

MS. REITZ: Fifty percent.

MS. APPLEGATE: Fifty percent. And those are the ones that have strings attached where we actually can't do anything with it.

MS. REITZ: Right. As I said, in our EA Program we extended it to five months and the Federal government wants to move it back to 30 days. So, we are ships passing in the night when it comes to policy on Emergency Assistance funds.

MS. APPLEGATE: Mr. Chairman, as I sit here listening to this testimony, I think about the fact that we in New Jersey, being from the Department of Labor, we're looking at facing a labor shortage over the next few years and to think about the number of homeless people-- We certainly have to coordinate this effort get people to work.

ASSEMBLYMAN ROMA: I agree wholeheartedly with you. Any additional questions from the panel?

ASSEMBLYMAN KENNY: Yes.

ASSEMBLYMAN ROMA: Assemblyman Kenny then Assemblyman Gill.

ASSEMBLYMAN KENNY: Thank you for your presentation. I would just like reiterate the point I made earlier to Mr. Connolly regarding the non-eviction of tenants on account of condo conversion. I think that the past two years we've seen a change in the sensitivity on the part of the public to homelessness, housing, the cost of living, and so on in the State of New Jersey. And if we can avoid putting people on the street by keeping them where they are for the near future, and all this non-eviction bill does is protect the present generation of tenants in the State of New Jersey for a finite period of time; an identifiable people for the next 10 or 15 years. I would ask you, yourself, and also your Commissioner to consider that position as that bill goes to the Assembly and hopefully to the Governor for his approval. Thank you.

ASSEMBLYMAN ROMA: Assemblyman Gill, then Assemblywoman Ogden.

ASSEMBLYMAN GILL: Marion, thank you for your presentation. The homeless is very associated with urban America, the urban population of New Jersey, and yet it's a problem throughout the State. What is being done at this point and what can we do to make the suburban communities, the affluent communities, do their share in providing those services to the homeless? At this point, they are throwing -- in my opinion in any event and I hope you agree with this and I think you will-- But most of the thrust is being thrown back into the cities, into the urban areas where they have the most problems and are least able to address these problems. What can we do at this point to make, somehow, that thing happen in suburban American or in suburban New Jersey?

MS. REITZ: I think you're absolutely right when you talk about single homeless people, that it is much more an urban problem, obviously because of population. In urban



areas, families are more concentrated there. Single homeless people are certainly more visible in the cities than anywhere else.

One example of, I think, a good thing that was done, was in Camden County. The municipalities down there did a study that showed who was in the regional shelter for single adults. And they could show the surrounding municipalities -- which happened to be sometimes in other counties; in Gloucester, in particular -- what percentage of the people in that shelter came from their cities. It was so enlightening to those cities that they began to cooperate in some of the funding for the people in that shelter. And I think that's the kind of very thoughtful kind of analysis that needs to be done to convince people that it is their problem as well.

ASSEMBLYMAN GILL: One of the things you pointed out a while back, Marion, was that we have the NIMBY syndrome at this point concerning the homeless. We're able to site incinerators in various counties. Why can't we site shelters in various counties? Can you give me any reason for that?

ASSEMBLYMAN ROMA: If I can, I realize that this is our first meeting and we're all anxious to get as much information as possible. That may be one of the comments that you would want to bring back, along with everything else that was brought up. I think it's certainly food for thought, and you're going to be hearing a lot from this panel and certainly we would like additional feedback if we can. I believe Assemblywoman Ogden has a couple of questions.

ASSEMBLYWOMAN OGDEN: Actually, before I ask any questions, I would like to address the point that you just raised, Assemblyman Gill. I don't think it's been given much publicity, but the suburbs actually are siting shelters. They are siting shelters in the churches and in the temples. And every couple of months for a week the church I belong to, and many other churches in Essex County -- and, of course, this

was started, as many people in this room know, by Karen Olsen of the Interfaith Council of Union County-- And it spread to Bergen County. I understand she's out in Illinois helping Illinois to set up such a program. Obviously, it's a stopgap measure. Basically what we do is to take families and house and feed them in the church for a week or 10 days at a time and try to help them in terms of finding an apartment, the children going to school, the extracurricular activities-- This is done entirely on a volunteer basis and the parishioners provide the necessary funding to do this, to do all the cooking, staying overnight, and all that sort of thing.

I have seen that really for anyone who wants to get an idea of who the homeless are, there's no better way to do that, and of all the various individuals that I've talked to, I would say practically all of them are single parents, mothers with families, young children. They are homeless for the first time, and it's not their fault. In almost every case that I've heard of it was a question of losing a job; it was a question of the rent being raised; it was a question of condo conversion; it was a question of someone in the family being sick and the mother had to stay home. Certainly the homeless that I've come into contact with have not been the stereotype that so many people think of.

Another point that I'd like to make is our church, and I guess this was maybe a decade ago, helped build Apostle's House in Newark. Granted, it's not in Short Hills, it's in Newark. We have given money to build that, to rehabilitate it. We sent volunteers down there. We are continuing as individuals to do this.

I personally feel that this program, while it has not received any government funds, has been a very excellent one, because it's meant that the members of the church -- not only our church, but I say all the other churches and temples that are involved in this -- have come to have an understanding of

who the homeless are; to treat them as individuals, to become advocates for the homeless. So, if that program needs funds in the future -- and I know I helped Karen get some money for some further work that she wanted to do, although it was relatively modest -- I think that's a really important way of helping people understand what the problem is and who the people are. But it's just a stopgap measure, obviously. I mean, it's just really temporary shelter.

I am glad to see -- although I didn't hear your entire presentation -- I'm glad to see the Department of Human Services now really stepping up to address this problem, because when I first introduced the bill, the fault bill, saying that the homeless could not be evicted after sixty days I think it was, because it wasn't their fault, you know, there really wasn't any support from Human Services for that. I mean, it really took the courts to force Human Services to deal with this. And I think there's maybe even going to be another hearing before the Supreme Court, maybe tomorrow, on this issue.

I know that you have limited funds, but somehow I think that there should be the positive attitude on the part of Human Services that in practically every case it's not their fault. It's circumstances beyond their control that they have become homeless. It's the real shortage of low-income housing. And we aren't talking really about Mount Laurel housing because there's no way that the homeless could even come up with-- You know, they don't even have the money for a deposit for rent, far less condominiums, no matter how inexpensive those for condominiums are.

I think those are two issues that have been confused in people's minds, and this is something that needs, you know, certainly a different approach. A question that does concern me, because half of the homeless are the children-- When I first became involved in all of this, they were being separated

from usually just their mother and put into foster care. I wonder what the Department's position is on this now? I sponsored a bill to that says that can't be done any longer, but I wonder what kind of initiative you've taken in that direction?

MS. REITZ: Assemblywoman Ogden, the Commissioner has said more forcefully than anything I've ever heard him say, that children will not be removed from their families because of homelessness. Two years ago when this debate about the fault provision was being held, the Governor announced in the State of the State Address at that time -- I think it was two years ago already -- that there were 900 children in foster care that we could identify as being placed there because of homelessness. And that was why we moved at that time to remove what was called the fault standard, and provide assistance, and we also extended assistance to five months. It was at the time that we did that -- that the court decision -- that the court then ensued, which challenged the time limit on the regulation. And as you know, the Supreme Court upheld that policy. It is a tough one that we have to face, but it is one that we think we have to do, because you cannot address a problem of housing on the backs of the Emergency Assistance Program. We're trying to do everything we can to stretch the Emergency Assistance Program to help people in crisis, but it can only be that -- an emergency program; it can't be a housing program.

ASSEMBLYMAN ROMA: Mr. McGarry?

MR. MCGARRY: I would hope that what I'm about to say isn't going to be misconstrued beyond what I'm about to say. And that's simply that I think that while we all recognize that there is a homeless problem in this State that is very severe, that additionally, certain aspects of it are not generally dealt with because it would tend to defuse maybe the impact on the rest of it. You touched on it briefly in your commentary. I think Mr. Connolly touched on it briefly in his. But there doesn't seem to be engendered in the response, a treatment of

that specific aspect of it, largely I think, because I think we don't want, as someone down there mentioned, to create a stereotypical homeless person or to draw away attention from it. And that would be the aspect of what seems to be present in all of our problems today -- the drug abuse or substance abuse problem.

If, as you mentioned, the AFDC family loses their housing as a result of that problem, because of the inability to pay rent because that money is going elsewhere, all of the shelters, all of the affordable housing, any of those attacks that are made available are not going to resolve that problem and the question that I would have is, what is Human Services and DCA and whatever agencies involved -- how are they addressing the problem of: a) protecting the children that are being subjected to this as a result of substance abusing parent, and secondly, what is the overall quick fix for that problem? Five months isn't going to solve most cases of substance abuse problems, but five months is what these people are faced with once they are out.

MS. REITZ: Well, to begin with, I don't think there is a quick fix. I think you're absolutely right, though. Let's face it. Homelessness-- The cause of homelessness is the failure of our primary systems. People are poor. Our grant levels are too low. We all know that. They are uneducated. Our school system is failing children and they are graduating people who can't even read. They are not trained properly for the job market that today's market requires. And there are failures of our mental health system and all the other things that support people who have those sorts of problems.

So, again, I think we need to separate it out somewhat to respond to the crisis and to be able to provide a safe human environment for people while they are in crisis. But certainly addressing those other problems are much more long term. It's

the REACH Program to provide some job training and education for people who can then get jobs. It's long-term drug and alcohol abuse programs. It's those kinds of things that are long term.

MR. McGARRY: Let me ask you this question. Does Human Services, through its Emergency Assistance Program or through its regular day-to-day process, envision any possibility of perhaps direct payments to landlords to avoid situations where substance abuse may be costing families housing? I think in New York -- I'm not sure -- there is some direct vouchering to landlords to pay the rent so at least the person is not faced with the jeopardy of that not being done.

MS. REITZ: We do that on a voluntary basis if the recipient of the welfare check volunteers to do it. But it is a very controversial issue because to the extent that we do that, we take away the right and responsibilities of people who ought to control their own destinies. And that's one issue we may have to debate longer.

ASSEMBLYMAN ROMA: As I indicated earlier, we do have a number of people here and I understand certain people have tight schedules. We have another speaker from the Department of the Public Advocate. I would like to thank you for being present here this morning.

MS. REITZ: Okay. I'd be glad to come back anytime.

ASSEMBLYMAN ROMA: We appreciated the input. The Department of the Public Advocate, David Sciarra, on behalf of the Commissioner Alfred Slocum. If I may, I need to leave the room for one moment. If Assemblywoman Ogden would continue in my absence?

ASSEMBLYWOMAN OGDEN: Yes.

D A V I D S C I A R R A: Thank you, Assemblyman Roma and members of the Task Force for the opportunity for the Public Advocate to address you today on issues around homelessness.

As you all know, the Public Advocate has been for a number of years committed to the goal of obtaining decent and

affordable housing for low income residents in our State. We have had, however, in the last few years -- really since 1984 -- to devoted considerable resources in our Department to addressing the issue of homelessness. And this, as many of you also know, has lead to our efforts since 1984 to address the legal rights and responsibilities that State and local governments have, to addressing the needs of the homeless in our State.

We work day-to-day with homeless families, homeless men, women, and children throughout the State. And we have contact with community organizations in the State on an ongoing basis around the problems of the homeless.

Our legal efforts have resulted in this past year in two particular court rulings which I think are critical to this Task Force dealing with this issue. One is the case called Franklin v. the Department of Human Services, which has been mentioned, was decided in June. As Marion Reitz mentioned, the Supreme Court did uphold the five month time limit on Emergency Shelter Assistance. But, in so doing, the court said something very important that needs to be understood. The court said that if the Department of Human Services terminates Emergency Assistance in five months, there must be other safety net or non EA shelter programs available to house those families who would be terminated at five months.

In addition to that, the court based its ruling also on representations from the Department of Human Services made to the court, that the focus of the Department's efforts would be on finding better housing solutions, more permanent housing solutions to homeless families.

The second ruling, which came in November of 1988 from the Appellate Division, involved homeless men and women. It's a case called Williams v. the Department of Human Services. In that case the court was faced with homeless men and women who were terminated from Emergency Assistance in five months and there were no safety net programs available for them.

The plaintiffs in that case were homeless men and women, many of whom had chronic disabling illnesses, some with AIDS in Jersey City who were terminated from Emergency Assistance in five months, and there were no safety net programs. And the court said to the Department of Human Services that you cannot do this -- that you cannot terminate Emergency Assistance at five months without any other resources so that these people are simply cast back onto the streets. And it directed the Department of Human Services to revise its regulations -- really revise its Emergency Assistance Program to address this issue.

The thrust of these decisions has been to set up standards for this State; the standard being that Emergency Assistance or emergency shelter assistance needs to be provided for as long as homeless persons remain in need. It doesn't necessarily have to be through formal Emergency Assistance. It must involve State, county, and local government. It must be an interdepartmental effort, it must involve private organizations, but there has to be a program in place to deal with the emergent needs of homeless people for as long as they remain in need.

My focus here today is to discuss with you whether or not or how these agencies, how State and local government have been responding to these judicial standards -- this judicial mandate. And I'm here to tell you, and to be frank with this Committee, that the safety net of programs envisioned by the Supreme Court in Franklin has huge holes in it. And there are the very beginnings of, but a much better effort needs to be made towards finding those better housing solutions for the homeless that the Supreme Court talked about.

Now at the outset, I must tell you that the main deficiency we see since the Supreme Court's decision has been the failure to develop a real comprehensive intergovernmental plan to address the needs of the homeless -- a plan that



identifies needs, that allocates resources and responsibilities among levels of government and private organizations and develops a budget and looks at resources so that we know what we need, we know how to do it, and we know how much it's going to cost. And that on the outset is something that has not been done and that desperately needs to be done.

Now let me be more specific beyond that. Some of the problems that we have seen in recent months have been that there's really been no coordinated approach to sheltering those families whose Emergency Assistance has expired at five months. The Williams case in the example that I gave you in Jersey City -- where in five months homeless men and women were simply thrust back out into the community to live in the PATH Station at Journal Square, to wander the streets, many of whom had chronic and disabling diseases -- points up this fact that after five months, even though the Supreme Court said there must be a safety net, there has been no coordinated approach to address that issue.

And that brings up the second major problem and that is that there are insufficient resources from State, county and local government to address the shelter needs of homeless persons at five months. An aspect of this is that what's been available for families after five months is also inadequate. And Marion Reitz mentioned the State facilities that have been set up to shelter families as a shelter of last resort.

We have evaluated, as laid out in our testimony, these State facilities. We have, in particular, looked at the State-run facility in the New Lisbon Developmental Center that's been opened up, and we have some very serious problems with those facilities. They are very remote, they are geographically isolated from families and home communities, there are no programs in those communities. It was mentioned here about drugs and substance abuse. Families are being sheltered in these facilities without sufficient programing.

There's inadequate programs to enable families to return to their home communities, sometimes, 20, 30, or 40 miles away, and there are real problems in the area of schooling and facilitating transfers of homeless children to new schools or arranging for transportation so that they can return to their district of origin.

The third area of concern is in the area of the Rental Subsidy Program which was mentioned also. After the Supreme Court's decision this summer, the Department of Human Services did institute a Rental Subsidy Program so that families in motels and shelters could find permanent housing. We find serious shortcomings with this program. Specifically, it is a temporary rental assistance program. It will only last 12 months. As a result, families, at the end of their 12-month subsidy program will likely face homelessness once again due to the termination of their subsidy. The amount offered to families is often too little. It's not enough to afford housing in some communities. There are no habitability standards for the units rented. We found that families have been placed in houses that are substandard. Some are severely inadequate. Also, the rental assistance program has not been made available to all of the homeless; in particular, the general assistance homeless person. There's been an emphasis on homeless families and children which is important. But at the same time, we've forgotten to address the needs of homeless singles who have to survive on either \$140 or \$210 per month.

The fourth area of concern is that with the emphasis on removing families from motels, which is an important goal-- But with the emphasis on that, there has been pressure on the county welfare agencies and local welfare agencies to reduce their homeless population, so that what we're doing is we're not really getting at the need. We're just talking about the motels rather than the overall need. And this comes up in a couple of ways.

We're finding that county welfare agencies and municipal welfare departments are denying Emergency Assistance. As Assemblywoman Ogden pointed out, we're almost going back to the fault standard, where families are being denied initially for assistance now, as the counties try to grapple with reducing their motel population under the State's initiative. We find that there are waiting lists for shelters in some places where families, although, entitled to assistance are told there's nothing available and they have to come back. And we find, especially for homeless men and women in Jersey City and other communities, the general assistance population, that there are inadequate resources that individuals, although, eligible for assistance, are told there simply isn't shelter available. They have to fend for themselves and come back another day. Come back next week, and they'll see what they can do for them.

The fifth area of concern for us is in the area of education, which is critically important. We have devoted tremendous resources to dealing with the issue of educating homeless children, because we find that education is really the one aspect of life in a homeless family where there's some continuity and stability for the children involved. We find that there is a real problem in making shelter placements when a family is placed in an emergency shelter facility. Very little thought is given to the educational needs of that child. Should that child stay in his school? Is it important for him or her educationally to remain in his or her school? This is critically important for special needs children, and many homeless children have special educational needs.

Or if they were to transfer, how is this going to happen? How are the records going to be transferred? How is the transportation going to be arranged? And even something as simple as where is the school? We've had families move into motels and shelters in different communities where they don't even know where the school is and how to get there.

With those problems in mind we make some very specific recommendations to you: First, the Emergency Assistance System has to be reformed to focus on permanent housing not just emergency shelter or temporary housing, and, the housing that has to be provided has to be for all homeless; men and women, not just families.

We've laid out some specific recommendations in our testimony about what's being done in other states which could be tried in New Jersey which we feel that would assist in this. Given the time, I won't go through those.

The second thing, there needs to be a uniform approach to providing shelter after five months. Assemblywoman Ogden's bill in the-- There's a bill in the Assembly and there's a bill in the Senate, S-2777 which would direct the Department of Human Services to provide shelter to all families, working families; families after five months, and men and women; to be the shelter of last resort; and would allocate resources to do that. We urge this Task Force to look at S-2777 very carefully.

The third thing that needs to be done is there must be additional resources from State, county, and local government for these families and individuals after five months.

The fourth thing that needs to be done is the Department of Human Services must evaluate its State-run shelter facilities to insure that there are proper programs, to insure that families can remain in contact with their home communities, that there can be community ties, that they can return to their communities to look for housing. If these facilities turn out to be too remote as has been the case in New Lisbon which the Department of Human Services recently announced they were going to close, these facilities should be closed.

The fifth thing is in the area of rental subsidy. Rental subsidies have to be made permanent. They have to be increased. There have to be ability standards. And they have to be available to general assistance recipients.

And in addition I would add to this list the issue of families being removed -- or children being removed from the families as a result of foster care is a continuing issue. S-2777 would prohibit DYFS from doing that. It would prohibit DYFS from removing children when the issue is primarily one of housing or housing problems. And that needs to be addressed.

Another issue which needs to be looked at is, we need -- desperately need accurate data on the homeless population. I've been involved in the homeless situation since 1983. I served as our Department's representative on the Governor's Task Force on the Homeless in 1983. We've been calling for data which should be available for years. To this day we do not know how many families are in motels under EA, county by county, per month on any given day or by the month. We have aggregate figures, but we don't know the county by county information. We really don't have accurate data on length of stay which is a critical piece of information we need. So there has to be an increased effort on data collection especially in the Department of Human Services and the Department of Community Affairs.

And the last thing I might add is there really needs to be attitudinal changes; not just from the public at large, but I would submit to you in social service agencies. I found, surprisingly, that social service agencies stop doing social work, county welfare agencies stop doing social work at a certain point in time when all they need to do was hand out the checks, the welfare checks each month.

Homelessness cannot be addressed by just handing out a check. You have got to confront the individual or the family one on one, deal with them on an individual basis, deal with their problems. It requires social work. There really needs to be an attitudinal change in the welfare system and among welfare workers throughout the State to get this renewed emphasis on social services and individual case-by-case work.

I would close by just saying that there is a tremendous gap between reality, between rhetoric. There's a tremendous gap between reality and the judicial standards set out in the Franklin case and in the Williams case this fall. We need to close that gap. We can only do it by leadership. Leadership that pulls us all together, pulls together all levels of government, pulls together government and the private sector, develops a plan and a blueprint for action, and directs us on how to achieve this goal. I hope that the information we provided this Committee is helpful. As always, our Department stands ready and willing to work with you in whatever way we can.

ASSEMBLYMAN ROMA: One quick question if I may. I missed most of your presentation, but I read through the outline, and no doubt you've been present here as we went through the testimony of the previous speakers, and I think you pretty much understand that the panel is very sensitive to the needs, and the Legislature is also sensitive. It was very sad to see a bill that dealt with 8 million reduced to 3 million, and I think you can appreciate that from our standpoint that we're trying to do as much as possible.

You also understand that with the Governor indicating that we're going to have a "bare bones budget" of \$12 billion, we're going to have to look at a lot of different areas. And I think this is a priority from my standpoint.

But I do have a concern, and it deals with the McKinney Act. Mr. Connolly spoke about it earlier. And until that's fully funded we're basically going to be in a situation where somehow we're never going to have all of the money that is available that is necessary. I think you can fully appreciate that, and I think what we're going to need are a lot of the creative measures that you're talking about, especially with the attitudinal changes, and work with government and the private sector to accomplish this purpose.

MR. SCIARRA: Just a comment on that is--

ASSEMBLYMAN ROMA: Sure.

MR. SCIARRA: --that there is much that we can do given the level of resources that we have. The family shelter strategy which has been discussed, for example, has some very positive aspects to it. For instance, Mr. Connolly mentioned the renovation of public housing units and also vacant subsidized units through the DCA, with rents and operating subsidies for those units being provided for Emergency Assistance. So there are many things that can be done within the existing budget.

The issue of educating homeless children that I've raised, that needs regulations. That needs regulations as do educational efforts within the various social service agencies and departments that deal with those problems.

So, I fully appreciate your comment but I also have to say to you that there are many things that we can be doing even within the confines of the existing resources.

ASSEMBLYMAN ROMA: Well, I would like you, as with the previous speakers, to take that information back and perhaps with a little more communication between the Departments, we're going to see a day when we can maximize our resources. I think you've made an excellent point. But until this has gotten to the stage where we have it right now and people are beginning to realize each day that it is a situation that we have to address-- What we have is not nearly enough. And certainly the creative energies, the possibilities of what you're talking about are something that we want to look into. So, take the information back to the Department, communicate with the other Commissioners and whatever joint recommendations you have, we will welcome them.

Yes?

MS. PARCELL: I'd like to thank you for your comments. They were very informative and broad based. They

were excellent. There's just one thing I wanted to clarify. Marion Reitz told us that the Commissioner has explicitly stated that the children will not be taken away from their parents solely because of homelessness. Are you telling us that that policy has not changed?

MR. SCIARRA: Again, it's a data problem. This is another area where data is very hard to get. The last studies that we know of which were in 1985 and lead to really the Governor speaking on this issue shows that in some 30% of the voluntary placements in this State, the primary issued causing that placement was homelessness or housing problems.

Since that time we have really not had the same kind of internal studies and data collection within DYFS to tell us if that pattern is still continuing. I would suspect that it's been reduced because part of the problem that lead to families being placed in foster care was what Assemblywoman Ogden pointed out; the fault standard. When it was finally struck down by the courts, that opened up Emergency Assistance which was unavailable.

When Emergency Assistance then became available for families, then those families -- where the only option for them was not shelter but foster care placement. They would go into the foster care system often. So the expansion of emergency care assistance has had an impact. One of the things that we're concerned about now is that the heavy emphasis on reducing motel population leads to a -- may lead on the local level to a push to reduce the overall population by denying people assistance at the out front. That will just push those families over to the DYFS system once again and we may -- although I cannot not report to you that this is happening with any kind of hard data -- but what we fear may happen is that we may see more DYFS involvement in these cases and an increase in foster care placements. But what we need in this area desperately is data.





MS. PARCELL: Thank you.

ASSEMBLYMAN ROMA: Mr. McGary?

MR. MCGARY: Yeah, in your testimony at one point, at least I think, you alluded to, and I think you mentioned even in your later comments, the inadequacy of the 12-month rental subsidy.

MR. SCIARRA: Yes.

MR. MCGARY: My understanding of that program -- and if yours is different I'd like to know that -- is that that is linked with a job training employment REACH Program with the idea that at the end of 12 months, the \$250 should be consumed by whatever employment that that client or recipient has received or gained at that time in an attempt to meet the need that the State was meeting with the 200-- Is that unacceptable in some way to the--

MR. SCIARRA: No. In fact, I don't believe that's exactly how it happens. One of the problems with the rental assistance program that we have is that Human Services has not regulated it. Basically what they've done is that they've given the counties slots with money to use at their discretion without clear standards on how this money is to be given out. I don't believe there's a clear directive that has to be tied to job training to REACH. I think that what the intention is is that somehow within that 10-month period the families will find a job and get additional income so that when the subsidy expires in 12 months, they will be able to afford the housing they're in. I can tell you I know of families who will-- When that subsidy expires -- and for some of them it will expire in two and three months, now; we're getting very close to the time which the first subsidies went out last May -- they will not be able to afford their housing.

MR. MCGARY: I guess then what we're talking about is two different programs. I don't know if you're aware of the one that was initiated in November that Ms. Reitz was speaking

about that afforded 1200 -- I believe it was -- rent subsidy slots? That is specifically for a maximum of \$250 and that is directly tied with job search training or an employment program, and only people who are capable of being in that kind of program or capable of achieving that subsidy. That's the one I was wondering if you have any reservations or objections to?

MR. SCIARRA: Well again, I was speaking about that I mean my understanding may be a little bit--

MR. MCGARY: Well it's very specific in the regs, it alludes to, "must be enrolled in a job training or--"

MR. SCIARRA: The problem that we're going to face though is that some of these families even within a 12-month period are not going to be able to obtain the income jobs that are going to give them the income they need to afford that housing. And many families are in housing which is very costly. I'm working with families now in Burlington County who were taken out of motels, placed in housing units that cost \$700 or \$550. They're given a subsidy to make up the difference and whatever is left over is what they have for transportation, personal expenses-- Just for them to get around to look for a job without transportation is impossible.

So at the end of that 12-month period we're going to see many of those families even under the program that you're talking about who are not are not going to be able to have the -- find a job that gives them the resources they need to continue to stay in that home, they're going to become homeless again.

We need the subsidy program to become permanent. We need it to become long term. We need the amounts to increase and we need more standards. We also, as I mentioned, need it to be expanded to general assistance men and women because they don't get it at all.

MR. MCGARY: Let me shift gears here one second. Everything we talk about here seems to be funneled through the currently existing entitlement programs. Eligibility for all of these programs as assistance comes through that. There are some people that don't fit into any of those categories and I was wondering whether or not your office is assisting them? I'll cite two for you: those people who receiving social security whose amount is too low to help them live in this State but it exceeds all of the entitlement programs, and those people on SSD, social security disability, who may be getting \$500 a month but they're not eligible for any program or any assistance from anyone. Who is addressing that problem?

MR. SCIARRA: Well SSI and SSD--

MR. MCGARY: Not SSI. SSA and SSD. SSI is open to all of the assistance AFDC and those other programs are. But there is no one for SSD.

MR. SCIARRA: Well, there's a need to extend EA to cover SSD. S-2777, the bill that I mentioned, would expand Emergency Assistance coverage to all of those who fall out of the categorical assistance programs. I can't agree with you more. There's a tremendous-- The real gap we have, providing no assistance, guaranteed assistance, or definitive assistance to working families, to any other groups that you mentioned. S-2777 will fill in those gaps. So in terms of new initiatives there's a need to close those gaps, reach those populations, and that bill is one way that would do that.

ASSEMBLYMAN ROMA: If I can, I want to thank you first for your testimony and as I said before we have a number of people--

MS. APPLGATE: Just one question.

ASSEMBLYMAN ROMA: Okay, one question. We'll try to have quick questions and quick answers, all right?

MS. APPLGATE: Just on the data, and I understand that we talked about not having numbers, and I think you're

right, I think it's very important that we have those. Is there any county that now has -- is obtaining the type of data that we need? Any county in New Jersey at all?

MR. SCIARRA: I don't know.

MS. APPLGATE: You don't know?

MR. SCIARRA: The problem that I see, and I deal with it from a State perspective, I don't see the data coming in from the counties, being collected and then being disseminated in any kind of usable or important way. Whether or not the counties are collecting that data is something that I just don't know.

MS. APPLGATE: There's no system to get that all into one force to analyze it to know where we were.

MR. SCIARRA: They may have it on their own but it's not the length of stay, that kind of important information. It's not collected on a central basis and available to the public. So I don't know.

ASSEMBLYMAN ROMA: Thank you, Mr. Sciarra.

MR. SCIARRA: You're welcome.

ASSEMBLYMAN ROMA: At this time I'd like to call Jack Johnson, the Chairman of the Board of the Monmouth County Interfaith Neighbors. Good morning.

REVEREND JACK JOHNSON: Good morning.

ASSEMBLYMAN ROMA: Again, if at all possible, if areas have been covered, if you can touch on those areas and give us a brief summary, it would be appreciated.

REVEREND JOHNSON: Mr. Chairman and members of the Assembly Task Force on Homelessness, my name is Jack Johnson and I am the Chairman of the Board of the Interfaith Neighbors of Monmouth County, New Jersey. Interfaith Neighbors was founded this past year in March of 1988 in response to the crisis of homeless families that are living in motels in Monmouth County. The organization today represents some 40 congregations both from the Jewish, Roman Catholic, and

Protestant faith communities. Our goals are threefold. First we seek to provide emergency shelter in church and synagogue facilities for families who are homeless and are not, in fact, eligible at that time of crisis for immediate or long-term governmental assistance.

Presently we have two congregations in our county that are providing such a service. One congregation which has opened their doors this past June has served six families in such a time of transition. In a modest converted room in their church facilities, six families have called this place their home. The families have lived in the facility for a period as short as two days and as long as six weeks. The facility has allowed the families to stay together as a family unit which, in fact, had this not been in place, these families would have been separated. In many cases the father or the husband of the household would have been separated from the family unit.

Their time spent at this facility has also enabled congregants to become aware of the critical plight of families which have no place to call home. As Assemblywoman Ogden had noted, the church and congregants become educated on this particular issue.

The second aspect of our organization is a program which seeks to provide rental subsidies as well as emotional, educational, spiritual, and specific kinds of supports other than funds to homeless families. And this support also includes working with the county seeing how those families may become served by governmental programs such as REACH.

As of this day we've assisted 15 families. Our assistance includes monthly rental subsidies that range from as low as \$350 per month and as high as \$500 per month. And these commitments are made over an annual basis. Each family also is linked with a supporting congregation and agrees to meet on a monthly basis with a designated representative from the congregation I dealt with; as a footnote, Mr. Sciarra's comment

concern for the part of the Public Advocate about the need of linkage, just not money but there is a contact with persons.

Some families make more frequent contact with their designated representatives and they seek additional supports mentioned in the preceding paragraph. We received over \$50,000 thus far in commitments from faith communities throughout Monmouth County who are being added. And we've also assisted many of these families during the holiday season.

A family who receives support from Interfaith Neighbors is referred to us by the Monmouth County Board of Social Services. The head of the household is interviewed by our Hospitality Committee for approving a covenant relationship between the Interfaith Neighbors. I've included a copy of that contract that's signed, or agreement.

In addition to this agreement, Interfaith Neighbors enters into a housing assistance agreement with the owner of the dwelling where the family will reside. And I too have included a copy of that agreement. This agreement has been instrumental in enabling families to find a rental, and that the landlord can be certain that the rental income will be paid.

This agreement has also enabled Interfaith Neighbors to be an advocate for the tenant by insuring that the facility meets basic housing standards. And on more than one occasion we have advocated on behalf of the client to the landlord concerning the condition of the rental facility.

Finally we seek to be advocates for those who find themselves homeless through interpretation of legislative opportunities and presentations to membership and community organizations. We have been telling the story of homeless families in Monmouth County.

The story is one of shame in such an affluent county. Yet we too would commend governmental, corporate, and nonprofit organization efforts in Monmouth County to address this critical issue.

Our program is but a modest part of a larger effort to address the issues. That will not go away where affordable housing is out of reach for many of our citizens in Monmouth County.

We appreciate this opportunity to meet with you today and to share with our experiences. We'd be happy to answer any questions from members of the Committee and I've asked Mr. Joseph Marmora and Mr. Max Singer who have been key players in our organization, volunteers, to respond to any questions.

ASSEMBLYMAN ROMA: Recognizing our time constraints we're trying to move the meeting along. Are there any questions from the panel?

ASSEMBLYWOMAN ODGEN: All I'd like to say, Mr. Chairman, is to commend you and everyone involved because what you're doing really is critically important. And I think it means so much to the homeless to have people as volunteers, help.

ASSEMBLYMAN ROMA: Thank you for being here. William Watson, Associate Executive Director, Catholic Community Services, Newark. I believe Mr. Watson stepped out for a moment. Tricia Fagan, Director of New Jersey Right to Housing.

T R I C I A F A G A N: Good morning.

ASSEMBLYMAN ROMA: Good morning.

MS. FAGAN: I think it's still morning.

ASSEMBLYMAN ROMA: It's just about twelve of one, good afternoon.

MS. FAGAN: First of all, I'd really like to thank the Task Force for existing and for inviting us to testify on this issue. I think that listening to your questions this morning, it's been very heartening to hear both the awareness and the concern. And it's an awareness and concern that I think may have existed on a legislative level before, but that people out in the field have not always been aware of. So that I am grateful for opportunities like this to hear that.



Right to Housing is a statewide coalition representing about 850 organizations and individuals throughout the State and we do have one person in Cape May County so I can truly say we represent every county in the State.

What we try to do is monitor what's happening, give information to decision makers, like yourselves, to the media, to the public. We do a lot of public speaking and outreach. To Assemblyman Gill's question about the suburbs, we do go out to a lot of the suburban communities who are increasingly concerned about what the real issues are. And we try to give them the facts about the issues and faces with the facts so that they know that the homeless are families and children and individuals who are struggling to make it in a difficult time.

I'm not going to go into great detail about our organization. I'd be willing to speak with anybody about it, but we do exist. We've been around for about four years now.

I'm also not going to repeat a lot of the testimony that happened this morning already. The Public Advocate, we've worked with closely on a number of their cases. We share information with the Department of Human Services and the Department of Community Affairs and periodically, when necessary, I must submit we also sit-in in the State House.

And I think that the measure of our credibility was just recently when we were several of the "State House 12" -- that's what we call them right now -- were being tried in municipal court in Trenton on December 28. And when I went back from that afternoon trial -- morning trial -- I had two messages on our phone machine where the Governor's office who had been asked for information on homelessness had referred both of the people to us for the information. So, I thought it was a good measure of credible advocacy.

Enough about our credentials. I'd like to speak about what's happening in New Jersey on homelessness issues right now. I think that we've seen a lot of very positive, very

forward movement on the part of the State. Particularly over the past year I think that advocates, legislative advocates, grass-roots advocates, legal advocates, can take a certain amount of credit for moving these issues forward, and I'm glad to see now and I can say that the Department of Community Affairs and Department of Human Services are truly working together more than they truly have, to address this issue.

I think the concern though is that for all of the initiatives that have been announced and for all of the positive pro-active policies that we've seen it's very important -- and I think Mr. Sciarra pointed it out somewhat -- to make sure that we don't mistake a vision of what New Jersey is going to be like for homeless people, with the reality of what homeless families and individuals are facing in this State right now.

I'd like to speak specifically to some of the programs and policies that the State has recently implemented and talk about some of the more positive aspects but also some of the concerns about what isn't happening.

We have been backsliding as a State in our accountability to homeless citizens. Despite the rent subsidy programs which have been a wonderful initiative and the ground breaking for Harmony House in Newark, the reality is that in numerous counties and many, many municipalities, since the State began enforcing their five month limitation-- November was the end of getting the families out from that initial group of families and truly started enforcing five month limits.

The subtle message to the counties appears to have been, actions speak louder than words; do as I do, not as I say. Because what we're seeing is that families are once again being denied Emergency Assistance on the onset when they first come in for assistance, and the vast majority of those families when they appeal to get Emergency Assistance, it's not as if these are families that are being denied for good reason. Or

even more subtly, numerous county welfare agencies are beginning to require families to document in almost impossible ways the fact that they're homeless, which is not required or really allowed by regulations.

We had several occasions in a North Jersey county where families were told that they had to get a letter from the landlord saying that they had been evicted. And the woman was in tears. You know, "The landlord isn't even talking to me, he evicted me. He's not going to write me a letter." Well, "Try and get the letter back to us when you have it." And when they came back with the letter-- I forget what the other document was, but they asked them for something comparable.

We shouldn't be doing this in this State. And I'm concerned that the way that this State is voicing their programs is giving a clear subtle message to the counties that, well, "The State is not going to be responsible after five months, so good luck and good-bye. These families are now on your hands.

And by and large the families that need to be in, and are in emergency shelter for more than five months, are families who have extenuating problems; families that have five children, families that have teen parents who've never really had to budget, really never had the capacity to balance their lives and the lives of their children, people with substance abuse problems, people with difficulties beyond just finding a house, even with the rent subsidy programs that are available. And the counties are being left without additional resources, with these families on their hands, and counties not wanting to be caught in that position, are turning families away at the beginning.

I think that this is a really sad state for New Jersey. I think that the State has not been particularly effective in monitoring. And this is something that-- When the Maticka decision in February of '86 was handed down, one of

the things that they based their decision on was the fact that counties -- and if we're looking then at individuals -- also municipalities have a tremendous amount of discretion in how they administer their programs.

The State has been very lax in monitoring that actual implementation of programs. There are counties that they know for a fact have been very bad in assisting their families -- and continue to be bad in assisting homeless people, and yet the State really is not giving a clear message to those counties that they've got to get on the stick.

Those counties are beginning, in several occasions, to use these regional -- so-called regional -- shelters the State put in. Inappropriately there's been attempts on the parts of several counties to ship their homeless families to those regional shelters even before the five month limit's taken place. The Department of Human Services has told them clearly that they cannot, but the Department of Human Services doesn't always catch that as it's happening.

What ends up happening is that families are then shipped to our most poverty ridden areas, Martland is in Newark. And then down to Camden County, Ancora is the other regional center that is taking families from around the State. This is putting the problem squarely in the laps of those counties that really have the least resources to deal with it. And the question of what are the suburbs doing to deal with this, I think that we're seeing more of the suburban counties trying to get rid of some of the problems that way, and I think it's something I would urge this Legislature, this group to look at closely and to see if there are ways we can't tighten it up.

The emphasis in the family shelter program on creating alternative shelters, transitional apartments, transitional support project, the rent subsidies, excellent, excellent use of EA. I don't think that any advocate in this State would

argue against that. Unfortunately again though that value judgment, the underlying message seems to be reaching the counties more: "Get those families out of the motels," rather than, "We will reward you however many creative alternative placements you come up with." And I think again that's a shift that needs to be looked at. And I think it's just a question of emphasis, not even funding in that particular circumstance.

Motels are not necessarily bad. I think that we have argued against motels because by and large they are an inappropriate use of money and because nobody thinks that families should stay in there forever. But I have to emphasize that what's happening right now with this family shelter strategy is that the money the State is putting out is being focused on families who are getting into these alternative supported situations. And what that means is that we are in the process of creating a two tier system of homeless families.

Families in motels need support services. They need the mental health services. They need the job training. They need the child care assistance.

Many of those services technically are required of counties under the regulations. Very few families in the motels are getting them.

Now in Passaic County, in the Alexander Hamilton Hotel the owner of that hotel who is concerned about what was happening with the families, actually gave a suite of rooms to advocates that wanted to be there and provide referral services, counseling services, outreach services, advocacy services. There's really no reason why teams of workers cannot be assigned to the various motels while families are there so that those families are being assisted, not just left to languish until their five months is over.

Just an example of what's happening in the county argument of who's responsible-- A family that became homeless in Mercer County, and I sadly admit as a Mercer County resident

that Mercer County is one of those counties that does deny EA to people who are-- And I know this because people have come up to me in the streets, knowing what my job is and referred by my neighbors, and told me about situations. They were told misinformation about whether they were eligible for EA or not. And a Mercer County family unable to find shelter in Mercer County finally had a friend of the husband agree to take them in temporarily in Paterson. And they stayed with that friend until the landlord was about to evict them -- as Mr. Connolly said, eviction is a major problem with doubled and tripled up families -- and this family found themselves literally homeless. The husband had left. It was a mother with three children.

They went to the Emergency Assistance office and they said, "But you're from Mercer County." Even though they had been staying in Passaic County now for about five or six months, they said, "You're from Mercer County. We're not-- We don't have to give you Emergency Assistance." Nor did they offer to give them transportation to Mercer County, nor did they offer them any alternatives. That family, this December, spent the night, overnight camped out in a doorway of the Housing Coalition.

So that we can't allow this kind of-- We have to assume responsibility. We have to clearly say as a State that we are responsible for helping the homeless and for dealing aggressively with their multiple issues, and not fight among the various levels of government and among the various levels of assistance with who is or who isn't going to assist these families.

Just real quickly, transitional housing is a great concept. Regina had asked questions about it. Our major problem with transitional housing, and again we would urge the Commissioner of the Department of Community Affairs to look at

the possibility of attaching the concept of transitionality, not to the housing but to the support services that are involved in that housing.

If we are going to be spending money as a State to create low-income apartments then wouldn't it be much more reasonable after getting those families stabilized for a year in those apartments to let them stay there and move the support services along to the next building, rather than forcing those families that are now stabilized and now have a community network to go out into an impossible housing market and once again try to find housing?

Rent subsidies and back rent -- and this is a legislative: Some legislative initiative is needed I think to make those programs as effective as they could be. One of the problems that we're finding around the State is that judges and landlords oftentimes will not consider one of the State vouchers, whether it's the Homelessness Prevention voucher, the rent subsidy voucher, the EA back rent voucher as cash payment for back rent, so that families are being evicted.

I have to tell you that every low-income housing unit that is lost because of eviction is lost permanently as an affordable housing unit in New Jersey. The rent crisis is just too tough. Once a family is out who has affordable housing, that unit is no longer available as affordable housing. I really would urge this group to look at ways we can prevent-- The condo conversion bill, I think, is an important addition to that, but I think that there are specific ways that we need to look at the evictions that are happening in this State.

Bill Connolly mentioned that we have 130,000 eviction proceedings filed every year in New Jersey now. Well, it hasn't always been that high. In 19-- I think it was 1972 there were on 30,000 eviction proceedings filed. This is a growing problem and there are model programs that are beginning in Bergen County, for one. Massachusetts has an excellent one

that could help with that preventing of evictions. But that legislative remedy, I think, is needed to require them to accept those vouchers. If the State is going to say that their money is good then I think that local authorities needs to accept those vouchers.

Finally, the temporariness of rent subsidies you heard about, that is a crisis. Those families are about to come out in the streets. And these are families who are trying hard; families oftentimes that are in counties that don't have REACH programs to begin with. Families have been attempting on Section-8 waiting lists and get Section 8 before the end of the year is up who have not been able to get Section 8 by this time.

And people who are working-- A woman who I had hoped to have with me today, Dolores Ali, is a mother who actually got to meet with the Governor in June when he met with several homeless families and their children. And Dolores has a bachelor's in business administration and had a nervous breakdown and had a difficult time finding a job afterwards, has worked part-time and has a partial welfare check that brings her up to the three whatever -- that a single mother with children -- a child, one child receives.

She's also now in her early fifties so she has a difficult time finding a job. Since she was stabilized in an apartment she has worked as a volunteer full-time with the Paterson Housing Coalition helping other homeless people. And at full-time they mean full-time, 40 hours a week.

She's also become an invaluable resource for landlords. Her landlord was so impressed by her that he has begun to refer other landlords to her, knowing that she has contacts with homeless families so that she can refer the most appropriate homeless families to the most appropriate landlords. So that this is a woman who, though by the beginning of May will have lost her rent subsidy and lost her apartment, and the State will be in the position of making people homeless.



Assemblywoman Ogden's bill, A-3370, I urge everybody who has a vote on this Task Force to support. I think that it will be an essential addition to filling in the gaps and weaving in those holes in the safety net that the Public Advocate referred to.

I think that we need to look as a State what we're doing or not doing for single individuals. I think this focus on homeless families has been important and critical since about probably 70% of our homeless population are mothers with children. But I think it's going to be very very essential to deal with the problems of homeless individuals. A growing problem, statewide problem.

I think-- One of my board people asked me to mention this and I have two more points after this and I'll be done-- But I think that Mount Laurel, although it will not address immediately or directly the needs of this homeless population for the most part, is a critical part to addressing the housing problems in New Jersey, and I would certainly urge this body to keep it in mind that unless municipalities -- and again I think this gets to -- I think it was Assemblyman Gill's question about how does all the State assume responsibility for this problem? Because it truly is a statewide problem; it is not an urban problem. It is a problem that supersedes all boundaries in terms of county and municipalities. I'm not sure if there are homeless people in Alpine, but most of the other municipalities have had some kind of homeless problem.

I think that it is going to be essential to make sure that municipalities do follow through on their Mount Laurel obligation because until that housing is built and until middle income families don't have to compete with lower income families for rental units, the lower income families will always be without resources to compete in this kind of market.

Two other points quickly. I know that somebody is going to address the standard of need, but I think that that is

a resource that is available to the State. I was heartened in one moment and really ashamed in the next moment to read that Governor Cuomo was requesting a 15% increase in the welfare benefit level. In New Jersey our welfare benefit levels are flat grants, leave a family about 40% below the Federal poverty level, maybe 30% below at this point.

In New York their housing allowance and grant -- which is a combined grant -- leaves their families 85% below the Federal poverty level. And he just requested a 15% increase; and they have a budget deficit in New York this year. I would like to hope that New Jersey will keep that in mind. I think a little competition between states can be very healthy, certainly when it's going to help the most vulnerable citizens.

Finally just one point on the McKinney Act. I'm not sure what you call them when you memorialize people, but if you can memorialize Congress to please fully fund McKinney and that's happening right now. And the other piece that I think that the State should be looking into is one tiny hidden provision in the McKinney Act allowed states and nonprofits in states to use underutilized or unused Federal properties.

A group in New Jersey in Middlesex County was the first group to successfully challenge that. They just got four acres of land, rolling green hills next to Middlesex County College which had been a military golf course at one point apparently. Nobody had even known it was military property. New Jersey has a lot of Federal property -- GSA and Federal property. We have one piece of property that just came up on the first list. HUD is currently going through all Federally owned property in this State, and they're listing in the "Federal Register" every month what property they have found they feel is appropriate.

I would urge the State of New Jersey -- since it's a one-month process from when those properties are listed -- to

grab as much of that property as possible, and make it available to nonprofits that want to do transitional housing and want to do alternative housing for homeless people. Thank you.

ASSEMBLYMAN ROMA: Tricia, thank you for giving us your input. It's very valuable information.

MS. FAGAN: I will type this up and get this to the Committee with specific recommendations.

ASSEMBLYMAN ROMA: We'd also appreciate that. Questions? (no response) I think Mr. Watson is here, the Associate Executive Director, Catholic Community Services, Newark. Good afternoon. Thank you for being here.

W I L L I A M B. W A T S O N: Thank you for the opportunity today to speak on behalf of the New Jersey Catholic Conference which represents the bishops of the six Catholic dioceses of this State. As Associate Executive Director of Catholic Community Services, for the Archdiocese of Newark, I oversee the operation of seven shelters for the homeless.

I speak to you from our personal and professional experience with the homeless, and our attempts to respond to our needs. In putting together our comments today I have incorporated the input received from our other dioceses and shelters and those dioceses and staff working with the homeless throughout the State.

I'm going to skip around to save time. You have the testimony. I think I'll just deal with the content that has our recommendations.

The Catholic diocese makes available 40% of the total shelter beds in our State, and in Essex County alone, 303 shelter beds are 80% of the total number of beds in the county that have been or are being developed by Catholic Community Services.

In the City of Paterson, Eva's Kitchen and children's programs provides 300 hot meals daily and can shelter 123 women

and children. The Ozanam and Men's Shelter in New Brunswick offered 682 men shelter during 1987-88.

All of our shelters offer a variety of programs. One of the oldest is our St. Rocco's Family Shelter in Newark, and it seems to us that this shelter provides ingredients that are pretty unique in the State. It provides individual treatment in case management services from mandatory classes for family living, homemaking, and parenting skills, to classes on how to set up and maintain a budget, to vocational job training and placement, to substance abuse counseling or inpatient detoxification.

At Catholic Community Services in Newark we're fortunate to have within a mile of each other, a number of supportive programs operated by the agency; a community mental health center, a vocational rehabilitation center, an inpatient substance abuse detoxification center, to day-care centers. So we're able from geographical as well as an operational bases to bring all these services to bear on our homeless families.

I'm going to skip the problem of affordable housing and the fact that the AFDC or the local general assistance grants in no way is able to meet the cost of rental housing. We all know that. It's a miracle it seems to us that people on welfare are able to find any kind of lodging, but they do.

We applaud the new direction of the State Department of Human Services in taking away reliance on welfare motels and are absolutely opposed to housing children in motels. We've been there. We've seen them.

As you know the State Department of Human Services has a three-year plan to eliminate the use of hotels and motels. However, these children should not have to wait three years. We feel they should build up the safety net. When it comes down to a choice between regional homeless centers and welfare motels, it is our conviction that the former is better than the latter.

We are recommending that they open up more and do it right away. We are recommending that it could be less costly in view of the fact that in Essex County the Essex county welfare department is paying \$72 a room, and it's my understanding that one owner of a number of motels is grossing \$9 million a year. It seems to us that there may well be sufficient underutilized State, county, and municipal buildings that could be turned into temporary shelters instead of relying on welfare motels. It's my understanding that there are about 400 families presently in Essex County in these motels.

Just a little sidelight, we've recently placed in the past two weeks five women who are pregnant, seventh and eighth month of pregnancy, who are coming out of these welfare motels. And I say to you, it's not nice to be seven or eight months pregnant living in one of these rooms. We're happy we can do that and we'll continue to do it.

As was said before, homelessness cannot be seen in a vacuum. We have two men's shelters with somewhere over 200 single men. A significant number of the residents are in need of treatment programs for drug abuse. It's almost impossible for an indigent, substance abuser in this State to get admitted to inpatient detoxification. The two major centers in this State are costly and are out of the reach of your typical indigent substance abuse male in the inner city. But the motivation is there to come into a drug detoxification center. When the time is right, it's soon lost when there is no bed available.

As a matter of fact, our agency, I believe, operates the only State Department of Health funded medical drug detoxification beds in the entire State. And that's eight beds. It seems to me in attacking the basic problem of homeless men and women in the cities, building more homeless shelters won't do it. You've got to attack treatment and I

mean inpatient medical detoxification treatment for your indigent males in our inner cities. It's not being done. Eight beds is ludicrous.

We must say, by the way, that in a meeting at our shelter operators, 90% of our men in those shelters are substance abusers. They aren't allowed to use it in shelters, I can assure you of that, but they are substance abusers. And getting treatment for those under the influence of drugs is practically nil. Even our outpatient centers funded by the Division of Narcotic Control require you be drug free in order to continue counseling. That's not a bad idea, but the start of drug rehabilitation must be a humane detoxification process.

Also in those men's shelters we have mentally ill. We have chronically mentally ill, schizophrenic mentally ill who twenty years ago would have been in State institutions. You see them on the streets today. I'm sure you all know this. You'll see them in our men's shelters because of our process of deinstitutionalization in this State, which has been good and bad. But it should be no surprise to any one of the chronically mentally ill on our streets, in view of the process of deinstitutionalization.

As a recommendation for men's shelters we feel that if there really is going to be rehabilitation, it has to be done in small groups with a sense of community. You're not going to see much rehabilitation when they only come in the evening and there's over 100 in a given facility. Rehabilitation really comes about best, I feel, by peer -- a sense of peer community together. And you're not going to see much drug rehabilitation taking place in the shelters.

In regard to homeless AFDC families, a decision was made in the 1970s to impose a flat rate to public assistance grants in New Jersey, rather than having a separate budget for housing that is related to market cost.

AFDC grant levels are extremely low. A single person on SSI receives as much of a monthly income as a mother and her

two children on AFDC. It was governmental policy back in the early '70s to institute the flat grant. Prior to that, a welfare caseworker would have a budget for all of the needs except housing, and the housing would be related to the market. Public policy and governmental implementation changed all that in the early '70s. The birds have come home to roost.

It's not only the problem of affordable housing, it's the problem of unaffordable grants which I feel are due to that decision in 1973 when a flat grant was made. Over the years the total budget has received minimum increases. And you know housing has hit the roof. So, it's not only in terms of historical perspective. It's not only the problem of housing but the problem of what public policy did some years ago to help the problem today.

Homeless children face unique problems that few of us can imagine having to deal with. Although some local school districts have been cooperative in placing homeless children in schools -- I must say in the City of Newark we've had no problem -- however, children with emotional, physical learning disabilities, the child who needs special education are not as lucky. We're seeing this in our shelters.

The students must have transfer papers. They must undergo new testing, sometime new child study team determination. And as a result many special educationally -- kids who need special education, are not going to school.

One of our directors talked about homeless mothers with children encountering a great deal of discrimination when it comes to finding apartments, especially if the children are older or teenagers. We had one woman with six children in our shelter for a year. She's due to find an apartment this week, and we're going to have a major celebration. One mother of three was told if she had cats instead of children, a two bedroom apartment was available.

Just a couple of other points. In addition to our recommendation for grant levels that's related to the housing market, additional monies are needed in the State's Homelessness Prevention Program. Several of our shelters are concerned with the complexity of the funding requirements. Not only is there a number of State departments the shelter must contact for funds, there is no centralized office for the homeless in State government; there is now in the Department of Community Affairs, and we applaud that, but there is really no coordinative person who keeps an eye on the McKinney Act, for example.

I think the McKinney Act is a textbook case of lack of coordination and fragmentation as it involves the State Departments of Education, Community Affairs, Health, Human Services. Then it becomes more complicated when the programs are to be implemented on the local level where they too, particularly in the larger counties, have their various departments.

We really feel, at the risk of overstatement, that what is needed is a czar in the State and czar in each county. If we're going to continue to see homelessness as our number one priority in the State, then we darned better well coordinate it on the local level.

We talk about a war on poverty. If we're going to talk about a war on homelessness, I say let's win the war by putting in a table of organization that makes sense and makes the social service delivery system function adequately. The problem of homelessness is not only homelessness, it's mental illness, it's drug abuse, it's all the social problems that have existed with us for 200 years. And you've got to have a coordinative body on the local level to bring those to bear on the problem, or we're not going to make a dent into the problem.

We also feel in regard to applications for funding, private agencies ought to be involved in the RFP process. I



think it would be helpful to both the Departments of Community Affairs as well as Human Services to have a private agency, particularly shelter operator experience, before the RFP goes out so they know what is possible, what's not possible, what's difficult. They have to meet Federal requirements, I'm aware of that. But we do recommend that shelter operators from the private social service community be represented in these departments.

Finally, in regard to the AFDC program where I think public sentiment is at its finest in terms of the perception of homeless children and their start in life. The vast majority of AFDC clients are not homeless. In Essex, for example, as of December 18, of 31,545 AFDC families, only 1052 or only 3% are in the emergency program. This says one thing: We should focus our resources, our efforts more acutely on the need to prevent AFDC clients from going into the emergency assistance program.

We believe the county welfare board should take -- county welfare departments should take a more active role in monitoring rent payments. It is true that there is a small percentage of homeless AFDC families who are evicted because of nonpayment of rent -- I think in Essex County they did a survey, it was about 20% last year-- But nonetheless, given the problems that happen with children, given the inadequacy of the grant levels, given the constitutional and civil protections that an AFDC mother ought to have to spend her money, I think we should have our caseworkers in the county welfare department look more closely at that to prevent eviction, on behalf of the children.

Such other ideas as assigning staff to housing courts. I don't know what you call them, but to actually have your staff in the court, or to have a court notify you when an AFDC family is going in for nonpayment of rent. I think action has to be taken at that level to maintain them in their present apartments.

Such ideas of two party checks was mentioned before. The mother who is just overcome with problems of substance abuse, again, given the civil and constitutional protection, we don't see that it's all bad. We do feel that there comes a time when you've got to protect children, and the worst thing that can happen to children even with a mother with substance abuse is to be removed from the home and be placed with strangers.

So we recognize the inadequacy of the grants. We recognize constitutional rights. But we do feel that should be more aggressively explored.

Finally, solutions to the problems of homelessness cost money and require commitment from all sectors of our society. Yet the most important element necessary in dealing with the homeless is a change of public attitude toward their plight. Assemblyman Gill mentioned that.

Caring about each other does not cost anything. I'd like you to come to our family shelters and see these kids. They're not the conjured picture of homeless kids. They're well dressed. When they get to our shelter they're well fed. We have tutors in our shelters. It's a good experience; certainly so much far superior to the welfare motels. But I think there is a public relations problem that the Legislature has to deal with because I don't think the majority of New Jerseyites know about the mixed bag of homelessness, about the sociological causes rather than individual causes of homelessness.

We do our service. We've expanded tremendously in the past few years when Archbishop McCarrick came to Newark. When he was appointed Archbishop he sat down with us and reminded us that 2000 years ago one of the corporal works of mercy -- and these are the exact words were written -- and it was, "To shelter the homeless." That's why our agency, Archbishop McCarrick, and I'm sure speaking for the other Catholic

sponsored agencies -- nonsectarian, please, let me advise you that -- the other Catholic agencies in this State are open totally for helping the problems the State faces. Thank you very much.

ASSEMBLYMAN ROMA: Thank you, Mr. Watson. Thank you for being with us--

MR. WATSON: Thank you.

ASSEMBLYMAN ROMA: If you have copies of that testimony that you will leave with us--

MR. WATSON: Yes, I will.

ASSEMBLYMAN ROMA: I believe the next person on our list is Alice Kelsey, member of the Monmouth County Coalition for the Homeless, testifying with Christine Kenney or Ernestine Mindingall. (no response) Carol Kasabach, Director of the New Jersey Office of Governmental Ministry testifying with Reverend Gary Kugler.

UNIDENTIFIED MEMBER OF AUDIENCE: May I ask Mr. Roma? There are a lot of people here from different parts of the State and I'm concerned as to how we are all going to be going on.

ASSEMBLYMAN ROMA: Well, it's my understanding that we will continue until we finish.

UNIDENTIFIED MEMBER OF AUDIENCE: Okay, because I--

ASSEMBLYMAN ROMA: We're not taking any break for lunch. We may have a five minute stretch period, but with the exception of the five minute break we will continue. But we only have as I see it here six, seven people.

UNIDENTIFIED MEMBER OF AUDIENCE: Okay I was just concerned.

ASSEMBLYMAN ROMA: Again, if we were to keep the comments as concise as possible-- I don't mean to keep somebody from hitting on points that we definitely need to hear, but there has been a certain amount of testimony with

respect to valid points that we've heard. If we can keep on those particular areas that are new points, we would appreciate it. Thank you.

C A R O L K A S A B A C H: My name is Carol Kasabach, I'm the Director of the Lutheran Office of Governmental Ministry in New Jersey. I wanted to thank you very much for -- as Tricia said earlier, for being -- for Assemblyman Hardwick for constituting this Task Force. As you know it is a very serious need that we have.

I come to you this morning to speak for the poor and the powerless. And before I talk about some of my comments I have with me the Reverend Gerhard Kugler from Union City and I'd like him to speak first.

R E V E R E N D G E R H A R D K U G L E R: Your comments are well taken. As clergy I'll try to be brief. I always need to be admonished that way.

I'm very thankful also for this forum, specifically for Assemblyman Kenny inviting me, also Assemblyman Kronick. Assemblyman Menendez is from Union City from where I come, from St. John's Lutheran Church where we have a shelter specifically for single adults, but not only.

Just a little bit of our history and then a few salient points. In 1981, August 1981, we opened our facility specifically because of the homeless Cuban refugees, the Mariel boat people. And at that point, sadly, we found we were the only shelter above Trenton for the homeless; the only truly emergency shelter. Not a rehab program where if there was a transgression such as taking a drink, a person would have to leave.

And a very inadequate facility-- Our facilities are not much better, but we're thankful that we didn't have the open hostility such as happened to the Hoboken shelter. Sister Norberta is here and a group in Jersey City that opened a

shelter, where the municipalities at that time sought hard as many did, to close the shelters down. So we're thankful for the response in North Hudson.

It's turned out to be kind of a benign neglect, however, instead of open hostility. I'm thankful for the benign neglect because at least we're allowed to stay open in an inadequate facility.

Now the shelter's in our church hall. We have a C.O. for 20. We've always been over that. The benign neglect is that we're seen now as North Hudson's shelter for six municipalities in the North Hudson. Folks are sent to us from all of the agencies and the police department, and no one comes in to deal with the excess number of people over 20. We average 30 to 35 a night. Hoboken has a similar problem.

Specifically we need help in our area to see that -- among the county CEAS committee have been since its inception -- an outgrowth in the Governor's Task Force on the Homeless, and I was on the subcommittee of that task force also-- And remember Dave Sciarra when he would come, even before the task force was formed, to the New Jersey Coalition for the Homeless, an ad hoc group of shelter coalitions.

But we need specifically in our area to insure -- to encourage and force however possible that the county CEAS committees and the municipalities free up some property and some kind of staff to help us. We have a pleasant dialogue all the time, but it's not enough. We get State funding, we get some FEMA funding but it's not enough to move it out of our inadequate facility, at least in North Hudson.

We're very thankful that Catholic Community Services has come in to manage the Jersey City shelter. I believe the municipal shelter run by Jersey City is the first, and one of the few in the State to fulfill its legal mandate to do sheltering. That hasn't happened in North Hudson. We've been begging Catholic Community Services to come and take over our

facility. We've been looking to give it away from its inception because we're -- it's an inadequate site. We're a small congregation. We're not really equipped to do that, but benign neglect has kind of taken over.

From the first time, or whatever, the North Hudson Council of Mayors has formed a committee. Assemblyman Mayor Menendez from Union City was instrumental in making that motion. We hope that there's some improvement.

But the State is the author and the enforcer of statutes, welfare statutes. Certainly you know about 75% of welfare money comes from the State, and we hope that encouragement is given with additional money and some kind of advocacy to help municipalities and counties to provide actual sites, through some kind of hands-on sheltering, to free up property that is available. But the municipalities, no matter how concerned they are, just aren't doing yet.

We can't force that. But the State, as the author of the legislation and the primary provider of funds, can do that. So we beg that the State get more involved to encourage municipalities and counties to do hands-on kind of sheltering.

Also, we encourage the State to help -- and I didn't hear about this Task Force from our local CEAS committee. We met last Tuesday, interestingly enough. I wonder why not? A lot of county people are on that CEAS committee, ad hoc and private coalitions and Assemblyman Kenny, and individuals -- that I'm here, probably Sister Norberta is here from Hoboken. But to help identify, under the Stewart McKinney guidelines, Federal property that might be available to us; not only helping to identify it but specifically addressing the municipalities in the State to use that property as shelter sites and to work with the private sector in a reasonable partnership.

On the other hand, the private sector can't do it and churches should do more, I can speak in that side. And there

needs to be a better partnership, so I can say, you know, but the State owns the rules and the money that they should do the majority of it. Churches could do more as well.

One other recommendation, if somehow the subcommittee reports from the Governor's Task Force could be resurrected, the actual report to the Governor was a gleaning of the subcommittee reports. But there are a lot of very good suggestions in the subcommittee reports. For example, one was -- and I don't think it's been implemented -- that a flyer be made available bilingually, Spanish and English, in welfare offices as to-- If someone's homeless as to how and where they can get help even if it's a referral to the county hot line which then refers people back to an adequate site such as ours, at least there's some owning of the problem on all levels instead of municipal workers saying they don't know or come back next week.

Also now that-- And we're very thankful that there is some system to begin a per diem kind of reimbursement to shelters from local welfare. But in our county I don't believe that any municipality is even budgeted for that although we're already saying you owe us so much. The mechanism has been opened up. But I don't know if the State has pushed enough to make that increased budget demand able to be met by municipalities. So we encourage some information along that line.

Also, finally, on the problem of the mentally ill, we have Mt. Carmel Guild and Catholic Community Services again for reaching out to us. But there are no mental health workers that come into the shelter. Although we're specifically for men, we shelter anyone, families and women, and will hold onto them until they can reasonably go someplace else. But it takes qualified mental health people to come in and to woo these folks for treatment. And that hasn't happened.

We can send people to Mt. Carmel Guild. That's only four blocks away, but to get them to go is difficult. To have caring mental health people come in and change the image of just getting overdosed on medication or being in a zombie kind of state, to build rapport, to do in-depth kind of therapy, I haven't seen that funding made available yet to the local mental health resources.

Also -- I said that was the final point, forgive me, I just remembered one more-- We work together with a CAP organization in North Hudson, North Hudson CAP. They for the last two years have had enough funding to voucher families and women to the motels out down on Tonnele -- Route 1-9 -- Avenue. Not a nice place to be, but we all know that.

CAP is nine to five, Monday to Friday. We do the referral for CAP evenings and weekends. That is most of the time. They do follow-up casework. So we do the paperwork for CAP. When there's a homeless family, they come to us evenings and weekends, and we do crisis intervention. We get them some food. Sometimes we have food vouchers from CAP, sometimes we don't. Sometimes the police will drive them down to the motels, a mile away at two or three in the morning. Sometimes they don't.

We get no funding for that. Because we're there 24 hours, we volunteer that. Because we did help families before in an overcrowded situation, we're thankful for CAP and we're thankful for the voucher system. But if there could be some specific funding to do vouchering overnight it would help us. Our budget is spread very thin. Thank you.

ASSEMBLYMAN ROMA: Thank you for being here. Any questions? (no response)

MS. KASABACH: Quite often our churches fill the gaps where the governmental agencies are not able to assist families. Pastor just gave you one very graphic example of



that. The points that I would like to raise include -- and these are broad policy statements -- this is establishing a standard of need in New Jersey based on the actual cost of living.

Right now our welfare grants, AFDC and GA are given on a flat grant basis with no clear understanding as to how much it costs in this State. When you as legislators are asked to approve the Governor's budget you are presented with a figure for these welfare grants without really knowing what it costs. You don't know at what level you are funding this and where that gap is, where the needs are. There is a court case right now before the New Jersey Supreme Court that would compel the Department of Human Services to establish the standard of need that reflects the actual cost of living in this State.

The Department has to be encouraged to do that immediately so you can make a decision as to what these grants are. You're seeing what happens now. This safety net that we talk about that I call a web-- We're seeing what happens now. This safety net that we talk about that I call a web, our welfare grant levels don't help people get out of poverty or have any kind of hope or sense of dignity. You should know what that level is.

I would strongly encourage that once this standard of need is established, then a plan has to be developed to increase those levels to the level so that people can live in this State. Our cost of living is very, very high in this State. We just can't look at the poverty level, not with the second richest state in the Union. We have to look at what it costs to live here.

I would, as my colleagues who have come here before, urge you to support S-2777 and its companion bill A-3370. This begins to set a sense of accountability and responsibility in this State; the responsibility stops here. With this particular bill, it stops at the Department of Human Services;

very, very important. All of these programs just bring the accountability as far as the dollars go, and then it's somebody else's problem.

We need to advocate for low-income housing and work through the bottlenecks. There are people here who we'd be talking about, the drop-in center in Jersey City. There's a bottleneck there. That has to be worked through. How do we get through that?

We also have other bottlenecks. We need to make the Fair Housing Act work. Right now we ask for voluntary compliance by municipalities. We might consider mandatory compliance by municipalities. We need to encourage rental housing. We need to access the balanced housing money that is out of the Fair Housing Act so that rental units -- affordable rental units can be provided.

As part of a plan do we ask or mandate a community to assess the needs in that community? I spoke to a church group up in Old Tappan a couple of weeks ago. I said, "How many rental units--" First of all I said, "Do you have an affordable housing need in Old Tappan?" They said, "Yes, absolutely we do." And I said, "How many rental units do you have in Old Tappan?" They have two. There are people who need rental housing and we need to find the incentives to encourage that kind of thing.

I'm very concerned about families. We need to keep families in the communities where they have become homeless. That is where their roots are, that's where their supports are. That's where their children are going to school. I'm a former fifth grade teacher and I know that if you just moved a child from one fifth grade classroom to another fifth grade classroom in that same school, that was a problem for that particular child. It's very, very important to have the continuity in that child's school.

We're dickering with all these different pieces of legislation to see whose responsibility it is, who should educate the child? Well, if there's a policy that you are going to keep that family, keep that child in the community, then you can plug your resources there.

We do have to take a look at our very, very limited resources. In taking a look at the foster care bill that's in the Legislature, we're taking a look at where our resources are going. Are we going to put a child in foster care, spend that kind of money, or are we going to reallocate those funds and try to keep that family together? Family unity, thinking about that: Where should our funds go?

In sheltering, are we going to spend dollars, more and more dollars on building shelters or are we going to try to provide some good affordable housing for people? Those priorities have to be made.

A bill that went through our Legislature and was finally amended and signed into law by the Governor provided about \$5.6 million in homeless monies. And it was signed, I think, on June 8. One of the original bills was introduced by Senator Van Wagner, S-88, and there was a piece in here that was taken out of the legislation as it went through the process. I'd like to read you this sentence and it will talk about -- underlying about gathering data, developing a plan, looking at direction, setting priorities. It says in here: "The Commissioner of the Department of Community Affairs, after consultation with the Departments of Health, Labor, and Human Services shall issue a report on the design and implementation of programs to ameliorate the State's homeless problem."

I think many of the people who have spoken have been talking about this and that is what you are all about. I thank you for the opportunity to speak, and I'd be more than willing to answer your questions now or later.

ASSEMBLYMAN ROMA: Any question? Questions? (no response) Thank you for being here. I appreciate your comments. Gail Levinson, New Jersey Mental Health Association. While Gail is coming up here can I have a show of hands as to those people that have not been called so that I can coordinate my list? Good afternoon.

G A I L L E V I N S O N: Good afternoon.

ASSEMBLYMAN ROMA: Nice to see you again.

MS. LEVINSON: Yes, good to see you too, Mr. Chairman. I just want to introduce Toby Weiss who is sitting next to me. Toby is the Director of our Community Companions in Hudson County. Toby will not be here to testify but will be available to answer any questions, should you have any. She is a social worker who works directly with the homeless in Hudson County.

I have down here on my testimony, "Good morning." Obviously that's no longer the case. Good afternoon. On behalf of the Mental Health Association in New Jersey I would really like to thank all of you for providing the opportunity for me to speak about homelessness. By granting a public forum to air the many difficult issues associated with homelessness you have already increased opportunity for solutions. Much however, as you know and as you've heard, has to be done. But we do hope that the views that I express to you this afternoon will be of help.

The Mental Health Association is a nonprofit organization. We have citizen volunteers and we advocate on behalf of children and adults statewide who have mental illness. I am Gail Levinson and I am the Association's Director of Public Policy and Legislation.

The Mental Health Association speaks on behalf of all homeless people, and the reason for that is that homelessness is basically a mental health issue. When an individual or family is deprived of shelter, his or her emotional well-being

is threatened. And yet, because much has been said about the families and because the Mental Health Association does spend a tremendous amount of its resources and time working on solutions to the seriously mentally ill, today I am here to discuss the needs of a component of the homeless population which would be the mentally ill homeless, who make up roughly about a third of New Jersey's citizens who do not have a residence, who do not have anyplace to live.

As we approach the 1990s the mental health advocates are confronted with a host of not easily resolved issues. The lack of housing continues to loom as an enormous obstacle that prevents the rehabilitation of, we believe, 90,000 citizens who suffer from chronic and persistent mental illness in our State.

Slightly over 1% of this population -- I think there's an excess of a thousand-some-odd slots -- are provided through the Department of Human Services, Division of Mental Health and Hospitals to provide at any point in time housing for this population. Estimates indicate that over 10,000 of the mentally ill are homeless, 8000 live in boarding homes, rooming houses, or are involved in the shelters. Many of the boarding homes and rooming houses are substandard. Thirty percent of the 4000 who are patients in State and county hospitals cannot be discharged because there are insufficient residential placements available. And so we have hundreds upon hundreds of people everyday who are called "discharge pending placement" who are capable of leaving the hospital but cannot be discharged because there is no sufficient place for them.

Much of the remainder of the mentally ill population are unable to achieve independence, and could; but they often have to reside with friends or family due to a shortage of affordable rental units statewide. And so I just wanted to indicate that over 10% of the mentally ill are currently homeless, many more are potentially homeless and most are living inappropriately in transitory settings.

Now who are the mentally ill homeless? We are really not talking about the families. By the time you are homeless and severely mentally ill you really don't have the capability of maintaining a family and keeping that relationship. And so we're talking about individuals who have had a history, a psychiatric history of some sort who are often symptomatic. They are displaying signs of severe emotional distress marked by confused thinking. They hallucinate; they are delusional.

A portion of the population is composed of an older group of men and women who have been in and out of the psychiatric hospital system throughout much of their adult life. However, another component is represented by an emerging group of younger people in their 20s and early 30s who are either acutely psychotic or are what we call the MICA population -- the mentally ill chemical abuser -- dually diagnosed with both serious mental illness and substance abuse.

Toby and a number of other social workers have indicated that there's also another group of young people who are, as a result of their state of homelessness, simply severely profoundly depressed. And so they really make up another component of the mentally ill homeless.

Now all of these mentally ill individuals remain severely and actively emotionally disturbed because they do not use the mental health system both for inpatient needs, and there are significant ones, as well as outpatient needs. As a result, they do not continue to take the medication that we believe is vital to their rehabilitation. And so that's where the problem lies. They are outside of a mental health system, that if it was available to them could tremendously help them and perhaps keep them from homelessness.

The mentally ill homeless face many of the barriers that confront the homeless population as a whole. Most importantly, there is no housing. There is no affordable housing statewide. For the mentally ill homeless population,

what we speak about in terms of appropriate housing would include rental apartments, quality boarding homes and residential health care facilities, transitional residences, which would be your group homes, and a whole cadre of family care facilities which is really the adult version of foster care.

For the mentally ill, however, who receive \$210 in general assistance or something shy of \$400 in SSI benefits each month, as well as another group who you referred to earlier, the SSD population who are sort of several hundred dollars above that, but still falling between the cracks, these categories of housing are simply unaffordable. And so they are put in a position where they really have no place to live.

Also without an address, homeless people are no longer connected to a community which provides a source of ongoing local health care, social, spiritual, education and vocational opportunities.

Now this is the piece that really is specific to the homeless population. In addition to these basic housing related problems, the mentally ill have additional needs. A roof over their head is really only one half of the solution. If you put an individual who is mentally ill in housing, it won't last. They require professional, residential support and supervision. If they are truly to survive in the community, the mental health system needs to be available to them while they are in housing.

A person who is severely mentally ill does not think clearly and sometimes does not behave rationally. Many of the mentally ill become homeless because they cannot maintain their residences. And so is not unusual for an individual who is living in a facility to forget to pay the rent, to take an entire monthly income and spend it on everything except his or her basic needs for food, clothing, and shelter.

I can remember years ago a young woman who went to a coffee shop and gave the waitress a \$100 tip because it was excellent service. There was just no ability to understand that; how to properly and appropriately spend money.

A mentally ill individual who is acutely disabled and acutely ill will stop taking medication unless it is properly monitored, will additionally fail to eat properly, attend to his or her health care needs. Negotiating the public entitlement bureaucracy is a nightmare for those who are mentally healthy, and so for those who aren't, it's an impossibility. They are often without benefits despite the eligibility for benefits.

A portion of the mentally ill would not be homeless, we believe, if a sufficient number of mental health workers were available to assist them in keeping their residential status. Of those who become homeless who are mentally ill, they will not voluntarily use the mental health system. They will not come into a mental health agency. If they are given an appointment they will forget, or they will simply refuse to go.

Part of the answer to this problem does rest with the Department of Human Services. Services must be brought to where the homeless are. Several people did mention this very specifically. Opportunities must be there for professional staff to engage the homeless in the shelters, on the streets, in the drop-in centers and in the coffee shops. Training and assistance with daily living, medication monitoring, drug treatment programs, case management must be available to this group.

Many of the homeless who are seriously mentally ill cannot responsibly spend their monthly income. They will lose checks, or otherwise spend it inappropriately and so, protective payees are absolutely needed for this group of people who are on monthly stipends.



A woman in our office recently rented a room in her house to an individual who has mental illness and he came to her with in excess of \$3000 in his savings account, with a part-time job, and with appointments with a local outpatient group.

Within a matter of three months he had spent over \$3000. He had no money left in his savings account. He had missed his appointments to the outpatient clinic and so he had stopped taking his medication. He became delusional. And she really had no choice, ultimately, but to evict him. And she now believes, unless his parents have taken him in, which she thinks is not the case, that he is probably homeless.

We have learned also that some of the public shelter operators will not accept the mentally ill. This is particularly unfortunate as the only option of the mentally ill homeless are the shelters. While we believe this practice to be discriminatory, we also recognize the very urgent need for shelter operators to be trained in better understanding the needs of the mentally ill and becoming familiar with all the mental health resources that are available in the community. With increased awareness and support, we believe shelter operators will be less reluctant and more capable of providing care to the mentally ill.

In terms of some very unfortunate recent numbers here, in Fiscal '87-'88 the State of New Jersey received \$1,700,000 in Federal aid through the McKinney Homeless Assistance Act. This was specifically targeted at mental health services to the mentally ill homeless. The State matched \$525,000, to give us a total of \$2.3 million in mental health services programs for the mentally ill homeless. Grants have been approved in 21 states -- counties, I'm sorry -- and this will provide a host of services which prioritize outreach, mobile outreach, outstationing of professionals at shelters, drop-in centers, and in soup kitchens.

Now that's the good news. The bad news is that Congress has reauthorized only \$267,000 per state for the same program or for the same group of programs in outreach services in Fiscal '89.

So, agencies and service providers who are in the process of implementing these very urgently needed initiatives are now faced with a tremendously uncertain future, and unless Congress authorizes a supplemental appropriation for this year, most of these outreach programs will be defunded. There would be no other choice unless the State came in with significant dollars.

The Mental Health Association is so concerned that we will be working in this State to contact Senator Lautenberg, who is a member of the Senate Appropriations Committee, Congressman Dwyer, who sits on the House Appropriations Subcommittee, in an attempt to at least urge them to begin thinking about a supplemental appropriation. And for those people who are even here today who are members of associations that have national -- that are affiliates of national groups, we urge you to please try to get this momentum going, so that for Fiscal '89 there is enough money for mental health service outreach with McKinney.

And finally, we believe that there is not enough emphasis that has been placed upon the mentally ill homeless. We have heard today about wonderful initiatives and strategies by the Department of Human Services as well as the Department of Community Affairs for the homeless. But we've heard of families and not particularly the mentally ill homeless. In the face of these Federal McKinney cuts for Fiscal '89, the lack of programing and opportunities for the mentally ill homeless will become most apparent. We really can't forget this group of people.

We can't forget them because I hope what I have conveyed is that there is potential here. These are people who

have been homeless for some time, are in a tremendously deteriorated state, their mental and physical needs have been neglected, and they are actively psychotic. They don't have to remain that way and if there is appropriate, accessible, flexible mental health care as well as inpatient care and outpatient care, they can -- their level of functioning can increase. They can become stable with opportunity for permanent housing. They can manage in the community, but it has to be in concert with adequate mental health supervision and professional guidance.

And so we believe that the individual who we mentioned earlier, who unfortunately had to be evicted because he was unable to take care of his needs and deal with the community, if a case manager and a protective payee were to be assigned to that individual, we believe that today -- we believe, that today -- he would have shelter. He would still have his part-time job; he would still be medicated; and he would have opportunities for socialization in his community.

So there is opportunity here and possibility, but we haven't gotten to the point where we've addressed it. Thank you.

ASSEMBLYMAN ROMA: Thank you for being here. Questions?

MR. MCGARY: Just a couple of quick questions. Someone before spoke about deinstitutionalization and you alluded to it somewhat there. My understanding is that in order to be institutionalized at this point, pretty much through any of the systems, generally that person has to be of a self-destructive nature and you have to be, "a danger to yourself or others," is the term I think they fundamentally use.

It's been my experience, and regrettably so, that it appears that self neglect is not viewed as self-destructive in terms of getting someone into an inpatient circumstance and what very often happens is individuals who refuse help or

refuse to conform to the various slots that homeless people can be placed in, find themselves, because they don't tell some psychiatrist that they're going to slash their wrists, that they end up then being released back onto the streets to potentially freeze to death over the course of a few months of neglect.

Is there any ongoing examination of that policy throughout the mental health community to try to give people in the field the tools to deal with those people who choose to be noncompliant with their drugs or to cooperate with the agencies?

MS. LEVINSON: You're quite right. Up until recently the commitment standards were such that you had to actually commit an act in order to be considered committable. However, there is a new law now -- a new commitment law that's recently gone into effect, back in this past November. It's the new screening commitment law and the legislative sponsors, Senator DiFrancesco and Assemblyman Otlowski--

It was in the context of this new law, there would be a responsibility for local screening centers and local inpatient units to be on-line which we believe to be tremendously helpful, but the commitment standard has somewhat changed and has been loosened somewhat. And so an individual who is -- although they don't use the term "gravely disabled" -- within the context of the law they really refer to individuals who are really not capable any longer of understanding what is happening to them.

And so we believe that this new law will have the opportunity to really increase the number of people who are in a committable status because they are not capable of caring for their basic needs.

ASSEMBLYMAN ROMA: Further questions?

MS. APPLGATE: Just one comment. The community needs was addressed in the Governor's Task Force on Services for Disabled People. You might want to get a copy of that report

because the Council on Disabilities is being established right now and should be also addressed in that problem. So you might want to-- If you give me your card I'll give you a copy.

MS. LEVINSON: Okay, I appreciate that. Also whatever this body could do in terms of increasing or urging Congress to put forth a supplemental for the McKinney Act for this fiscal year I think would be tremendously helpful in terms of addressing some of the needs in our State.

ASSEMBLYMAN ROMA: Thank you again. According to my list I have approximately five people. And I understand that there are commitments for certain members here at the Committee. Perhaps what we can do is to waive the five minute break and proceed with the five people that we have and if at all possible try to keep the testimony in a summary fashion. I have Reverend Grady Dale, the Cornerstone Church of Christ, Jersey City. Welcome Reverend.

R E V E R E N D   G R A D Y   D A L E: Committee, Chairman, panel, my name is Reverend Grady Dale, Pastor of the Cornerstone Church of Christ combined with Worldwide, in the City of Jersey City, New Jersey. Also I asked (indiscernible) of Wisconsin for our organization, and I'm a friend of the homeless in Jersey City.

We have several outreach programs. We feed the hungry. When it's possible, we give them temporary housing. We give them clothing, and we provide counseling for some things we can: for drug abuse, alcoholism, and family related problems.

I'm here to address this panel today as a friend of the homeless. I'm very much impressed with the Inaugural Message from our President. He said that he wanted a kinder and gentler nation and administration. And from what I gather from that statement is that he's going to inspire us and motivate us to be sensitive to the needs of the less fortunate, to the disenfranchised people, to the people that are set aside, that we might lend a helping hand.

I'd like to make an opening statement here. Some have said that we know homelessness breeds illiteracy, and other things. But I would like to make a statement here. From my dealings with the homeless I find that some of the people are very literate. They're there because of circumstances, the jobs moved out. They were former homeowners. It caused families-- In fact one man came to me and he impressed me. He was very articulate. I wanted to know why he was in this position. He said, "Reverend, I lost my job. I lost my home. I lost my family. Here I am."

So all is not stereotypical. You can't put the homeless in one category. There are various reasons why they are there.

I put them in two categories: the has-been, and the never-was. I believe that the has-been are the people who were in positions to take care of themselves. Because of illness and because of job circumstances, whatever, they had to give up what they had acquired through life.

Then you have the never-was. The people who never was affluent and owning homes, or whatever. And because of things that happened to them. They got burned out. Different things happened.

And we have to learn to tolerate -- tolerance with people. And I think we should get in the trenches and just find out what's going on and try to address the situation according to the individual need.

This is not a conventional thing. You can't lump everyone into the same category. It doesn't work that way. Of course I believe you understand that. As a friend of the homeless we would like to address-- On the fact sheet you see they have a drop-in center, single room occupancy facility near the Journal Square Transportation Center.

This is one problem we are trying to address today. An estimated 180 homeless people are reported to be living in

the Journal Square in doorways, cars, alleyways, and at the Port Authority's Journal Square Transportation Center. As evidenced in the Port Authority's recent survey, this homeless population lacks not only the basic food and shelter but also suffers from severe medical and emotional problems.

This homeless population requires assistance from trained medical professionals that will help them obtain shelter, medical care, and specialized treatment services due to their disabilities. This group desperately needs an affordable, permanent housing environment that will provide supportive services to assist them.

May I add, the environmental factors of life has a lot to do with the well-being of a person. We should try to get people out of certain environments as soon as possible. Get them into a place where their environment changes. And they tell me, if we get assimilated in a place then we become like the place. So we're trying to get them out of certain environments as quickly as possible and get them into more of an environment where they can adjust themselves to being a good citizen.

Now what's a proposed solution? Negotiation has been held with Jersey City Department of Housing and Economic Development, and New Jersey Department of Community Affairs which is very important. I would like to appeal to the Department of Community Affairs.

Jersey City has allocated \$600,000 to this project and the Mayor has committed himself to \$700,000 more which will make it a total of \$1.3 million. To acquire a unit which is at 57 Sip Avenue, about half a block -- a block from the PATH facility in Jersey City, to develop 70 single units so that the people have a place to come in-- Now this is permanent, not a Band-Aid solution, to me, surgery. This is a permanent thing. They might come in and get the support service that they need; counseling, psychiatric care, whatever -- someone to help them

to plan their lives, also care for their bodies, hygiene, and counseling for drug abuse, whatever. This would not cost the City, the taxpayers -- the City anything, not one dime. This would come from grants from private companies, from the waterfront developers.

And I would like to say they have a moral obligation and also a social obligation to look after these people. Socially I think the whole system is disorganized and needs to come together as a unit, to address the basic needs of the people from the ground roots. Rhetoric is all right but now we need action. And the State can help us by affirming a portion of the funds that they allocated for this project. The State can give us a letter of intent or give us some kind of assurance that they will ante up their portion, and the Port Authority will also ante up theirs when the State has consented to follow through.

Now I only have minutes so I'm trying to move fast, excuse me. Why does this site need to be located in the Journal Square area? Experience in all the cities has shown that SROs are more compatible in areas where they mix residential and commercial uses. The tenants of this facility will also need many other services that Journal Square offers, including access to public transportation, low-cost shopping, and proximity to governmental social service agencies.

Jersey City, I say, is unique in this one way because we know its homeless they don't have-- The majority of these people-- They're congregated in one area, Jersey City's transportation area, and most people view this as eyesore. But they have no other choice. They have no recourse. They can't stay out in the cold and there's not enough shelters, and they're there. The businesses around there sometimes complain, so it's not only State, city and government's problem; it's also an envisual problem also to house these people, get them off the street and get them into a place where they can receive the necessary help and treatment that they need.



My five minutes must be almost up. How will the Journal Square community benefit from this program? Journal Square merchants, businesses, neighborhood residents, schools, commuters, and agencies will benefit positively from this program. You see, the idea of the shelters to help those people to be self-supporting, to get them into the mainstream with things again, to make them responsible citizens, to let them know they're wanted and-- One of the most horrible things that can happen to a person is to have his spirit broken. Perhaps as a clergyman I understand this. When a person has lost their dignity, their self-esteem, the feeling of self-worth, it's very hard.

And you see, it knows no race, no color, no age. As you notice, the homeless now are the young people, children, elderly people, from all walks of life. So it's very important for it to be organized socially because we have an obligation. It's the right thing to do to get these people in the proper place that they might have these support services.

I'm proud to say that friends of the homeless have mandated this program for these people, have put their reputation, their whatever they could give to this project to make it work. And we have not the slightest doubt it will not work. This will work because all its support systems are there to make it work.

And I'd like to appeal to this Committee as you have a joint statement from the clergymen of Jersey City and surrounding areas be made to the press on December 12 to bring to the forefront the need for this project. Hopefully that this will be implemented into the powers that be. We ask you to help and to put your moral support behind this to those who are in charge who can give us the necessary funds to implement this program. And hopefully, someday we can come back to this Committee to let you know what has been done and the progress that has been made.

ASSEMBLYMAN ROMA: Thank you, Reverend. We appreciate your comprehensive presentation.

REVEREND DALE: Thank you.

ASSEMBLYMAN ROMA: Sister Norberta, from the Bishop Mahurter Shelter of the Homeless.

SISTER NORBERTA: Good afternoon.

ASSEMBLYMAN ROMA: Good afternoon. Welcome.

REVEREND MARVIN KRIEGER: Good afternoon. I'm not Sister Norberta, I'm Reverend Krieger. This is Sister Norberta. I assume that most of you are probably tired and getting hungry. The individuals that we work with as co-directors for the shelter for the homeless in Hoboken are continually in that arena. They're individuals who have to sit and wait at social security offices, have to sit and wait in the emergency shelters or in clinics, have to sit and wait in the welfare offices, etc. Oftentimes at the end of their wait, which may be all day long, they are referred to either someone else or some other agency. They come back to us.

By the evening time, in which we see them, they are frustrated, angry, and upset at themselves and at the world and at all of the agencies which they've had to deal with. Unfortunately, many of the individuals who are part of the statewide agencies which deal with these people have already left because they've already testified. The individuals whom we deal with feel that they are left alone and have nowhere to turn; that they're shuffled from one person to another, from one place to another.

So, again, I cannot tell you the anger and the upset feeling in which they have by the time that we see them in the evening, predominantly. And I can't blame them. After seeing the individuals who come to us for dinner in the evening and then for intake and counseling afterwards or even during the day, I'm upset, I'm angry, I'm frustrated. I don't know where to turn to.

I get a call from a detox center saying, "We're releasing so and so, they need a place to stay." They just came from us, now you're putting them back with their "friends" who they've been drinking with or using with, back in the same environment, back into a shelter.

I receive a phone call from St. Mary's or Christ Hospital, the mental health agencies, saying, "I have so and so, they're being released today. Do you have room?" They're being released without medication. They're being released to us without follow-up in many cases. They're being released not being able to cope with the society yet around them, back into a shelter situation.

Shelters were not designed for this. Shelters were not designed as a solution and yet too often they're being used for that. I feel very strongly that the social service agencies are not doing their job either within hospitals or departments releasing individuals within our society. An individual who is 65 years old should not be released from the hospital into a shelter situation. That individual should be given the opportunity, of the social worker within that hospital should be trying to seek a nursing home or some other facility rather than a shelter. And yet it's being done.

Frustrated? Angry? Upset? Yes. Any solutions? A lot of them, but no one, simple answer.

SISTER NORBERTA: Pastor Krieger indicated some of the problems, and one of the things I was thinking about when he was speaking was I have been in the ministry of working with the homeless for six, going on seven years, perhaps, and when I first started working in this shelter it was illegal for hospitals of any kind to release people to shelters. It was totally illegal. And now, of course, it's been legalized because they know the frustration of not having a place for them to go. Many times hospitals hold people longer simply because there's no place for them to go.

Yesterday I spent, probably, five hours trying to convince a social service agency to-- If we could get the person into the emergency room because he refused the help, to look at him and say he's near 80 years old and he's not capable of deciding for himself that he doesn't need the help. He had been back and forth to the emergency room about four times and each time he said, "I'm okay, I don't need any help." His legs and his hands, and perhaps other parts of his body, have swollen so that he can no longer fit into anything for his feet. His hands jut out of his shirt-sleeves because he has heart trouble, very bad heart trouble, and perhaps a failing liver. He is not a drinking person. He is just a simple old man.

There are some solutions. Some people are working on them. To begin with, in our town, we used to have over a hundred SROs, rooming houses, and they serviced the sailors who came in and out of our port-- I'm from Hoboken. But Hoboken saw the light. Perhaps they saw the reflection of Manhattan on the river, and the SROs disappeared. I think we have four if we're lucky today -- rooming houses.

Those rooming houses now are luxury condominiums. We don't have anything but luxury condominiums. We don't have condominiums, we have luxury condominiums. I would venture to say at least 40% are vacant. And of course the owners of those buildings are getting tax credits on the fact that they are vacant.

We need to ban condo conversions. We need to look at how many we really need in one town. We have to look for diversified housing.

Secondly, our service agencies need to be trained to be sympathetic and sensitized to the plight of the homeless person. What Pastor Krieger talked about, happens over and over and over again. It is nothing to tell a person to get there by 8:30, and maybe by 4:00 in the afternoon you will be

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seen. Is that totally the fault of the social service agency? No, they're inundated. They're inundated, particularly those agencies who really try to help people.

I think we need to look at the affordable housing plans. We worked very hard a few years ago in Hoboken to mandate that those people who are converting our existing housing or building new housing to contribute to an affordable housing plan which would set aside affordable housing for people in the city while they were displacing, of course, those very people.

That's on a voluntary basis now and I don't suppose anybody would even smile to note that nobody has contributed to the fund although condos continue to be constructed in our town.

We need to learn from other states and counties and municipalities. The media has done a good job, I believe, in many instances reporting on those municipalities, those counties, those states that have addressed the problem and there are those resources available. I know a few of them, and I'd be glad to share that with them.

I don't think we need to reinvent the wheel. It seems from all the testimony that I've heard that you are interested people and concerned people. And there were a group of concerned and interested people who came today to testify.

finally I think we need to look at some of the very nitty-gritty things. We live in a town that has housed part of the Port Authority. Jersey City houses part of the Port Authority and for my friends in New York City, the Port Authority is doing a great deal of development. I approached them a few years ago trying to get some transportation money to buy tokens, or vouchers, or something to use for homeless people who need to travel back and forth looking for jobs and getting to the hospital. They told me that was impossible. I think we need to call on the private sector to do their share.

Many people through the legislation that has been passed down Federally and statewide have increased their retirement fund enormously without paying too many taxes, without worrying too much about it. We have people who are very happy to look at the existing loopholes to hang onto their tax money. I think we need to look at how these people can be enjoined to help us in the problem of homelessness.

Finally, I think that none of the problems that have been described so aptly today will ever be found to have a solution unless we make a coalition or we make some kind of bonding between the homeless people themselves -- who many times can speak rather eloquently should we ask them -- with ourselves, with the elected people, yourselves. I think with that kind of coalition we could beat this, but if we work by ourselves, or you work by yourselves, or the homeless people try to do what they can do by themselves, probably none of us will succeed very well. So I call on you to form an alliance, form a coalition of people who would reach across the lines of -- between elected, non elected and perhaps some people who are disenfranchised people of this very rich society. And I thank you for your patience.

ASSEMBLYMAN ROMA: We thank you, Sister, and we hope that with that type of input we'll be able to make those recommendations. Thank you, Reverend. David Weiner, CWA Local 1081. Good afternoon.

D A V I D W E I N E R: Hi. It's morning and thanks. Lifelong problems, okay? I am David Weiner, President of Local 1081 of the Communications Workers of America, representing 900 family service workers, investigators, clerks and guards employed by the Essex County Division of Welfare.

I am a family service worker for the past 13 years in Essex County Welfare and I've been -- since March of '88 -- a worker in the Division's centralized homeless unit working with homeless AFDC clients. I am also a board member of Apostle's

House, Right to Housing and I'm also one of the State House 12 alluded to earlier today.

As you know, Essex County has the largest segment of the State of New Jersey's homeless AFDC and SSI population. There appears to be recently an improved coordination between the Department of Community Affairs and the Department of Human Services. However, the focus is almost exclusively upon the increase of shelter components to accomodate the short-term resolution of homelessness. What is direly needed is the construction of affordable housing for low-income families receiving AFDC.

Also necessary is the establishment of a realistic standard of need and the increase of AFDC benefit levels from the present level representing 51% or so from the Federal poverty level.

In Newark, the Newark Housing Authority's imploding of thousands of viable units in the absence of their one for one replacement in a timely fashion, exacerbates the homeless problem. The destruction of 817 units at Scudder Homes was followed by the alleged construction of 103 units at that site. With two years passing now no significant progress other than some pushing dirt around is taking place.

The planned imploding of Columbus Homes representing 1500 units at the cost of \$8 million is miopic at best, especially in light of the fact that only 5000 low income units were financed nationwide.

AFDC rental subsidy funds, that were spoken of earlier, are insufficient and it should not be tied to mandatory training program participation by clients within the much touted but unsubstantiated REACH Program. Each client and his or her family has distinct circumstances that should be evaluated. Homeless clients and their families who have spent months in motels and/or shelters have had their lives disrupted severely and once placed in rental units, should focus upon

such seemingly mundane chores as reestablishing their children's schooling and generally normalizing their households within a new environment. Very often the apartments obtained-- Due to gentrification, the shortage of rental housing stock as well some seedy landlords are deficient and require time, effort, and money to correct.

Subsidies should be available to all AFDC clients indefinitely and at levels sufficient to afford decent abodes. What will our clients do in the spring, as the Public Advocate alluded to earlier when the old subsidy funds are terminated or when these new funds are terminated in a year? Will they go back to the motels when the differential between grant and rent is no longer provided? Where is the safety net?

The same problem, by the way, currently applies to the REACH Program itself. Day-care, transportation, and medical coverage all will disappear after a year or so. One ancillary service, by the way, Martland Shelter, in Newark is not a true emergency shelter. We, for example, in Essex County Welfare had clients referred in the p.m. on 1/19/89 only to be accepted by Martland 1/23/89, for placement 1/24/89. That certainly is not emergency shelter. Martland has a 33% acceptance rate and obviously a 77% (sic) rejection rate, for they get paid whether their beds are filled or not.

Over 24% of the homeless target group, those over 5 months in motels, have been rejected by Martland. The problem, obviously, as you've heard today is multifaceted and complex. What I've said is relatively redundant based upon previous testimony. In a way I think that's a good thing because if you hear it coming from different segments of the community there must be something to what people are saying. I would tend to think so.

A realistic approach, combining increased cooperation between the State and county -- in this case, of course, Essex -- is a prerequisite, as is the acceptance of constructive,



learned -- with all due modesty -- input from those of us who work daily with the homeless in the trenches, as we are apt to say, as well as -- unfortunately, I don't see today -- from the homeless themselves.

As far as the social work, we in Essex County have the only generic workers in the State. By that I mean, in every other county you have an IM -- income maintenance worker -- and a social worker serving the same client. We have a generic worker, or one person. We went back to that several years ago. That's the way it used to be. It's a very good idea. The union supported that. The problem is that the staffing levels, which of course are dictated by budgetary constraints, which in Essex are obvious with the tax rate, etc., etc., make it so that we have the highest caseload in the entire State, of about 150 clients apiece doing both functions.

So, when the Public Advocate or others allude to problems that -- not getting services, it's very difficult to give clients anything other than checks, food stamps, adding babies, deleting babies, on and on and on. You just don't have the time or the resources to do what we used to call the "fly boy social work."

So, and of course, not being political, but with the Governor's failure to fully fund Senator Lipman's Welfare Equalization Act it has deprived Essex County of a lot of money, which makes the problem even greater.

I like the idea of forming a network, that I think -- I'm a little tired, too -- that I think I heard earlier where perhaps you can get all these groups to form something directly with the State for ongoing input. I thank you for your time. I did not have it typed, I apologize, and you won't be able to read this anyway.

ASSEMBLYMAN ROMA: Thank you for your presentation and your patience.

MR. WEINER: Thank you.

ASSEMBLYMAN ROMA: Kathleen J. Stanton, the Inter-Religious Fellowship.

KATHLEEN J. STANTON: As you may note, I'm not on your list, but something happened and I had written about testifying today. I'm with the Inter-Religious Fellowship for the Homeless of Bergen County and I have with me Marilyn Pettinati who is the Director of -- what?

MARILYN PETTINATI: Core Services.

MS. STANTON: Okay, and works with the Bergen County shelters. She is with CAP, the Bergen County Community Action Program there.

In Bergen County we have a very large organization of religious groups. We now have about 152 of the potential 430 religious congregations in the county who have bound together to work toward alleviating the plight of the homeless in the county.

People say, "We have homeless in Bergen County?" And we do, we most definitely do. The Fellowship-- Perhaps the most important thing that is happening because we now run three different sheltering programs, is bringing all these various people from the religious congregations to meet and to know firsthand who the homeless are and what their problems are. And as our group grows and our number of shelters grow, they're beginning to understand that this is a real Bergen County problem and it really is a housing issue in Bergen County.

We have about 32 congregations that area sheltering nightly, one night a week for about three months, and they're sheltering homeless individuals. We have a family shelter which is an emergency family shelter which is run in one religious facility, but different congregations on a rotating basis work with those families. We now have 13 transitional apartments that we have funded through -- actually a HUD grant and this was the Community Development funds that came into Bergen County and that has enabled us -- and our goal is to have 18 apartments.

We found it is very difficult to run these apartments. It's difficult to get landlords to rent even to us, and we have a very good track record so this is, we feel, a very good program but a very difficult one to do.

We've run into some problems as we deal with our families, and I just wanted to mention these to you. One of the problems coming up right now is that we have families that are slated for the Section-8 housing, and we've been told that there is no more money available. So families are being held up in the transitional apartments ready to move on, ready to take their lives into their own hands and really to do something with it, and we're stuck. They just can't make that jump into their own housing.

As has been mentioned here, there's a great need to get all the various community services working together. Our relationship with the Bergen Community Action Program has been a wonderful marriage of two agencies. They do the professional services with all the families that we shelter and we provide the resources and the volunteers. I guess we said we have over 2000 points of light in Bergen County that are working with these people.

One of the major issues in the county and I know everywhere is child care. We have families, again, they've done their training, they've been part of the REACH Program, they've gone through our programs and what has stopped them dead in their tracks is child care. It's just a really serious problem, and I think that it's something that really has to be addressed.

We also are finding that medical care is a problem. Just recently a conference was held by and it was initiated by Holy Name Hospital and I thought, "Oh good, they're finally concerned about the health cares of the homeless." No, they wanted to know what to do with the homeless people that are sitting in their hospitals and in their emergency rooms and

crowding them because these people have no place to go. So that didn't work out the way we had hoped, but it has started some conversations that perhaps will be able to solve some of the problems connected with that.

A major problem I think in Bergen County, and is elsewhere, is to get the business community to understand that this is their problem. I heard mentioned that labor predicts that there is going to be a shortage in the labor force. There are jobs going wanting all over Bergen County. Walk in a mall and you see "Help Needed." But you cannot afford to live in Bergen County for the wages that they're being paid, and we've got to get the business community to understand that this is a problem for all of us.

I'd like to ask Marilyn to speak more directly to-- I've mentioned families; she can relate better with the individuals.

MS. PETTINATI: My name is Marilyn Pettinati, I'm the Director of Core Services for CAP and I've also worked at Covenant House in New York with runaway children as a social worker. So I've worked directly with the clients, and I've also worked in the administrative aspect of it.

Ours is a very individualized, contractual program designed for each client. We do not have a time when the client has to leave the shelter. We try to arrange it individually. Our average length of stay is 16 days, but that's only if you calculate your statistics monthly. If you do it annually, our clients are sometimes there over 30, when you count your recidivists. And we do have about a 30% recidivist rate.

We shelter approximately 118 people a night in Bergen County. And that by no means is helping everyone. In Bergen County we have about 2800 homeless, plus there are so many homeless we can't count. You look for a figure, it's very

difficult. You have to be able to calculate and inculcate into those figures that couch homeless, people who do not want services. We also have a drop-in center for those individuals.

Our goal, of course, is to help the individual leave the shelter and get independent living, or into a substance abuse facility if needed, or a mental health group home, if necessary, and of course into any aspect of individual, independent living. We have a tremendous amount of problems in Bergen County getting them into independent living because there just isn't any affordable housing as you know, and our boarding houses are very limited now. Even our health care facility-- We have a gentleman in the shelter now who is 71 years old and he has difficulty walking. I was told that even though he is on SSI and could go into a health care facility because he's collecting Medicaid he'd have to live upstairs, and there's no way for him to walk up the steps. So he remains in the shelter, which is completely ludicrous.

We've had people with-- They're not sick-- They're not capable of going into a health care facility, but it's okay for them to live in the shelter. It just doesn't make any sense.

During a random sample of figuring and statistics that we took and we take over a period of time because you know we get groupings of people-- Types of people sometimes in a shelter, approximately 57% of our people have mentally ill problems. These are not the extreme mentally ill. At times they will have psychotic episodes, but most of the time, these are moderately mentally ill, borderline personalities, antisocial personalities, 43% substance abusers, 26% -- a myriad of medical problems, people who have the same kind of disabilities and problems that the regular society has, complicated by problems with AIDS and infestation, and just basically malnutrition, and are not able to take care of themselves properly.

Fifty percent of the hospital intakes of mentally ill people were also substance abusers, so we have a combination here of problems of the mentally ill chemical abuser.

Our people have every disability known to mankind and what we're faced with here and one of the reasons I wanted to speak today was that to talk about an antiquated human services field or agencies that are monolithic bureaucracies that are really able only to serve one particular dimensional -- one problem instead of these multitudinous problems that our clients have.

Many of these bureaucracies have conflicting mandates, so that for instance if you're mentally ill-- If I send a client who is mentally ill to a mental health agency, they won't take him if he's also an alcoholic or a drug user. If I send somebody to a substance abuse facility for intake, and they display any sign of mental illness, they are not acceptable. If I send them to the hospital -- and I know that now they're opening the doors a little bit -- but still and all the homeless suicidal categorization is very much in place. And I have a tremendous amount of problems getting clients into hospitals. And so you sit there and you concern yourself-- You feel like you're not doing anything. You're working everyday. You're there everyday and your people get-- One of my case managers said to me, "I don't feel like we're doing anything." I said, "Well, at this point in time if you keep people alive one day longer, you have to think that you're doing something, because something may open up."

One of the things I think we're having a problem with also in our hospitals is people's rights versus their need for help. We're kind of really getting involved with civil rights here and I think it's very important but we also have saved people who are-- We don't want to give them the right to freeze to death either. We want to be able to help them so that when they reach that point we'll be able you find

hospitalization to help them so they won't decompensate out in the streets and in the shelters.

So basically what I'm asking for here-- Oh, I also wanted to mention welfare. This is one of the major things I wanted to bring up. In 1987, three of our individuals got welfare. They have torcherous lists of requirements that people who are not domiciled, and even are domiciled, it's very difficult to get together all these lists of requirements that they really need: birth certificate, social security, your last four months job stubs, medical statements, marriage license, divorce decrees. I mean, by the time the client gets all the stuff together he is so fed up and he's probably ended up arguing and decompensating in the shelter, so that he is angry -- as the Reverend said before -- and ends up getting himself into an argument with another client and putting himself out of the shelter.

It's a very terrible problem, and one of the things I'm really begging you for is a system where we can help each other and that the agencies join together to help clients who have various types of problems. Certainly if a shelter can bed down people with every known illness to mankind, an agency with professional people in there can take in people with different problems and help them. We need more of a kind of supermarket approach to this thing because problems are getting too complex and we have to open up the doors, otherwise this is like a blight that's going to affect everyone. Thank you.

MS. STANTON: Thank you. We refer you to the Bergen County CAP report.

ASSEMBLYMAN ROMA: An excellent report. I'd also like to bring to your attention there are three day-care initiatives that you might want to take the numbers of: A-485, A-1063, and A-3335. And it's a combination of partnership trust, corporate day-care, and also a partnership private individual type day-care so it is a means of addressing that day-care issue.

MS. STANTON. Thank you.

ASSEMBLYMAN ROMA: You're quite welcome.

MS. STANTON: I've gotten the Junior League in Bergen County is going to start-- I think I've gotten them working on the day-care issue and I will refer this to them.

ASSEMBLYMAN ROMA: Thank you for coming down.

MS. STANTON: Thank you.

ASSEMBLYMAN ROMA: Sandy Clark, New Jersey Coalition for Battered Women.

S A N D Y J. C L A R K: Good afternoon. Just a little about the Coalition. The Coalition is a private nonprofit group organization and we represent the network of programs for battered women in New Jersey. We heard very late about the public hearing, therefore, I do not have written testimony for you today and I'll just be making a few points. We would like, however, to submit testimony regarding the problem of homelessness as it applies to battered women.

In a lot of ways you cannot separate out battered women from all the other problems that homeless people face. Additionally, some of their problems sometimes are complex also. They involve mental health problems, sometimes substance abuse problems.

But probably the biggest difficulty for battered women is that they're in a situation oftentimes that they have to get out of one situation or their home in order to protect themselves from physical harm, sometimes also to protect their children from physical harm, and to separate themselves, unfortunately, sometimes from the perpetrator of the violence.

And housing, of course, as you might guess, is one of the biggest obstacles that battered women face. When they make a decision to establish an independent and violence free life, they oftentimes have not been working, are financially dependent on the perpetrator, and find themselves in a whole



totally new world that they may or may not be in that point in time able to handle, particularly given the trauma of the situation that they are leaving.

A lack of affordable housing is one of their biggest obstacles in establishing that kind of independent life. I would want to say that we've heard a lot about shelters and emergency shelters not being the solution. That's certainly the case. But I think in some problems, in terms of crisis intervention purposes, emergency shelters certainly do have their place. And we believe that in the situation of domestic violence, this is one of them.

We might have a situation where a woman needs to go from a violent situation to emergency housing or residential housing with some staff that are trained to help her with her particular problems. We do not as yet have emergency shelters for battered women in every county in the State and certainly what we do have is not adequate to meet that crisis problem that battered women face.

Some of our programs have been able to secure apartment buildings to provide transitional housing for battered women and some battered women need that kind of not only affordable housing but also support until they can make that transit into a different kind of life style. So I just point that out as something very useful for victims of domestic violence.

But all and all the big problem is the same that you've heard here today regarding adequate welfare levels and regarding just the lack of housing out there for anyone to move into. So for a battered woman, what this often means is returning to an abusive relationship that she really would like to get out of because there is no other way to house, feed, and clothe herself and children other than to get back into a dependent financial situation with the perpetrator. Certainly we see this as a very critical problem. We appreciate your efforts to find good solutions. Thank you.

ASSEMBLYMAN ROMA: Thank you for being with us. Is there anyone else who is left to testify? I saw a couple of people walk in the room. Have we reached everybody? (no response) If not, are there any comments from the Committee?

ASSEMBLYMAN GILL: Just one, Mr. Chairman. I would like to commend you for the professional way you handled this meeting and for expediting this very lengthy but meaningful agenda and allowing everyone an opportunity. And I'm certain that you will reschedule another meeting or schedule another meeting as soon as possible so we can continue with our work.

ASSEMBLYMAN ROMA: Thank you. I'd like to thank everybody for being here and as Assemblyman Gill indicated this is the first meeting. We're going to have additional meetings. Perhaps we can have them in different parts of the State. We can talk about that. But I think it's a good idea preliminarily to get the information that we need, and this is the only way to do it, having the input from the public that we need for recommendations. I'd also like to thank everybody for their patience, also the Committee. We sat here, you sat there and, quite frankly, I think you understand that it is a long process. We set up the list to try to expedite everybody, but even with that, it turned out to be a long hearing. But it is an important hearing, so we're willing to stay here just as you were. I'd like to thank everybody that participated, Deb Smarth from Majority and also Norma Svedosh from the OLS Services. Thank you for all being here and we will conclude this meeting. Thank you.

(HEARING CONCLUDED)



## APPENDIX



FACT SHEET

DROP-IN CENTER/SINGLE ROOM OCCUPANCY FACILITY  
NEAR JOURNAL SQUARE TRANSPORTATION CENTER

WHAT PROBLEM ARE WE PLANNING TO ADDRESS?

An estimated 180 homeless people are reported to be "living" in Journal Square in doorways, cars, alleyways, and at the Port Authority's Journal Square Transportation Center. As evidenced in a Port Authority research survey, this homeless population lacked not only basic food and shelter but also suffered from severe medical and emotional problems.

This homeless population requires assistance from trained clinical professionals that will help them obtain shelter, medical care and specialized treatment services. Due to their disabilities, this group desperately needs an affordable permanent housing environment that will provide supportive services to assist them in daily living.

WHAT IS THE PROPOSED SOLUTION?

Negotiations have been held between Jersey City's Department of Housing and Economic Development, N.J. Department of Community Affairs, Port Authority and advocates for the homeless to develop a 70 unit Single Room Occupancy facility with an on-site Drop-in Center (SRO/DIC) near the Journal Square Transportation Center.

This facility will provide permanent affordable housing and offer meals, medical care, case management and clinical services to both tenants and other homeless people in need of help. Housing assistance will also be available to place the homeless in emergency shelter and other available housing programs.

WHO WILL PAY THE COST OF ACQUIRING THE SITE AND OPERATING THE PROGRAM?

The N.J. Department of Community Affairs and the Port Authority of N.Y./N.J. have offered commitments to assist the City in the facility's acquisition and renovation cost which is estimated at \$4 million. The City will negotiate to receive funds from the N.J. Department of Human Services and the federal government to fund operating costs. The City's share will be raised from voluntary affordable housing contributions from waterfront developers and repayment of federal grants given to private companies. NO CITY TAX DOLLARS WILL BE USED TO ACQUIRE AND RENOVATE THE FACILITY.

WHY DOES THIS SITE NEED TO BE LOCATED IN THE JOURNAL SQUARE AREA?

Experience in other cities has shown that SROs are more compatible in areas with a mix of residential and commercial uses. The tenants of this facility will also need many of the resources that Journal square offers, including access to public transportation, low cost shopping and proximity to government/social service agencies.

The other advantage is that this program is targeted to impact upon the existing homeless population at Journal Square by helping them obtain emergency and long-term housing.

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HOW WILL THE JOURNAL SQUARE COMMUNITY BENEFIT FROM THIS PROGRAM?

Journal Square merchants, businesses, neighborhood residents, schools, commuters and agencies will benefit positively from this program.

At the DIC/SRO, the homeless will receive meals, medical care and case management to assist them in finding more permanent places to live. The program will offer the homeless a positive alternative to living on the streets and will gradually reduce the homeless population "living" at Journal Square.

WILL THIS PROGRAM BECOME A SHELTER?

No. This will be a supervised permanent affordable housing residence offering social and medical services on-site. The Drop-In Center will be open daily to help the homeless locate alternative shelter.

WILL THIS FACILITY ATTRACT MORE HOMELESS TO JERSEY CITY?

No. Jersey City already has a substantial number of homeless people. St. Lucy's Shelter in downtown Jersey City has provided shelter to over 2600 people in just 18 months. In addition, over 180 people are estimated to "live" in the Journal Square area. Shelter intake records have shown that the overwhelming majority of these people lived in Jersey City prior to their homelessness.

The program will ultimately reduce the homeless population by providing the clinical services to promote their self-sufficiency and through referrals and advocacy to locate and obtain emergency and long-term housing.

WHAT WILL HAPPEN TO THE HOMELESS IF THIS PROGRAM IS NOT APPROVED?

The homeless problem will not go away. Moreover, the Port Authority has developed new regulations which prohibit the homeless from eating, sleeping or storing possessions at the JSTC. If the DIC/SRO is not operable at the time these regulations are implemented, the homeless will be forced to spread out into the Journal Square community and find shelter in increasing numbers in business doorways and other unprotected areas. The physical condition of these people will continue to deteriorate causing serious medical problems. The personal hygiene of the homeless will also decline.

WON'T THE CITY LOSE TAX DOLLARS WITH THIS PROJECT?

In addition to no loss of City property tax revenue to finance the cost of acquiring and rehabbing the program site, the City will realize a tax savings in several ways. First, this program will help move eligible people off local taxpayer supported welfare programs and onto federal entitlement programs. Second, the program will help to provide vocational rehabilitation for eligible homeless clients. Thus, these people will be able to work and contribute financially to the community. Third, the cost of City services will be reduced. Present levels of police and emergency medical services used to assist the homeless will no longer be required. Also, because the program will have staff at all times it will actually add to the safety of the area. Fourth, the program will pump revenue into the Journal Square economy by purchasing supplies and services such as printing, food, laundry, office and program materials.

WHO CAN I CONTACT IF I WANT TO HELP?

Contact Toby Weiss at 201-432-8178, or write c/o Community Companions 880 Bergen Ave. Rm.604, Jersey City, N.J. 07306.





ASSISTING

PEOPLE

IN

CRISIS

A Report on the New Jersey Homelessness Prevention Program

For Fiscal Year 1987

New Jersey Department of Community Affairs

3x



## INTRODUCTION

Each year more than 130,000 summons for evictions are issued to renter households in New Jersey. Every month approximately 1,000 families who fail to resolve these evictions in court are actually locked out of their homes.

Emergency shelters are overflowing and continually turn away homeless people.

Consequently, families are doubled up, tripled up, broken up, victimized and abandoned.

Clearly, a new assault on the crisis of homelessness must be launched. A fresh assessment of present efforts expended on behalf of homeless people reveals that more must be done, but more funding for programs is only part of the answer. A new commitment to strategic planning and coordination of the variety of services to the homeless coupled with additional financial resources will enable us to resolve this growing crisis.

The Department of Community Affairs' Homelessness Prevention Program seeks to address the problem of homelessness before it becomes hopeless. Working in close collaboration with County Welfare and Youth and Family Service agencies the Program refers eligible households thereby avoiding duplication of services. For individuals and families

- 4x

who are ineligible for Emergency Assistance, the Program represents the only alternative to homelessness for thousands of people every year.

The Program has created an effective link with the Section 8 Housing Programs and places several hundred families each year in this long term federal subsidy program.

Recently the Homelessness Prevention Program's Field Staff have been designated as coordinators at the local level for the Comprehensive Homeless Assistance Plan in conjunction with the programs funded by the Stewart B. McKinney Homeless Assistance Act.

## ASSISTING PEOPLE IN CRISIS

Homelessness is a life-threatening condition. Besides being subject to the mercy of the elements, homeless people are often prey to criminals in search of easy victims. Yet, homelessness threatens not just their physical well-being. Children go from school to school and often are deprived of any education for long periods of time. Adults, too tired from the tasks required to survive, tend to lose their jobs. Families split up. While adapting to chaotic and nomadic conditions, people tend to lose normal skills of behavior and social interaction. Quite often, reality is too much to bear and its victims simply lose touch with it. To paraphrase Hobbes, life on the streets, in parks and in transit stations is "solitary, poor, nasty, brutish and short. 1.

In a departure from the Hobbesian nightmare, all people are not equal in this latter day state of events. Some are clearly more vulnerable than others. For this reason, the Homelessness Prevention Program has developed a system of seven priority selection categories. Their purpose is to give special consideration to those in greatest danger.

The Program's policy is to make its services available to all eligible New Jersey residents while recognizing intrinsic differences. As a result, its outreach efforts emphasize the top priority selection

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1. Thomas Hobbes, Leviathan, ed. by C. B. MacPherson, Harmondsworth, Eng.: Penguin, 1986, p. 186.

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categories. When resources are scarce (funds, rental assistance or staff time), and they usually are, the staff makes every effort to assist the most vulnerable first. Referrals and placements into the Section 8 Rental Assistance Program of the Bureau of Housing Services are perhaps the best reflection of this commitment.

TABLE I  
SUMMARY CHARACTERISTICS OF ASSISTED HOUSEHOLDS

CATEGORY	HOUSEHOLDS NUMBER	PERCENT	MEAN AGE*	MEAN FAMILY SIZE	MEAN MONTHLY INCOME	MEAN RENT	I**
Disabled	276	12.1	42	2.47	\$550	\$401	.8925
Elderly	51	2.2	66	1.59	632	363	.6519
Domestic Violence	74	3.3	29	3.30	660	436	.8068
DYFS Referral	109	4.8	32	3.95	693	535	.7667
Single Parent	1134	49.8	32	3.35	623	407	.7843
Two Parent	405	17.8	33	4.30	939	485	.6800
Adult Household	226	9.9	39	1.41	735	389	.7361
Singles***	286	12.7	43	1.00	539	349	.8683
Program	2277	100.0	34	3.20	687	418	.7723

\* Mean age of head of household.

\*\*I = mean ratio of rent to income.

\*\*\* Singles was not a priority selection category. Single individuals were classified according to other criteria (disability, age, etc.). To avoid double counting, their numbers are not included in the Program total.

As Table 1 and the preceding pages suggest, almost all Homelessness Prevention Program clients find themselves in dire need of rental assistance. Unfortunately, the number of subsidies (Section 8 Certificates, Vouchers or public housing units) does not even approach the number of needy (let alone income eligible) households in New Jersey. It is a well known fact that most public housing agencies have waiting lists which, in the absence of new applications, would require six months to five years to exhaust. At any given time, upward of 90 percent of Bureau of Housing Service's administered certificates and vouchers may be under contract, the remainder are almost always certified. Thus, even though Bureau of Housing Service's administrative plan gives preference to Homelessness Prevention Program clients (most of whom are within Section income guidelines), 2. only a very small number can be served. Under these circumstances, the Program's policy has been to refer primarily the neediest top priority households for immediately available slots. As a result, clients in the top two categories (Disabled and Elderly) comprised over 75 percent of FY 1987 rental assistance referrals; together the top five categories accounted for more than 95 percent of these referrals.

This report will define each priority selection category in order to identify its specific problems. Keeping these in mind, the discussion will focus on some of the relevant characteristics of the households covered by each assistance category. Furthermore, this report will also

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2. Federal Section 8 guidelines prescribe that households with incomes below 50 percent of their area median are income eligible for rental assistance.

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address the problems of single adults, a population which overlaps several Program assistance categories. Our general goal will be to examine the diversity of the homeless population, not to assign casualty to specific demographic characteristics.

TABLE II  
DISTRIBUTION OF PROGRAM DISBURSEMENTS

CATEGORY	MEAN	PERCENT	TOTAL
Disabled	\$1115.48	11.7	\$307,873
Elderly	931.04	1.8	47,483
Domestic Violence	1141.93	3.2	84,503
DYFS* Referred	1034.85	4.3	112,799
Single Parent	1065.87	46.1	1,208,691
Two Parent	1532.83	23.7	620,797
Adult Household	1064.37	9.2	240,547
PROGRAM	1152.83	100.0	2,622,693

\*Division of Youth and Family Services

#### Disabled Households

The Program does not distinguish between physical handicap and mental disability in order to determine priority consideration. For its purposes, any household including a disabled person, whether this person is an adult or not, is a disabled household. 3. Many disabled people

3. Under Section 8 guidelines, designations such as "elderly" or "disabled household" are applicable only when they describe the head of household. In effect, then, the presence of a disabled minor is not sufficient to designate a household "disabled."

are largely unable to care for themselves when they become homeless. Many require special treatments, medication or therapy which are not easily dispensed on the street. Many will always be unable to seek and hold employment. Some are unable to move about easily. Under the severe stress of homelessness, a few may become a threat to themselves.

Even at this late date, many people feel that mental illness constitutes the parameters of homelessness. This notion is conceptually and factually erroneous. Deinstitutionalization results in homelessness only when affordable housing and community support facilities are insufficiently available. Indeed, the overwhelming majority of the deinstitutionalized mentally ill are not homeless and, while it is conceivable that homelessness may cause mental illness, most homeless people are not mentally ill. Nevertheless, poverty may exacerbate the effects of mental illness. As a result, the mentally ill are especially vulnerable to changing housing market conditions (rising rents, contraction of supply, especially single-room occupancy units). 4.

Our Program experience appears to confirm these observations. Only 12.1 percent of assisted households included one or more disabled people. While no separate record was kept, staff observation suggests that fewer than two fifths of Disabled Households included a mentally ill person. Fewer than five percent of all applicants could be identified as

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4. This discussion owes much to H. Richard Lamb, "Deinstitutionalization and the Homeless Mentally Ill," pp. 262-78, in Housing the Homeless, ed. by J. Erickson and C. Wilhelm, New Brunswick, N.J.: Rutgers University, Center for Urban Policy Research, 1986.

mentally ill. 5. Indeed, the majority of our disabled clients were more like Mr. and Mrs. G.

The G.'s had lived for many years in a public housing development in a large urban area. Mrs. G., a victim of multiple sclerosis, was confined to a wheel-chair. Often, other people in the area subjected her to intense harassment. Having heard about the economic boom along the Route 1 corridor, the G.'s decided to relocate in search of better living conditions and a better job for Mr. G. Unfortunately, he was unable to secure better paying employment. When they approached the Program for assistance, Mr. G. was not earning substantially more than the minimum wage and they had been living for months in a motel. The Program was able to assist them with first month's rent, security and a referral for a Housing Voucher.

In the period covered by the FY 1987 data, the Homelessness Prevention Program assisted 276 Disabled Households (12.1 percent) at a total cost of \$307,843 or \$452.05 per person. In fewer than half these households, the disabled person lived alone. Nearly one third of these households included children.

At least one person, often the disabled person, was employed in the plurality of Disabled Households. While only 15.9 percent of

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5. Disabled people were generally the object of a referral from a specialized agency. In some cases, Program representatives referred clients to those agencies.

Disabled Households relied exclusively on wages, another 12.1 percent supplemented wages with another source of income. Nevertheless, 90 percent of Disabled Households (75 percent of those employed) had incomes below the average poverty threshold (\$11,203). In short, Disabled Households were the poorest of our clients.

TABLE III  
INCOME OF DISABLED HOUSEHOLDS

SOURCE	HOUSEHOLDS		INCOME	
	NUMBER	PERCENT	MEAN	MEDIAN
Wages	44	15.9	\$9426.84	\$9561
Social Security	36	13.0	5708.75	4938
Aid for Dependent Children	21	7.6	5160.71	5016
Unemployment	5	1.8	6353.60	5472
Supplemental Security Insurance	35	12.7	4436.46	4524
General Assistance	25	9.1	2578.00	2400
Other*	110	39.9	7655.78	7192
All Sources	276	100.0	6602.54	5580

\* Includes temporary disability, child support and combined sources.

Much as the general client population, 6. Disabled Households most frequently reported that loss of income and household break up had resulted in a inability to meet housing costs. However, this population

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6. See p. , above.

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also was especially vulnerable to changes or delays in benefits and medical expenses.

Considering that, on the average, rental costs amounted to 89.3 percent of household income, it is not surprising that benefit actions and medical expenses made significant a difference to these households. Given their relatively high incidence of dependence on public assistance and their health status, it is only surprising that more Disabled Households did not see these factors as the immediate causes of their impending displacement.

TABLE IV  
DISABLED HOUSEHOLDS: CAUSES OF DISPLACEMENT

<u>CAUSE</u>	<u>FREQUENCY</u>	<u>PERCENT</u>
MEDICAL	22	8.1
UNEXPECTED	9	3.3
DELAYED BENEFITS	27	9.9
LOSS BENEFITS	14	5.1
REDUCTION BENEFITS	5	1.8
INCREASED RENT	2	0.7
GOVERNMENT ACTION	6	2.2
BREAKUP	32	11.7
DISASTER	7	2.8
OWNER OCCUPY	12	4.4
LOSS INCOME	66	24.2
THEFT	11	4.0
ILLEGAL ACTION	8	2.9
OTHER	52	19.0

In short, the special characteristics of the disabled population make it particularly vulnerable in New Jersey's housing crisis. While disabled people are not the norm among the homeless, let alone this Program's clients, their specific problems make homelessness especially critical. The Homelessness Prevention Program sought to contribute to New Jersey's efforts to protect its most vulnerable citizens by providing

temporary housing assistance and, whenever possible, facilitating long-term relief from disproportionately high housing costs by prioritizing the disabled homeless for assistance from the Section 8 Housing Program.

#### Elderly Households

Under the Program's criteria, any household including a person aged 62 years or over is an Elderly Household. During the period covered by the FY 1987 data base, the Program assisted 51 such households (2.2 percent) at a cost of \$47,483 (1.8 percent) or \$586.21 per person.

Generally speaking, the elderly were in a better position to afford their housing costs than any other client group. Rent amounted to 66 percent or less of income for half the assisted households in this category. One fourth of them paid less than 42 percent of income toward housing. The average Elderly Household faced rents amounting to 65 percent of income. While, by most standards, our elderly clients' rents were out of proportion to their incomes, they were still significantly less burdensome than those of the assisted population as a whole (77.2 percent). Elderly Households were more likely to have lived in the same unit for extended periods. As a result, their mean housing payments were nearly 14 percent lower than average.

15x

Although state law provided for special protection of the elderly and disabled from conversions and renovations, many of them did not benefit from this status. Mrs. B. was one such person. When a friend contacted the Program on her behalf, she was 74 years old and had lived in a residential hotel for more than a decade. The owner of this facility apparently was attempting to avoid his obligations by forcing its poor, elderly and disabled tenants to relocate. He provided insufficient or no heat, turned off or did not repair the elevator and generally harassed the residents. While, under normal circumstances, the Program would have only referred Mrs. B. and her neighbors to Legal Services, it was clear that given her age and frailty she was facing a life-threatening situation. Fortunately for all involved, a landlord known to the Program had an appropriate vacancy. The Homelessness Prevention Program assisted with her relocation and facilitated her acquisition of rental assistance.

TABLE V  
INCOME OF ELDERLY HOUSEHOLDS

SOURCE	HOUSEHOLDS		MEAN	MEDIAN
	NUMBER	PERCENT		
Wages	10	19.6	\$8182.40	\$7752
Social Security	22	43.1	7016.91	6354
UIB	2	3.9	3960.00	3960
SSI	4	7.8	4488.00	4428
Other*	12	23.5	8990.58	7068
All sources**	51	100.0	7583.43	6360

\* Includes pension plans and combinations of sources.  
\*\* Includes unavailable income source data.

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Social security benefits constituted the only source of income for 43.1 percent of Elderly Households. Another 13.8 percent supplemented their benefits with another source of income. Approximately one fourth of Elderly Households included at least one employed person. Someone had worked within the preceding year in 54.3 percent of these households. Nevertheless, the elderly ranked fifth among Program assistance categories in terms of mean income.

Although some assisted elderly people lived with a spouse, children, grandchildren or an unrelated adult, most (75 percent) lived alone. Slightly more than half of them (54.9 percent) were women and one fourth were 74 or older. Thus, the elderly tended to live alone and to be quite old and frail. Their relatively low incomes compounded the difficulties due to their specific characteristics. As a result, the elderly were especially vulnerable to events ensuing in the removal of their homes from the rental market: 18 per-cent reported that an owner wished to occupy their unit, 8 per-cent reported a natural disaster or a fire and 8 per-cent claimed that an action by a governmental body had resulted in their displacement. Any person faced with such eventualities would have been in a quandary. For low-income elderly people with no one to turn to, these were severe life-threatening problems. The Homelessness Prevention Program sought to protect this vulnerable population group.

Victims of Domestic Violence

Historically the Homelessness Prevention Program has worked closely with battered women's shelters and agencies. In the period of the FY 1987 data base, the Program disbursed \$84,503 (3.2 percent) to assist 74 referred Domestic Violence Households (3.3 per cent) at a mean cost of \$346.32 per person. Furthermore, the Program facilitated Section 8 rental assistance for about one third of these households and provided referrals without disbursing funds (many were eligible for Emergency Assistance) for another nine Domestic Violence Households.

Victims of domestic violence were at least circumstantially different from the general assisted population: in an immediate sense their homelessness was not due to family financial difficulties. Ms. H., for example, had been married for 30 years to a man who, upon retirement, started drinking heavily. Alcoholism led to severe physical abuse requiring extensive medical attention. Ms. H., who had never sought social services or received public assistance, turned for help to the local public housing authority. This PHA referred her to the Homelessness Prevention Program. After directing her to a specialized domestic violence agency for services and emergency shelter, the Program assisted in her relocation.

In most cases, however, specialized agencies were the source of the referral after the victim had decided to leave the abusive situation. Many required intensive medical care, all required crisis intervention services followed by extensive counseling. As most victims

- 18x

of domestic violence were unable to afford relocation, Homelessness Prevention Program intervention became crucial to efforts aimed at breaking the cycle of violence. In the absence of housing assistance, these women and their children would have had little choice but to return to environments where the recurrence of violence was nearly a certainty.

Indeed, most domestic violence victims had been economically dependent on their abusers. While slightly more than half of Domestic Violence Household heads were employed and nearly half relied exclusively on wages their mean earnings were 11 percent below the average poverty threshold.

TABLE VI  
INCOME OF DOMESTIC VIOLENCE HOUSEHOLDS

SOURCE	HOUSEHOLDS		MEAN	MEDIAN
	NUMBER	PERCENT*		
Wages	36	48.7	\$9,991.67	\$9,372
AFDC	31	41.9	4,906.10	4,848
UIB	1	1.4	6,480.00	6,480
Other**	6	8.1	11,255.30	9,312
All sources	74	100.0	7,916.23	6,480

\* Does not add up to 100% due to rounding off.

\*\* Includes child support, temporary disability and combined sources.

-19x

As 76.7 percent of these employed women held either clerical, domestic or home health aid or food service jobs, it was not surprising to find that 75 percent earned below poverty wages. Generally ineligible for Emergency Assistance, these employed women had a special need for Homelessness Prevention Program assistance.

The Domestic Violence category also encompassed the highest rate (32.4 percent) of people who had not been employed in the preceding 12 months. As a result, 42 percent of the households in this assistance category had to make due with Aid For Dependent Children benefits. This high rate of dependence on public assistance only served to compound the difficulties they faced.

In a very narrow sense, housing is not the central problem facing victims of domestic violence. However, when leaving the abusive situation becomes the only solution, as it often does, then the absence of alternative housing may be transformed into the most serious barrier facing these women. Specialized shelters provide an indispensable element in the resolution of this problem. However, in the absence of permanent housing, going to a shelter constitutes only a temporary respite.

The Program sought to participate in efforts to break the cycle of violence by assisting in the relocation of victims to safe and affordable housing and in some cases, enrolling them in Project Self-Sufficiency to enable them to upgrade their employment skills.

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20x

Families in Danger of Breakup Due to Homelessness

As homelessness is especially threatening to the welfare of children, state policy has long faced a dilemma over the appropriate course of government intervention in this situation. Is it not the duty of society to protect these children? Should the pain of separation be added to the trial of homelessness?

While the stated policy of the Division of Youth and Family Services (DYFS) has been to avoid foster placement of the children of homeless families, that agency has not always been able to do so. Since its inception, the Homelessness Prevention Program has worked to make available the only fully satisfactory solution to this dilemma: forestalling family homelessness. In conjunction with this position the Program has assigned a high priority ranking to DYFS referrals of households facing imminent foster placement solely due to homelessness. In the period of the FY 1987 data base, the Program assisted 109 such families (4.8 percent of assisted households) at a total cost of \$112,799 (4.3 percent) or \$261.72 per person.

Almost all assisted households in this category (98.2 percent), 7. were actually homeless when they contacted the Program. Women headed 77 percent of these households. The average household size in this category was 23 percent larger than the average of the assisted population. In short, DYFS referrals were mostly single parent households headed by women.

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7. Another 62 households referred by DYFS applied but were unable to locate suitable housing in this period.

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Although nearly half the households in this assistance category included at least one employed person, more than three fourths had incomes below poverty level. Half these households had incomes of \$6,972 and one fourth had to make do with less than \$410 per month. As a result, they lived in units where the housing payment, on the average, was the equivalent of 76.7 percent of income.

TABLE VII  
INCOME OF DYFS HOUSEHOLDS

SOURCE	HOUSEHOLDS		MEAN	MEDIAN
	NUMBER	PERCENT		
Wages	44	40.4	\$10,833.00	\$10,040
Social Security	2	1.8	10,206.00	10,206
AFDC	40	36.7	5,068.90	4,848
UIB	2	1.8	8,448.00	8,448
SSI	1	.9	2,400.00	2,400
Other*	20	18.4	9,418.85	8,222
All Sources	109	100.0	8,325.61	6,972

\* Includes temporary disability, child support and combined sources.

Nevertheless, by Program standards, DYFS-referred households were generally "average" in terms of income, education, affordability of rent and employment status. Only the imminent possibility of foster placement made these households different from the rest of the assisted population. Often, in cooperation with DYFS staff, the Program provided the only alternative to foster placement.

22x

### Single Parent Households

If there was a "typical" client household, it was headed by a single woman, with two or three children, who was employed in a low-paying occupation. Indeed most Domestic Violence and DYFS-referred households were single parent families. Some Disabled and Elderly Households also fit this description. Unless they fit a higher ranking assistance category, almost all one parent families fell into the Single Parent Household category. Together (i.e. across assistance categories) well over half of all assisted clients were households composed of a single parent with children.

In the period covered by the FY 1987 data base, the Program assisted 1134 households in the Single Parent Family category (49.8 percent of all assisted households). On their behalf, the Homelessness Prevention Program disbursed \$1,208,691 (46.1 percent) or \$318.83 per person.

The heads of assisted Single Parent Households were almost exclusively female (94.9 percent). Nearly 40 percent had not completed high school, 25 percent never finished the 11th grade and 10 percent did not go beyond the ninth grade. Only Victims of Domestic Violence, with a mean age of 29, were younger than single heads of household (mean age of 32.3). One of every 10 single parents was under 22. Nearly 40 percent were homeless, requiring the disbursement of \$247,451 in security deposits to obtain housing.

TABLE VIII  
INCOME OF SINGLE PARENT HOUSEHOLDS

SOURCE	HOUSEHOLDS		MEAN	MEDIAN
	NUMBER	PERCENT*		
Wages	476	42.0	\$9,585.41	9,105.50
Social Security	18	1.6	6,799.61	5,774.50
AFDC	431	38.0	5,051.35	4,848.00
UIB	39	3.4	6,925.23	6,268.00
SSI	11	1.0	5,109.73	4,455.00
Other**	158	13.9	8,089.48	6,404.00
All Sources***	1134	100.0	7,477.87	6,214.00

\* Does not add up to 100.0% due to rounding and missing source data.

\*\* Includes child support, temporary disability, workmen's comp. and various combined sources.

\*\*\* Includes missing source data.

Only Disabled Households which, in any case, were smaller families, had lower incomes than Single Parent Households. The latter reported a mean income of \$7,477.87 and half of them had to make ends meet on \$517.83 or less per month. Fewer than half (47.6 percent) of these heads of household were employed and only 42 percent lived exclusively off wages. Meanwhile, 43.7 per cent collected AFDC. Half of these households paid monthly rents in excess of 72.5 percent of income, for one fourth the housing payment exceeded 90 percent of income. Only 10 percent lived in units costing 36 percent or less of income.

24x



Household breakup was the second most important reported reason for displacement (nearly 21 percent). Loss of earned income was the most commonly reported immediate displacement cause (22.4 percent). Actions affecting their benefits were the most immediate problem for 10.6 percent of these households. Nine point four percent claimed that unexpected expenses (medical or otherwise) had lead to an inability to meet current housing costs.

TABLE IX  
SINGLE PARENT HOUSEHOLDS: DISPLACEMENT CAUSES

<u>CAUSE</u>	<u>FREQUENCY</u>	<u>PERCENT</u>
MEDICAL	18	1.8
UNEXPECTED	88	7.8
DELAYED BENEFITS	44	3.9
LOSS BENEFITS	55	4.9
REDUCTION BENEFITS	20	1.8
INCREASED RENT	10	1.8
GOVERNMENT ACTION	40	3.8
BREAKUP	235	20.9
DISASTER	16	1.4
OWNER OCCUPY	45	4.0
LOSS INCOME	251	22.4
THEFT	44	3.9
ILLEGAL ACTION	38	3.4
OTHER**	206	18.4

\* Indicates missing data.

\*\* Includes combinations

25x

Clearly, households in this assistance category illustrated the plight of single parents in New Jersey. Single parent households constitute the second (after two parent families) fastest growing portion of the homeless population. Female headed single parent households represent less than one fifth of the state's families, yet they account for more than half of its poor families. 8. In other words, this is a particularly "at risk" population.

In order to address some of the specific needs of single parents, Homelessness Prevention Program representatives in Monmouth and Ocean counties have developed two demonstration projects. The first is a variation of Project Self-Sufficiency. Using the Program's resources as well as its ability to facilitate Section 8 rental assistance, the Program Representative, in collaboration with other agencies (especially Displaced Homemakers), selects single parent households which agree to participate in a job training program. Participation also provides easy access to counseling programs and nonspecific skills training. The goal of this project is to provide participants with sufficient training to become eligible for skilled and semi-skilled employment. Rental assistance is available to ensure that housing will remain affordable.

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8. In 1983 the median New Jersey household income was \$25,299. yet single female householders had a median income of \$13,039. During that same year "Families with a female householder and no spouse represented 16.2 sic of all families, but 55.3 sic of families with incomes below the poverty level..." N.J. Department of Labor, Office of Demographic and Economic Analysis, New Jersey Annual Demographic Profile, 1984, Trenton: N.J. Department of Labor, 1984.

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### Two Parent Households

The program had any household composed of two adults and children a rent. This category, however, did not include all "traditional families. Some of them have been referred by DYFS or may have included elderly people. In these cases, households were generally the highest ranking appropriate category.

rent households were the second most frequently served category. In the FY 1987 data base, the Homelessness Prevention program assisted 405 such households (17.8 percent) including 1740 children under 18). The Program disbursed \$620,797 (\$356,000) in order to assist them.

At indicators, Two Parent Households were significantly better than the assisted population at large. Their mean income was 36.7 percent higher than average. At least one person was employed in 80.7 percent of these households (as compared to 50.2 percent of all households). On the average, housing payments took 12 percent less of their income. They were almost three times as likely to own their home as the assisted population (38.8 percent of Two Parent Households and 3.8 percent of all households).

However, by most other standards the Two Parent Households the program served were a distressed population. Well over half of them had income below \$11,203, the federally established 1986 average poverty threshold.

- 28x

TABLE X  
INCOME OF TWO PARENT HOUSEHOLDS

SOURCE	HOUSEHOLDS		MEAN	MEDIAN
	NUMBER	PERCENT*		
Wages	272	67.2	\$12,328.10	\$11,544
Social Security	9	2.2	9,500.33	7,848
AFDC	35	8.6	5,724.63	5,580
UIB	32	7.9	8,617.06	9,467
Other**	53	13.1	11,965.90	11,412
All Sources***	405	100.0	11,264.70	10,272

\* Does not add up to 100% due to rounding and missing source data.

\*\* Includes temporary disability and miscellaneous and combined sources.

\*\*\* Includes missing source data.

One fourth reported gross incomes under \$7,200 (64 percent of poverty). Three fourths had incomes under 130 percent of poverty. For half the families relying exclusively on wages, income only exceeded the poverty level by 3 percent. Thus, even here poverty was the rule.

However, for purposes of the Homelessness Prevention Program, the relation between income and rent was a better indicator of distress. Half the Two-Parent Families faced housing costs in excess of 52 percent of income. Rents or mortgage payments represented at least 76 percent of gross income for one fourth of these families. In short, even these households were less than one month's income away from homelessness.

While men headed 64.7 percent of Two Parent Households, 9. fewer than one third of heads of household (31.8 percent) reported a present or most recent job in the construction or manufacturing sector. Two thirds held service sector jobs with little security and low pay. As a result, 55.3 percent attributed their inability to meet housing costs to a loss of income. In most cases someone in the household had secured employment by the time Program assistance ended.

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9. Men headed only 24.6 percent of all assisted households. This was the only category where males outnumbered females as heads of household. Among Elderly and Adult Households female heads of households were a small majority. In the other assistance categories, women were at least three times as likely to be heads of households.

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30x

TABLE XI  
TWO-PARENT HOUSEHOLDS: DISPLACEMENT CAUSES

<u>CAUSE</u>	<u>FREQUENCY</u>	<u>PERCENT</u>
MEDICAL	7	1.0
UNEXPECTED	20	5.0
DELAYED BENEFITS	17	4.3
LOSS BENEFITS	11	2.3
REDUCTION BENEFITS	2	6.5
INCREASED RENT	4	1.0
GOVERNMENT ACTION	4	1.0
BREAKUP	21	5.5
DISASTER	8	2.0
OWNER OCCUPY	21	5.5
LOSS INCOME	221	55.3
THEFT	3	1.5
ILLEGAL ACTION	13	3.0
OTHER*	46	11.5

\* Includes combinations.

If only because the possibility of two incomes was present, Two-Parent Households would be expected to have been at less risk than other household types. However, even two incomes (nearly one half of these households had them) were often insufficient to face eventualities that put a stress on family resources. Indeed, nearly one fifth of assisted households fell into this category. Furthermore, considering that these households were less likely to be involved with the "social

service network", 10. it is conceivable that more Two-Parent Households would have contacted the Program, had they been aware of it.

#### Adult Households

Under Program criteria, households without children and composed of one or more non-elderly or disabled persons fell into the Adult Household Assistance category. This group comprised 9.9 percent of all assisted households. On their behalf, Homelessness Prevention Program disbursed \$240,547 (9.2 percent) or \$756.44 per person.

While most Adult Households included only one person, 11. 34.1 percent included at least two. Women headed 55.8 percent of these households.

At least one person was employed in most (70.8 percent) Adult Households; 66.8 reported that wages were their sole source of income. However, half of those reporting only wages grossed less than \$800 per month. One fourth earned less than \$580 (i.e. \$3.35 per hour if they worked full time). Three fourths of those reporting a present or previous occupation (only 10 percent had not been employed in the preceding 12 months) claimed employment in a service sector occupation. nine point three per cent collected unemployment benefits and only 6.2 percent (most of them "unemployables") received General Assistance.

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10. Two Parent Households were significantly less likely to have contacted the Program as a result of a referral: 45.4 percent of families "walked in," only 33.8 percent of all clients did.

11. The Adult Household category should not be confused with the single people category who are discussed below.

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TABLE XII  
INCOME OF ADULT HOUSEHOLDS

SOURCE	HOUSEHOLDS		MEAN	MEDIAN
	NUMBER	PERCENT*		
Wages	151	66.8	\$10,151.40	\$9,600
UIB	21	9.3	7,621.19	7,248
GA	14	6.2	2,340.29	2,400
Other**	25	11.1	7,812.20	6,480
All Sources***	226	100.0	8,926.24	8,032

\* Does not add up to 100% due to missing source data and rounding.

\*\* Includes temporary disability, workmen's comp. and combined sources.

\*\*\* Includes missing source data.

At least one person was employed in most (70.8 percent) Adult Households; 66.8 reported that wages were their sole source of income. However, half of those reporting only wages grossed less than \$800 per month. One fourth earned less than \$580 (i.e. \$3.35 per hour if they worked full time). Three fourths of those reporting a present or previous occupation (only 10 percent had not been employed in the preceding 12 months) claimed employment in a service sector occupation. nine point three percent collected unemployment benefits and only 6.2 percent (most of them "unemployables") received General Assistance.

Although Adult Households were in a better position to afford their housing than all but the elderly and Two-Parent Households, half of them still had to devote 55 percent or more of income to meeting their housing obligations. Housing payments exceeded 80 percent of income for

33x

one fourth of these households. In short, much as our other clients, adult households were less than one month's income away from homelessness. This became a reality when 47.3 percent experienced a loss of income, when 10.7 percent had to face unexpected (medical or otherwise) expenses, when 8.5 percent lost a spouse or a housemate, when 8.5 percent were the object of actions affecting their benefits.

Thus the Program assisted 226 Adult Households in the period covered by the FY 1987 data base. Unfortunately many more (especially those on General Assistance) could not qualify for assistance quite simply because of the almost complete lack of affordable housing for their income range. This was especially a problem for singles.

### Singles

The Program's assistance category criteria did not classify households according to their size. As a result the problem that this section addresses already has been the object of discussion under other headings. Nevertheless, we feel it is important to examine one person households or "singles" if only because they receive so much attention (especially in the mass media). This attention easily lends itself to the concept of the single individual as the embodiment of homelessness. Yet, most homeless people are not singles and single homeless individuals are a diverse group.

New Jersey State Library

In terms of the Program's assistance category typology, for example, slightly over half of "singles" (52.1 percent) were Adult Households. Forty-four point eight percent were disabled or elderly. Seven people were single parents whose children had been placed in foster care due to homelessness (they are no longer "singles"). Thus nearly half the assisted single people were in highly vulnerable categories.

TABLE XIII  
CATEGORIES AND SINGLE PERSONS

CATEGORY	HOUSEHOLDS	PER CENT*
Disabled	100	35.0
Elderly	28	9.8
Domestic Violence	2	.7
DYFS Household**	7	2.5
Adult Household	149	52.1
All categories	286	100.0

\* Does not add up to 100% due to rounding.

\*\* Children in foster care due to homelessness

Single adults represented only slightly more than one tenth of assisted households. In the period covered by the FY 1987 data base the Program served 286 one person households (12.6 percent). In order to assist them, Homelessness Prevention Program disbursed \$285,771 (10.9 percent) or \$999.20 per person. However, assisting single people presented special difficulties.

First, the rapid decline in the number of single room occupancy residential facilities (or SROs) has had a severe impact upon the availability of the type of housing most suitable to many single adults. Second, unless they were elderly or disabled, single adults simply were not eligible for any kind of subsidized housing. A third factor, the low level of public assistance, compounded the effects of the structure of the housing supply. Indeed, a single adult who was deemed "unemployable" (e.g. a woman in the final weeks of pregnancy or someone with a temporary disability) only qualified for \$200 per month in FY 1987. If this person was "employable," the top General Assistance benefit dropped to \$130 per month. Meanwhile, the maximum SSI benefit was only \$373 per month. Finally, very few social service agencies addressed the needs of non-disabled or elderly individuals. As a result, single people were generally less likely than families to have benefitted from emergency assistance, to have received any kind of care or to have been referred to the Program.

Of course, given the paucity of housing for this group, the Program was often unable to help single people on public assistance who were neither elderly nor disabled. There was simply no housing for General Assistance clients with \$130 per month incomes. Homelessness Prevention Program assistance to single disabled and elderly people often hinged upon the availability of rental assistance certificates and vouchers.

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Reflecting these factors, nearly half (45.5 percent) of assisted single adults were employed. Wages were the sole source of income for 42.7 percent, half of whom earned no more than \$718 per month. One fourth of employed single adults grossed \$557 or less. As a result, housing payments exceeded 40 percent of gross income for nearly three fourths of employed single adults. They exceeded 69 percent of income for one fourth of employed single people.

TABLE XIV  
INCOME OF SINGLE PEOPLE

SOURCE	HOUSEHOLDS		MEAN	MEDIAN
	NUMBER	PERCENT		
Wages	122	42.7	\$8,961.54	\$8,619
Social Security	36	12.6	5,451.69	4,704
UIB	23	8.0	6,763.70	6,604
SSI	32	11.2	4,466.78	4,407
GA	35	12.2	2,400.00	2,400
Other*	38	13.3	4,952.15	4,656
All Sources	286	100.0	6,469.69	5,376

\* Includes temporary disability, alimony, no income and various combinations.

When single individuals were not employed, they faced mean rents equivalent to 103 percent of income. For half the non-employed single individuals, rent represented at least 84 percent of income. For many of these households, Program assistance was effective only in conjunction with a referral to New Jersey Department of Community Affairs Section 8 Housing Program.

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Compared to the general assisted population, single adults were less likely to be female (59.9 percent vs. 75.4 percent). On an average, single people were older (43 vs. 34) and poorer (\$539 vs. \$687 per month) than the general assisted population. Only disabled households lived in units with higher cost to income rates (89.3 per cent vs. 86.8 per cent); by comparison, the Program-wide mean rent to income rate of 77.2 per cent seemed manageable. In short, single adults, many of whom were part of high risk groups, chronically faced homelessness.

Despite their differences, all assisted groups had one thing in common: they lived on the brink of homelessness. Not only were their incomes low, their rent was out of proportion to their incomes. For three fourths of the assisted population housing payments, excluding out of pocket utility costs, exceeded 47.5 percent. Including utility costs would have brought the housing cost to income rate closer to 60 percent or more for most of the assisted population. Yet, rental assistance was available only to about 7 percent.

Clearly, the underlying problem affecting the Program's assisted clients was of an economic nature. Any event with an impact requiring costs of approximately one month's income (and perhaps even less) was translated into an inability to meet housing costs among a population that lived from check to check. Indeed, over 60 percent of assisted households reported that occurrences ranging from loss of wages and household breakup (i.e. the departure of an income provider) to theft and loss of benefits had led to at least imminent if not actual displacement.

These figures, of course, conceal some differences. Single-Parent Households, for example, were substantially more vulnerable ( $\alpha=.90$ ) to the departure of an income provider than the rest of the population. Elderly Households, on the other hand, appeared more likely to be affected by owners wishing to occupy a unit in a structure containing three or fewer units. However, regardless of the immediate precipitator, all these households were at the mercy of a housing market that has pushed prices significantly beyond their means. An elderly person being displaced from a \$275 per month rent controlled unit was rather unlikely to find a replacement unit at a similar rent level. 12.

There were many other differences, because homeless people do not constitute a homogeneous population. Households with children, for example, often reported that landlords in blatant violation of state law refused to rent to them. Sometimes clients told of racial discrimination in housing. Landlords frequently refused to rent to single women with children. Many disabled and elderly people required specialized housing. It also was not uncommon to find landlords who refused to rent to people who were homeless. Single parents on public assistance and, especially, non-employed single adults often were unable to locate housing within their means.

In the course of its activities, the Homelessness Prevention Program sought to address the varied housing problems of its clients within the limits of Program resources. Taking into account the

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12. The median rate of rent to income for households assisted in place was 65 percent. It was 74 percent for relocating households.

diversity of the assisted population has already led the Program to create new projects aimed at increasing the effectiveness of Program assistance. Furthermore, the assistance category process also facilitated the search for the most appropriate means of assisting specific households. Quite often referrals to other agencies served to reinforce Program activity as well as to address client problems for which the Program was not equipped (e.g., counseling, legal assistance, etc.). In the final analysis, however, the creation of a system of assistance categories has helped to develop an understanding of the underlying common factors which thrust Program clients face to face with homelessness.

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#### A WORD ON METHODOLOGY

The information in this report is based primarily on data gathered in the course of the Homelessness Prevention Program application process. Staff members, who were engaged in direct service delivery, asked a number of questions in addition to those which the clients had to answer on the application form (the survey instruments appear in the Appendix). In this manner, the Program has gathered a substantial body of information since its inception in December, 1984.

Given the nature of the data gathering process, a number of caveats are in order.

First, the client data are not the result of a random sample of the homeless or imminently homeless populations. Rather, they reflect the population which approached the Program, was eligible for its services and benefitted from them. In short, this is a self-selected sample. Great caution must be exercised in drawing inferences about the general population.

Secondly, as clients were the source of information on factors such as displacement causes and employment history, these data must be regarded with a measure of caution. Homelessness Prevention Program rules and regulations partially base eligibility on reasons for displacement (they must suggest a temporary failure of resources beyond

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the client's control). There is, thus, some motivation to misreport factors such as causes for displacement. While we believe that our clients' responses are, for the most part accurate, the reader ought to look upon these data as reflecting client perception and reporting rather than as objective accounts.

Finally, the Program adopted a new data collection format in October of 1986. The new process simplified the application and collection processes, but it resulted in two incompatible data sets for FY 1987. In all, the Program assisted 2791 households at a cost of \$3,185,699. However, the data base for this report includes 2,277 households (82 percent of the total) and disbursements of \$2,599,114 (81 percent of the total). As there was reason to expect fundamentally different patterns, and, in any case, the numbers excluded are so small (514 households) it is felt that no substantially meaningful information gain would have resulted from the added cost of conducting a separate analysis of the pre-October data set.

We feel that this report adds to the understanding of homelessness in New Jersey, and that it is a useful account of the development of New Jersey's responses to the plight of its homeless people through the services provided by the Homelessness Prevention Program.

## SOCIO-ECONOMIC CHARACTERISTICS OF ASSISTED HOUSEHOLDS

Homelessness generally is not a condition of choice. For some it is the consequence of unfortunate errors or misjudgements. For most it is the result of an interplay of forces and events over which they have little influence or control. As a rule, the homeless are simply those people who were most vulnerable to economic trends and changes in the conformation of employment structures and housing markets. These developments have made widespread homelessness the extreme manifestation of a broader housing crisis.

This chapter examines some of the characteristics that made 2277 households assisted by the Homelessness Prevention Program from July 1, 1986 to June 30, 1987 especially vulnerable. First this chapter addresses the resources available to these households; it then explores their interaction with specific and general events.

The clients of the Homelessness Prevention Program constitute more than an array of distress indicators. They are people with individual histories, problems and, sometimes, solutions. Take Mr. F., for instance. He had been a lighting engineer who had designed the illumination for many outdoor concerts by groups such as the Jefferson Airplane, Genesis and the Grateful Dead. His misfortunes began in the early 1980's when his vision weakened and he developed a heart

condition. An early Viet Nam war veteran, Mr. F. sought treatment at a Veterans Administration Hospital. By the time he approached the Program, Mr. F. had been unable to work for six years. He was renting a room from which he was in imminent danger of being evicted. The Program paid his arrears and offered to provide him with a Section 8 Rental Assistance Certificate. Claiming that he would be able to take care of himself, Mr. F. refused long term assistance. A follow-up report indicated that he had learned how to make pottery and was selling it at shops catering to tourists, and is now living independently.

The majority of the HPP's clients, however, were more like Ms. Q., who did not earn enough to pay the mortgage, let alone make up the arrears. As she had an FHA mortgage, the program Representative explained to the H.U.D. representative how difficult it was to locate housing for such a large family. The H.U.D. representative agreed to a three week postponement of the final foreclosure date. In that time, Ms. Q. located a four-bedroom unit which she would be able to sustain with the help of her teenage daughter who had managed to secure employment. The Program helped with the security deposit and first month's rent.

Women headed 75.4% of all assisted households in this data base. In slightly less than one sixth of these cases, the nominal head was not the primary income generator. About three-fourths of all assisted households included children. Most HPP clients were female-headed households with children. This is not surprising since families with a "female

householder" constitute the majority of New Jersey's poor population .(1)

Among the assisted client population, women were employed in fewer instances than men. Our data show that 41.1% of female heads of household were employed as compared to 58.8 per cent of their male counterparts. Perhaps the fact that women were most likely to be single parent accounts for much of this difference (64 per cent of women and 10 per cent of men were single parents). Yet, even when they worked, female heads of household had substantially less income which was 26.9% lower than that of male heads of household.

While there was no significant sex-related difference in educational attainment, the overall level was fairly low. 37.2% of all heads of household had never finished high school or its equivalent and 13.6% had completed nine or fewer years of schooling. By contrast, only 3.1% had finished college or better. The mean educational attainment was 11.44 years.

Factors such as the sex distribution, educational attainment and racial and ethnic composition (58.7% black, 10.4% hispanic) of the assisted households in this data base would suggest a particularly disadvantaged population. Their income level only confirms this expectation.

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(1) N.J. Department of Labor, Office of Demographic and Economic Analysis, New Jersey Annual Demographic Profile, 1984, Trenton: N.J. Department of Labor, 1984, p.11.

It is impossible to stress how poor the Homelessness Prevention Program clients were. In FY 1987, four fifths (78.1%) had incomes below the federally determined 1986 "average poverty threshold" (\$11,203). Nearly 38 per cent verified incomes at half that threshold level. Half the participating households reported incomes of \$7,000 or less and the mean gross household income was \$8,242.82 (73.6% of poverty). Fewer than 15% of all assisted households showed incomes in excess of \$13,247 (50% of the North Eastern United States median household income). 2.

The program identified six major income sources, several minor ones and thirty four combinations of income sources. However, the majority of its client households were wage earners. At least one person was employed in slightly more than half (50.16%) of assisted households; 45.4% relied exclusively on wages. Nevertheless, well over half of all assisted households lived in units where the ratio of rent to monthly income exceeded .681. For one fourth of these households rent exceeded 91% of income. Only 10% lived in units costing under one third of their income (5% paid 26.7% or less).

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(2) According to the Bureau of the Census of the U.S. Department of Commerce, 10.5% of the population of the North East had incomes below the poverty threshold in 1986. The median household income for the region (including New England, New York, New Jersey, Pennsylvania, Delaware, and Maryland) was \$26,494. See Current Population Reports, Series P-60, July 1987, #157, pp. 3, 8. The most recent figures available for New Jersey indicate a median income of \$25,299 and a poverty rate of 8.5% in 1983. See N.J. Department of Labor, Office of Demographic and economic analysis, New Jersey Annual Demographic Profile, 1984, op. cit., pp. 11-12.

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TABLE XV  
Household Incomes and their Sources

Source	HOUSEHOLDS		MEDIAN INCOME	MEAN INCOME	I**
	number*	per cent*			
None	3	.01%	0	0	N/A
Wages	1034	45.5	9600	10432.53	.6447
AFDC	562	24.9	4848	5036.71	.9383
Unemployment	102	24.5	7140	7538.62	.7270
Soc. Security	91	4.0	6024	6869.44	.8355
Other**	79	3.5	4944	5236.56	.9509
S.S.I	56	2.4	4404	4396.22	.9287
Wages and AFDC	50	2.2	8496	10089.80	.6069
General Assistance	40	1.8	2400	2470.25	1.8011
Wages and Support	33	1.4	11713	13103.70	.5078
Wages and Unemploy.	17	.7	11905	12441.20	.5310
Wages and Soc. Sec.	16	.7	12638	13595.50	.7413
<u>Combined Sources (30)</u>	<u>164</u>	<u>7.2</u>	<u>6660</u>	<u>7885.09</u>	<u>.9192</u>
All Sources	2274	100.0	7000	8242.82	.7723

I\*\* MEAN RATIO OF RENT TO INCOME

\*Does not add up due to missing data on income source for 27 cases.

\*\*Includes child support and alimony, workmen's comp., temporary disability, income from expected insurance settlements, etc.

For purposes of comparison, the reader should recall the traditional rule of thumb which postulates that rent should not exceed one fourth of monthly income. Under its current rules, the U.S. Department of Housing and Urban Development establishes most of its Section 8 (with the notable exception of its Voucher program) housing subsidy programs in such a manner as to ensure that tenant housing costs approximate one third of gross monthly income. Regardless of which standard is deemed applicable, it is clear that 90 per cent of Homelessness Prevention Program clients faced excessive housing costs. The average client, paying 77.2 per cent of income toward rent lived very close to the edge.

With the exception of a small number (66) of households who relied on wages and social security, unemployment or child support, strictly wage earning households were substantially better off. Their average income was 26.6 per cent higher than the client average. Nevertheless, 63.4 per cent of wage earners had incomes below the poverty threshold and only 14.2 per cent exceeded one half of the North Eastern United States median income. Rent exceeded 53 per cent of gross income for approximately half the wage earning households. Only one tenth of them paid less than one third of household income toward rent. Meanwhile, one fourth of wage earners had to pay rents that amounted to at least 72.4 per cent of monthly income.



Even these figures fail to do justice to the plight of our wage earning clients. Wage income, unlike other categories, was subject to deductions. Thus, wage earners must have paid a substantially higher proportion of net income toward rent than this discussion has suggested. If their deductions, for example, averaged an estimated 17 per cent, their rent must have exceeded three fourths of take home pay. This would leave an "average" wage earning HPP household about \$178 per month to take care of utilities, food, auto repair and insurance, children's clothing and other necessities. Clearly, the Program constituted the only margin of safety for these families.

Though less fortunate than the average New Jersey resident, people such as the Program's working clients are not an unusual occurrence in today's economy. Since 1979, almost all United States employment growth has taken place in the tertiary sector, and fully 44 per cent of the newly created jobs have paid poverty level wages.<sup>4</sup> While New Jersey has fared significantly better than the rest of the country, experiencing the creation of 600,000 new jobs between 1979 and 1986, the state's manufacturing sector has suffered a net loss of 103,262 jobs in the same period.<sup>5</sup> In short, New Jersey's employment picture increasingly has demonstrated a shift away from traditionally higher paying manufacturing jobs requiring relatively little training. The new service sector jobs, on the other hand, either require relatively little training and pay very little or pay very high salaries and require substantial and very specialized training.

Homelessness Prevention Program clients were often the victims of these trends. Ms. B, for example, a widow with three children, lost her job which paid more than ten dollars an hour, when an auto plant closed down. Thereafter she spent over two years holding jobs as a convenience store clerk, a home health aid and a domestic. When she contacted the Program she just had secured employment as a supermarket clerk earning approximately \$13,000 per year. She also had been homeless for three months, two of them spent with her children in a shelter. Fortunately, Ms. B. was able to locate housing so the Program could provide security deposit and first month's rent (the landlord refused to accept rental assistance and Ms. B was affraid to continue her, until then, unsuccessful two month long housing search). There is no way of knowing how many others were less fortunate.

Heads of household reported employment in a variety of occupations, ranging from Registered Nurses and managers, telephone salespeople and farmers. The three most frequently reported occupational categories were clerical (21.8%), factory (14.6%) and domestic or home health aid (10.8%). Fully 70% of those reporting a current classified occupation were employed in service sector jobs rather than in the traditionally better paying sector of the economy. The occupational distribution of those reporting a second or a previous job was similar: 67.2% service. Nearly 11% of wage earning households reported holding at least two jobs.

TABLE XVI  
Occupation of Head of Household

Type I	FREQUENCY	CUM FREQ	PERCENT
CONSTRUCTION	55	56	5.435
FACTORY	148	204	14.625
CLERICAL	221	425	21.838
CASHIER	31	456	3.063
DOMEST/HEALTH	109	565	10.771
DRIVER	41	606	4.051
FOOD SER	62	668	6.126
OTHER	232	900	22.925
NA*	112	1012	11.067

\*Indicates that even though these households reported wages as their income source for the most recent consecutive four weeks, the head of household was no longer employed.

For the most part, wage earning heads of household had not been on the same job very long. While their mean tenure approximated two years, half of them had worked the same job for fewer than seven months, 25% for one month or less. About 64% had worked for a year or less, and only 24.9% had held their current jobs for two or more years.

51x

Among employed heads of household, the most commonly reported reasons for the loss of a previous job were resignation for a better position (17.9%) and lay-off (12.4%). Other leading causes were dismissal (4.6%) and temporary nature of the position (2.7%). Nearly 2% had been laid off due to a pregnancy and had never been rehired. Other employed heads of household told the Program of plant closings (1.6%) as well as an assortment of other causes such as employer harassment and being fired because an abusing spouse repeatedly harassed them on the job.

People employed in low paying occupations headed nearly half the Program's assisted households in FY 1987. If they were struggling to make ends meet, the situation was much worse for the rest of our clients.

Aid to Families with Dependent Children was the second largest source of household income. Nearly one fourth of households relied exclusively on AFDC. Another 2.2% supplemented their public assistance with part time employment. In some cases (6.6% of AFDC households) client households included two AFDC families or one AFDC family with an employed roommate. Another 1.3% of the households in this data base received AFDC and S.S.I. while fourteen households collected AFDC and Social Security benefits.

With the exception of those who relied on General Assistance or on "other" (unclassified) sources, AFDC households were the worst off in terms of rent to income ratio: on the average, they spent nearly 94%

of their benefits on rent alone. A small number of these households, especially some of those who were victims of domestic violence or had been referred by the Division of Youth and Family Services to prevent foster placement due to homelessness, benefitted from Program referrals for rental assistance. For more than 80 per cent of AFDC households there were either no certificates or vouchers or no available approvable units. Many more AFDC households were unable to locate housing they could support on their grants and thus never benefitted from Program assistance.

TABLE XVII

Y Rent for appropriate \* Bedroom Size

Size of Hshld.	Mean Income (all sources)	AFDC-F** AFDC-C	Mean Program Rent	Bergen FMR***	Warren FMR***	Bdrs.
1	\$539.14		\$300.67	\$476	\$290	0
2	629.08	\$322	367.19	578	352	1
3	677.61	424	426.53	685	411	2
4	740.45	488				
5	773.95	552	466.76	856	518	3
6	817.92	616				
7	940.96	680	566.86	958	577	4
8	1003.79	744				
9	1021.10	808	560.36	1102	644	5

5-3x

\*For purposes of this table, there should be no more than two persons per bedroom. Depending on actual family composition (sex and age of residents), this measure may be inadequate.

\*\*July 1987

\*\*\*H.U.D. approved fair market rents for Section 8 programs (July 1987) reflects the 45th percentile gross rent for a PMSA. Bergen County exhibits the highest, Warren County the lowest.

Approximately half of the assisted AFDC recipients in the data base under examination had held a job within the twelve months preceding their application. Half of them had been employed for less than ten months. However, one fourth had been employed for more than two years prior to collecting public assistance. Most heads of AFDC households who had been employed (69.1%) had held service sector jobs with clerical (24.1%), domestic or home health aide (22.5%) and food service (12.5%) constituting the most commonly reported occupational categories. Most often, they reported losing their jobs due to lay-offs (28.5%), lay-offs because of pregnancies (14.1%) and resignations (15.6%).

AFDC heads of household (94% were female) had often been employed prior to collecting assistance. The majority of these (84.4%) had lost their jobs involuntarily. While our data do not provide information on their reasons for not returning to the job market, staff experience suggests that in many cases it was impossible or impractical for these individuals to do so. Some were the parents of infants

54x

requiring constant care. Many could not find adequate and affordable child care. For many more, employment was not an economically rational alternative because the local job market or their skill levels only opened the doors to minimum wage employment<sup>6</sup> which more often than not carried no health benefits.

Unemployment Insurance Benefits (UIB) constituted the third major income source for assisted households. On the date they applied, 6.4 per cent of assisted households (146) were collecting these benefits. Most of them (102) relied exclusively on benefits averaging \$144.97 per week. Generally, they had had to wait four to six weeks (longer if they had been employed out of state) between their last day at work and the starting date of their unemployment benefits. Furthermore, reductions in hours worked resulting in decreased wages had often produced lay-offs. As a result, many UIB households had used up whatever savings they had had by the time their benefits started coming. Half of these heads of household had held their most recent jobs for more than one year. Many were not sure they would be rehired. When the Program assisted them, these households were spending an average of 72.7% of their benefits on rent. For one fourth of the UIB recipients the rent bill exceeded 84.8% of current income.

Social Security was the fourth most important source of client income (4%). Its recipients were elderly, disabled and survivors. Their mean annual income was \$6869, but one fourth received less than \$370 per

-55x

month. Rent exceeded monthly benefits for 25% of the Program's clients on Social Security. Fortunately, there were Section 8 Certificates and housing vouchers to ensure that at least these households would not become homeless once H.P.P. assistance ended.

Nearly 80% of households relied exclusively on either wages, AFDC, UIB or Social Security benefits. The remaining households depended on Supplemental Security Income (2.4%), General Assistance (1.8%), "other" (3.5%) sources such as Worker's Compensation, child support or temporary disability benefits, and on many combinations of sources (12.2%). With a mean income of \$8242, the households in this data base paid an average of 77.2% of monthly income toward rent. Our statistical analysis allows us to say with 90% confidence that the affordability of housing depended on the client's source of income. Nevertheless, virtually all assisted households continued to bear housing costs that allowed little if any safety from future crises. Indeed, the central problem of Homelessness Prevention Program clients was that their housing costs were out of proportion to their incomes, regardless of the source of their incomes.

Being so close to the edge means that almost any event which effects the household income even temporarily may precipitate homelessness. Table XVIII, below, lists the factors that our clients saw as the origins of their housing problems.

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56x



TABLE V  
CAUSES OF DISPLACEMENT

<u>CAUSE</u>	<u>HOUSEHOLDS</u>	<u>PERCENT</u>
Medical bills	69	3.1
Unexpected Expenses	136	6.1
Delay in Benefits	107	4.8
Loss of Benefits	93	4.1
Reduction of Benefits	31	1.4
Increased Rent	36	1.6
Government Action	63	2.8
Household Breakup	391	17.4
Disaster	53	2.4
Owner Wishes to Occupy	97	4.3
Loss of Income	665	29.6
Theft	65	2.9
Illegal Action by Landlord	70	3.1
Other*	<u>373</u>	16.6
	2249	

\*Mostly combinations of listed causes, as well as a large variety of respondents attributed it to a loss of income. This loss may have been the result of unemployment, a temporary or permanent reduction of hours worked or the loss of a second job. Wage earners and, of course, UIB recipients reported this as their main problem. In some cases, our clients had been able to replace the lost income by the time

they received Program assistance (25% had secured a job within one month of application).

Household breakup was a special source of concern for women (21.2% saw it as their main problem, as compared to 5.5 per cent of men). Quite often, their spouses had left them with unpaid bills and insufficient resources to meet them. Many households had shared a unit with another family which had left. In fact, breakup was the proximate cause of displacement for a plurality (20.5%) of AFDC recipients. Sharing, often with another AFDC household, had been the only way they could secure housing in today's tight market. Many were able to find new housemates, some became independent once preexisting obligations had been met, some had to seek more affordable housing and other benefitted from referrals to the Section 8 Housing Program.

Nearly 10% of the households in this data base reported substantial necessary expenses (medical or otherwise) equivalent to at least one month's income as the precipitator of their homelessness. Approximately the same percent reported that some action affecting their benefits had lead to an inability to meet their housing obligations. Some households (4.3%) had resided in buildings of fewer than four units where the owner wanted to occupy their homes. Some (3.1%) had been the victims of landlord harassment and illegal evictions. Finally, many had lived in dangerously substandard units which their municipality had condemned or which the Division of Youth and Family Services had found hazardous to their children.

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A variety of factors contributed to pushing Homelessness Prevention Program clients "over the edge." These factors, however, are only the most visible part of a deeper problem. Information on the relative impact of unit rents on household income suggests that events such as the accrual of substantial bills, actions affecting benefits and even loss of income and household breakup were only proximate precipitators. Even though the Program endeavored to assist its clients only in housing they would be able to afford, most of its clients were simply too poor to live anywhere in New Jersey with what most people would consider a reasonable margin of safety.

Only five to ten per cent of assisted households lived in units they could conceivably afford with some comfort in the absence of a subsidy. Rents nearly equaled, and sometimes exceeded current monthly incomes one fourth of the time. 7. While data on unassisted households are not readily available, there is reason to assume that they were economically less well off. Indeed, approximately half of all unassisted clients were unable to find housing which was affordable within their

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7. The Department of Community Affairs' Section 8 Voucher and Certificate programs leased up 210 households as a result of Homelessness Prevention Program referrals in FY 1987. About one third of these households required no other state assistance. Thus, rental assistance was available to about 5.3% of all clients assigned by the Homelessness Prevention Program in FY 1987.

income levels within thirty to sixty days of acceptance into the Program. 8.

As the previous chapter suggested, there were characteristics other than income that made some households more vulnerable to homelessness than others. Yet, homelessness is not a syndrome whose parameters are definable in terms of an aggregate of individuals exhibiting specific symptoms or pathologies. It is a societal problem rooted in long term economic trends that have lead to a marginal shortfall in the supply of housing. This has resulted in a secularly increasing disparity between changes in income levels and housing costs. There is an insufficient supply of affordable housing for the large number of people, especially, but not exclusively, low income people who need it.

New Jersey's Council on Affordable Housing has suggested the potential for a shortfall of 145,707 units by 1993. 9. Indeed, there is evidence that the state-wide rental housing vacancy rate has recently

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8. Nearly 5500 households filed applications in the course of FY 1987 (three fourths of them between October 1986 and April 1987). 2791 benefitted from Program disbursements in FY 1987, 63 were directly referred for rental assistance. Of the remaining applicants, about 1300 were unable to locate suitable housing in the allotted time.
  9. New Jersey Department of State, "Affordable Housing Council Rules," New Jersey Register, Supplement. Trenton: Aug. 18, 1986.

hovered around one per cent. 10. In many areas, the rental market is substantially tighter. This strong demand for housing has pushed prices well beyond the reach of people on the lower rungs of the income ladder. Meanwhile, the restructuring of the job market, as suggested above, has left many people either without jobs or with relatively low paying, yet economically necessary, jobs. A statewide housing crisis has been one of the consequences of these developments.

In short, homelessness is nothing other than an extreme manifestation of a broader housing crisis. A variety of sociological and economic factors mediate the impact of this crisis so as to select individuals and households with specific characteristics as its most likely victims. While our data are not representative of the homeless population in general, they do illustrate, if only partially, the impact of developments at the societal level.

The Homelessness Prevention Program assisted primarily poor households headed by women with relatively low educational attainment.

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10. In the process of reexamining F.M.R. validity, the Bureau of Housing Services conducted a survey of 91,565 units in seven MSA's, covering fifteen counties in January of 1986. An overall vacancy rate of 1.31% was one of the findings (The Salem County area registered the highest rate, 2.9%, the Monmouth-Ocean area registered the lowest rate, .03%). Eleven months later, a similar survey of 98,197 units in six MSA's (fourteen counties) suggested a vacancy rate of 1.17%. The Monmouth-Ocean area once again had the lowest rate (.05%), the Newark area came in with the highest rate (2.6%). Most real estate experts consider a vacancy rate of 5% as an indicator of a healthy rental market where units do not go vacant (resulting in vacancy losses) while tenants are more or less free to move around in search of the best value for their rent dollar.

Calx

When employed, these heads of household held very low paying service jobs that barely generated enough income to cover their basic necessities. When not employed, their situation was chronically critical, especially if they were AFDC recipients. Finally, as table XIX indicates, assisted households were most likely to reside in older municipalities where housing costs were generally, but not always, lower, but employment was less available. 11. For the most part our clients were people in crisis.

TABLE XIX  
MUNICIPALITY OF RESIDENCE

Municipality	Households	County	% of County	% of State
Newark	213	Essex	42.4%	9.4%
Jersey City	202	Hudson	70.9	8.9
East Orange	184	Essex	36.6	8.1
Paterson	184	Passaic	82.9	8.1
Camden	158	Camden	82.7	7.0
Trenton	92	Mercer	90.2	4.0
Elizabeth	81	Union	47.7	3.6
Plainfield	68	Union	40.0	3.0
Atlantic City	63	Atlantic	67.8	2.9
Irvington Township	<u>47</u>			<u>2.1</u>
	1292			56.9

11. "Jersey Lost 100,000 Blue Collar Jobs in Six Years," Star-Ledger,  
op. cit.

62x

While under the Program's criteria low and moderate income households were eligible for assistance, most of its clients were very low income households paying over two-thirds of their income for basic housing costs. Clearly, these were economically diadvantaged people who, as the next chapter will discuss, often faced problems that compounded their poverty. Given the conditions they live in, it is not at all unlikely that many of them will face a housing crisis again. Yet, without Program assistance all of these households would now be homeless, adding 8373 people to the state's homeless roster.

63x

### Chapter 3

#### ASSISTING TENANTS

Since its inception, the Homelessness Prevention Program (HPP) has given the highest priority to assisting households in retaining or obtaining rental housing. During FY 1987 (July 1, 1986 to June 30, 1987) most of the Program's activities (95% of its cases and 91% of its disbursements) involved tenants. These were households who otherwise would have been homeless, who might be in shelters and motels at a substantially higher cost; who would have lost jobs, community support networks and whose family integrity would probably have been shattered.

Compared to the alternatives, HPP assistance was extremely cost effective. For the data base under consideration, 1. the Program assisted 2165 renter households (6936 individuals) with a mean disbursement of \$1,090 (\$340.29 per person). Given the prevailing cost of placing a family in temporary shelter for just two months (\$50 per day for sixty days), the public saved an average of \$1,910 per household (\$4,135,150 for this population). The benefits in terms of social policy and the savings in human suffering are incalculable.

Program assistance to eligible renter households fell into several categories. It involved the provision of security deposits,

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1. Overall, the Program spent \$2,907,862 on behalf of 2456 renter households. See "A Word on Methodology."

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rental payments for a maximum of six months (of which no more than three could be arrears) as well as payment of late fees, court costs, legal fees and other various charges. Staff members also provided limited yet often essential budget counseling, advice and referral on landlord-tenant matters and direction to other appropriate services. Finally, in some cases extremely needy and vulnerable clients benefitted from direct referrals to the Section 8-Existing Certificate and Housing Voucher Programs operated by the Department of Community Affairs under contract with HUD.

TABLE XX

Disbursements to Renter Households

PURPOSE	HOUSEHOLDS*		PROGRAM MEAN	MONTHS	
	number	percent		MEAN	DISBURSEMENT
Security	841	38.3	\$574.76	N/A	\$ 483,375
Rent Payment	1,394	63.5	517.27	1.25	720,521
Arrears	1,159	52.8	894.22	2.35	1,036,172
Late Fees	534	24.3	59.34	N/A	29,790
Court Costs	372	17.0	19.88	N/A	7,454
Legal Fees	239	10.9	86.08	N/A	19,627
Other	156	7.2	240.39	N/A	37,501
H.A.P.**	24	1.1	1,069.21	3.56	25,661
Unit Rent	<u>N/A</u>	<u>N/A</u>	<u>419.67</u>	<u>N/A</u>	<u>N/A</u>
Program Totals	2,165	100.0	\$1,090.20	2.08	\$2,360,281

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\*Many households received more than one type of assistance.

\*\*Housing Assistance Payments, a temporary (6 mo. maximum) partial subsidy where the client contributes an adjusted third of his or her income.

This chapter addresses Program disbursements on behalf of tenants. First, it will examine the Program's relocation activities. Next it will review payments of rent and arrears. Finally it will discuss other expenses aimed at preventing displacement.

#### A - RELOCATION

New Jersey State law allows landlords to collect an amount equal to one and one half times the monthly rent for security deposit (by comparison, New York permits only the equivalent one month's rent, in other areas owners customarily demand one month's security in addition to the "last month's rent"). This same statute requires the owner to hold the deposit in escrow for a time not exceeding thirty days after the termination of tenancy. Should the tenant leave owing an amount at least equal to the deposit, the landlord may keep it as damages. The provisions of this law are enforceable through the courts and many tenants are unaware of them. Often, property owners are also unfamiliar with the Landlord/Tenant laws.

While the security deposit law seeks to protect both tenants and owners, it places a significant barrier before poor people who desire or

need to relocate. They must be able to give a new landlord the equivalent of two and one half months rent before they can move in. An average Program client with a gross income of \$8,243 would have to save approximately \$1,047--roughly 13% of his or annual income to move into a \$419 unit (the Program mean). 2. For those who have experienced a serious crisis, moving in costs often represent the difference between a place to live and homelessness.

The Homelessness Prevention Program sought to meet this need by providing relocation assistance to eligible households. In addition to those situations where the Program referred people for Section 8 assistance and either no security deposit was required or another agency provided it, the Program directly assisted in 847 cases (37.2% of reported cases). Six of these households received security deposits from other agencies (their county welfare agency, the Division of Youth and Family Services or a non-profit agency), while HPP provided other assistance. The program paid a security deposit on behalf of the remaining 841 families who had no other options.

2. For the past ten years, the United States savings rate has averaged under 5.5% (ranging from a high 6.6% in 1981 to a low of 3.8% in 1987) of disposable personal income. At these rates, the average H.P.P. client, who is considerably poorer than the average American (compare a median household income of \$7,000 to the national median household income of \$23,618), would have had to start saving with an eye toward displacement more than three years ago. The U.S. Department of Commerce, Bureau of Economic Analysis, publishes savings rate figures in Survey of Current Business, see June 1987, Volume 67 #6, p. s-1, January 1986, Volume 66 #1, page s-1, December 1983, Volume 63 #12, page s-4, December 1982, Volume 61 #12, page s-2 and December 1979, Volume 59 #12, p. s-2; for information on U.S. incomes. See U.S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States: 1987, Washington, D.C.: U.S. Government Printing Office, 1987.

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TABLE XXI

Security Deposit Payments by County\*

COUNTY	HOUSEHOLDS	MEAN	TOTAL
Atlantic	42	\$424	\$ 17,826
Bergen	62	816	50,588
Burlington	30	560	16,785
Camden	62	423	26,785
Cape May	28	388	10,887
Cumberland	31	447	13,884
Essex	191	605	115,468
Gloucester	24	472	11,339
Hudson	98	502	49,184
Hunterdon	5	476	2,384
Mercer	46	545	25,049
Middlesex	26	785	20,379
Monmouth	33	673	22,204
Morris	6	825	4,953
Ocean	21	746	15,664
Passaic	40	529	21,156
Salem	3	338	1,015
Somerset	6	828	4,967
Sussex	2	392	783
Union	82	617	50,623
Warren	<u>3</u>	<u>688</u>	<u>2,003</u>
STATE	841	575	\$483,375

\*County assisted may differ from count of application

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Overwhelmingly, the Program provided relocation assistance to households who were homeless at the time of application. However, there were situations where it was not possible to prevent displacement. In some instances the rent was unaffordable to the client. In others, landlords refused to accept payment to settle a rent default situation.

There were many cases where the clients simply could not afford to continue living where they were. Sometimes, in the desperation that a tight housing market had bred, people had chosen units whose costs were substantially above their means. More often, especially when a spouse or roommate had left, people who had been able to afford a given unit no longer were able to afford it. Whenever it was appropriate and possible, these households received referrals to the Section 8 Program. Unfortunately, other forms of assistance were not feasible in many cases so it was often impossible to prevent displacement. Nevertheless, the majority of these households benefitted from Program assistance in the form of security deposits and other financial assistance.

Some owners refused to accept Program assistance for reasons ranging from an intention to personally occupy the unit to a desire to convert a rental unit into a condominium. Under state law, the owner of a building with three or fewer units may evict a tenant if he or she intends to use it. This was the case for nearly 12 percent of all relocations.

Next, an eviction for non-payment of rent may have provided the landlord with a golden opportunity to dispose of a tenant. Although it is sometimes difficult to validate, some owners in areas as different as Hudson, Ocean, and Somerset Counties were already seeking to "upgrade" their properties or even to convert them into condominiums. In "vacancy decontrol" municipalities, where the rent control ordinance only applies to continuing tenants, they may have wanted to increase the rents. Finally, there were also instances where, justifiably or not (it is sometimes difficult to establish), the landlord simply considered someone an undesirable tenant.

The Program's operational characteristics were, sometimes, unacceptable to owners. Indeed, there was a lag of four to six weeks between the time H.P.P. entered into a payment agreement and the landlord's receipt of a check from the Department of the Treasury. Some landlords either did not want to or could not afford to wait for the rent payment. For the most part, the courts did not press the issue.

In an effort to address situations where standard disbursement procedures might lead to the loss of a unit, the Program set aside a special replenishable emergency fund in the course of FY 1986. This fund was designed to issue checks within one day when the normal schedule was unacceptable to a landlord. This fund was initially set at \$10,000 and expanded to \$20,000 in the course of FY 1987. Its operation required that the landlord sign an agreement to dismiss the eviction proceeding.

70x

Upon receipt of the agreement, the Field Representative hand-carried the document to the Department's fiscal office where an emergency check was issued and approved. While extremely demanding on staff time, this procedure made all the difference in rent arrears and relocation cases, and prevented evictions which would certainly have occurred without the availability of emergency funds.

However, for nearly 34% of the assisted households there was no housing unit to save. They were homeless. For the most part, they relocated within the county in which they applied. Yet, it was not uncommon for them to search for affordable housing in other parts of the state. Indeed, staff experiences seemed to support the logical assumption that the more location-flexible a household was, the greater was its likelihood of securing housing. As the barriers to long distance relocation were substantial, the Program's policy neither encouraged nor discouraged it. 3.

In sum, the Program paid out \$483,375 for security deposits. H.P.P. considered these loans for which both landlords and tenants were responsible. Under its rules and regulations, owners were required to place Program security deposits in escrow for the State of New Jersey. They were refundable either by the landlord or the tenant (if he or she

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3. The barriers to long distance relocation are substantial. People whose lives are already in crises have to face a completely new, strange and sometimes hostile environment. They lose their support networks of family and friends. Transportation from their new location to their place of employment may be unavailable. Finally, areas with lower housing costs often provide fewer jobs.

7/1x

forfeited security by violating the rental agreement) within thirty days of the occurrence of vacancy. Reimbursements from landlords resulting from this approach, along with the repayments from other clients, enabled the Homelessness Prevention Program to increase its FY 1987 funding availability by nearly 8%.

B - Rent Payments

In its effort to stabilize its clients' housing situations, the Program provided temporary subsidies to 63.5% of all renter households it assisted during FY 1987. Although in most cases (1,082) H.P.P. paid only one month's rent, assistance ranged from one to six months. this assistance was available to homeless households and to those in danger of becoming homeless.

TABLE XXII

Rent Months Paid

<u>Rent Month</u>	<u>Frequency</u>	<u>Percent</u>
1	1082	77.84
2	258	18.56
3	46	3.31
4	2	.14
5	1	.07
6	1	.07

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The Program disbursed funds only on behalf of households who would be able to meet their obligations once the assistance ended. For the majority of its clients this was only possible if the Program provided a short term subsidy to stabilize their situation. These families had often incurred a number of other debts (e.g., utility deposits, delinquent utility bills, medical bills, etc.) that had to be satisfied, if they were to retain a home. Rather than pay these bills, the Program sought to give its clients the opportunity to get back on their feet, so to speak, by paying their rent for a short period of time.

The length of the period of assistance depended on the individual circumstances of the client. For the most part, the relationship between the client's income and his or her housing costs as well as the expectation of a future change were the crucial criteria. All other things being equal, households with bigger ratios of costs to income tended to benefit from longer periods of assistance. Also, the Program sought to assist those currently unable to meet their housing costs until a verifiable change in income occurred. This, for example, was the case for households where an illness had resulted in a loss of income but there was a job available once the health crises had subsided.

There were also cases where the Program provided assistance until a Section 8 Certificate or Housing Voucher became feasible. Sometimes this required a prolonged wait for an opening. When this was the case, H.P.P. provided temporary state funded Housing Assistance

Payments (HAP) designed in much the same way as Section 8 assistance. In FY 1987, the Program entered into twenty four such contracts spending \$25,661 for an average of 3.56 months.

TABLE XXIII  
Rent Payments by County

<u>County</u>	<u>Households</u>		<u>Mean</u>	<u>Total</u>	<u>Mean</u> <u>Months</u>
	<u>Number</u>	<u>Per Cent</u>			
Atlantic	56	60.2	\$357	\$19,991	1.15
Bergen	67	50.2	617	41,304	1.11
Burlington	54	69.2	508	27,431	1.20
Camden	119	62.3	402	47,824	1.30
Cape May	30	75.0	438	13,146	1.17
Cumberland	40	75.5	362	14,548	1.05
Essex	311	61.8	420	130,558	1.05
Gloucester	33	66.0	490	16,161	1.76
Hudson	119	41.8	499	59,324	1.29
Hunterdon	6	85.7	885	5,310	1.83
Mercer	78	76.5	666	51,952	1.71
Middlesex	73	62.4	707	51,639	1.47
Monmouth	65	68.4	542	35,221	1.19
Morris	28	96.6	677	18,943	1.18
Ocean	33	67.4	839	27,696	1.76
Passaic	117	52.7	482	56,417	1.29

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<u>County</u>	<u>Households</u>				<u>Mean</u>
	<u>Number</u>	<u>Per Cent</u>	<u>Mean</u>	<u>Total</u>	<u>Months</u>
Salem	9	56.3	\$523	\$ 4,709	1.44
Somerset	11	52.4	676	7,437	1.27
Sussex	8	88.9	808	6,463	1.50
Union	125	73.5	600	75,020	1.46
Warren	12	92.3	786	9,427	1.75
State	1,394	61.3	517	720,521	1.25

There were also many occasions when Section 8 assistance was available through this Department's Bureau of Housing Services, but the units did not meet the Housing Quality Standards (HQS). Whenever the owner agreed to perform the necessary repairs or modifications, the Program provided a subsidy on behalf of a client who otherwise would have been unable to keep up with the rent.

Added together, full rent payments and HAPs amounted to \$746,182 or 31.6% of all disbursements for tenants discussed in this report. A total of 1408 households (ten received a combination of full rent and HAP) including 4549 people benefitted from the full or partial subsidy of 1827.94 rent months at a mean cost to the public of \$408.21 per month. This assistance helped stabilize families and otherwise provided many New Jersey residents the opportunity to get on with their lives.

### Preventing Displacement

Evictions are the most common precipitators of homelessness. While a variety of factors may lead to an inability to meet housing costs, the legal process through which an owner regains possession of a dwelling is the critical event in the cycle of homelessness. New Jersey courts witnessed the filing of more than 130,000 evictions in 1986.

Once evicted, families tend to seek shelter from friends and relatives. It is rather common for people to go from one friend's home to another for a period of time. More often than not, these "doubled-up" situations lead to the exacerbation of family crises due to serious over-crowding, lack of privacy and loss of self-respect which ensues. Eventually many of these households lose all shelter and become fully dependent on temporary arrangements through county welfare agencies or other organizations.

Intervention to prevent the initial displacement is the most effective means of forestalling the onset of homelessness for a given household. The Homelessness Prevention Program seeks to do this by paying rent arrears, legal and court costs and other moneys its clients may owe their landlords. In FY 1987, 51% of H.P.P.'s clients received assistance with rents in default. The Program paid late fees on behalf of 24% of its clients, court costs for 16%, legal fees for 11% and other fees (partial rent months, constabulary fees, etc.) to assist another 8%.

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TABLE XXIV  
Rent Arrears by County

<u>County</u>	<u>Number</u>	<u>% Households</u>	<u>Mean</u>	<u>Total</u>	<u>Mean Months</u>
Atlantic	36	38.7	\$ 854	\$ 30,747	2.36
Bergen	65	50.0	1,207	79,638	2.46
Burlington	36	46.1	790	28,432	1.94
Camden	100	52.4	657	65,650	2.29
Cape May	9	22.5	927	8,344	3.00
Cumberland	20	37.7	906	18,120	2.70
Essex	278	55.9	943	262,159	2.50
Gloucester	15	30.0	696	10,441	1.80
Hudson	154	54.0	808	124,475	2.48
Hunterdon	2	28.0	776	1,552	1.50
Mercer	44	43.3	826	36,356	2.30
Middlesex	76	65.0	1,196	90,898	2.34
Monmouth	50	52.6	949	47,455	2.84
Morris	23	79.8	1,407	32,380	2.16
Ocean	24	49.0	952	22,867	2.57
Passaic	146	65.8	648	94,650	2.30
Salem	4	25.0	924	3,696	3.00
Somerset	12	57.1	1,287	15,445	2.50
Sussex	6	66.7	1,076	6,454	2.33
Union	50	29.4	960	48,015	2.30
Warren	8	61.5	1,050	8,398	2.13
State	1,159	50.9	894	1,036,172	2.35

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Rent arrears were the Program's single biggest item, accounting for nearly 40% of all disbursements (44% of all moneys for tenants) in FY 1987. They were also the biggest debt category for clients in danger of eviction.

For the most part, landlords filed during the second half of the month when unpaid. In most cases, the courts issued and delivered subpoenas during the latter part of the second month. As a result, 38% of all applicants (nearly 76% of all clients in default) owed back rent for two to three months. Ideally, people applied to the Program before the return date on their summons. However, because of client unawareness of the Program's availability, court delays in service of papers, and Program back logs, it was not uncommon for the court date to have passed before the Program could assist the applicant. Indeed, the staff reported that nearly one third of all applicants in danger of eviction had already been served with warrants of removal, under state law: the step immediately preceding forceful removal by an officer of the Court.

Most of the time, Program intervention involved the offer of funds (to settle client's debts) to the owner who in return agreed to dismiss the court action and continue the tenancy under the law. Although there were rightout refusals, most landlords were glad to cut their losses and accept settlement through the Program. Nearly 85% of all eligible households in danger of eviction were assisted thus.

Some cases were more complex and required extensive negotiations with landlords, cooperation from other agencies in settling excessive arrear periods or collaboration with legal services and community law practices. These situations primarily involved factual disputes on the amount due to the owner. In a few instances they involved rent abatement actions for poor unit conditions. In these events the Program made funding available and its Field Representatives otherwise played key roles.

TABLE XXV  
Late Fees by County

<u>Count</u>	<u>Households</u>		<u>Mean</u>	<u>Total</u>	<u>Ratio of Late Fees to Arrears Households</u>
	<u>Number</u>	<u>Per Cent</u>			
Atlantic	21	22.6	\$ 52	1,086	.583
Bergen	23	17.4	61	1,408	.1742
Burlington	17	21.8	61	1,037	.4722
Camden	82	42.9	53	4,779	.82
Cape May	2	5.0	25	50	.222
Cumberland	11	20.8	86	941	.55
Essex	103	20.5	62	6,431	.3705
Gloucester	10	20.0	73	725	.667
Hudson	54	19.0	47	2,513	.3507
Hunterdon	0	0.0	N/A	0	0
Mercer	20	19.6	101	2,012	.455

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<u>County</u>	<u>Households</u>			<u>Ratio of Late Fees</u>	
	<u>Number</u>	<u>Per Cent</u>	<u>Mean</u>	<u>Total</u>	<u>to Arrears Households</u>
Middlesex	52	44.4	\$ 69	3,175	.684
Monmouth	29	30.5	60	1,740	.580
Morris	16	55.2	58	935	.696
Ocean	11	22.5	72	791	.458
Passaic	46	20.7	53	2,460	.315
Salem	2	12.5	183	366	.50
Somerset	8	38.1	61	490	.6667
Sussex	1	11.1	90	90	.1667
Union	22	12.9	89	1,958	.440
Warren	4	30.8	113	451	.500
State	502	22.1	59	29,790	.433

Under New Jersey's landlord-tenant law, an owner may demand late payment penalties, legal and court costs whenever a prior written agreement is present. Quite often, landlords were unwilling or unable to waive these charges so the Program had to settle them in order to secure dismissal of an eviction action.

Landlords insisted upon the collection of late payment charges (usually amounting to 5% of the rent) 4 percent of the time. While our clients almost never owed more than three months back rent, their financial difficulties often had begun long before. One symptom of this was a history of late fees ranging from \$5 to \$471. The Program paid out an average of \$59 to prevent the eviction of 502 households.



TABLE XXVI  
Court Costs by County

<u>County</u>	<u>Households</u>		<u>Mean</u>	<u>Total</u>	<u>Ratio of Court Costs to Arrears Households</u>
	<u>Number</u>	<u>Per Cent</u>			
Atlantic	10	10.8	22.7	\$ 227	.2778
Bergen	32	24.2	16.25	520	.4849
Burlington	8	10.3	15.25	122	.2222
Camden	60	31.4	19.73	1,184	.6000
Cape May	2	5.0	9.5	19	.2222
Cumberland	8	15.1	32.13	257	.4000
Essex	52	10.3	17.65	918	.1871
Gloucester	4	8.0	45.50	182	.2667
Hudson	48	16.8	12.83	616	.3117
Hunterdon	0	N/A	N/A	0	.0000
Mercer	11	10.8	22.46	247	.2500
Middlesex	38	32.5	22.82	867	.5000
Monmouth	34	35.8	19.82	674	.6800
Morris	8	27.5	30.88	247	.3478
Ocean	3	6.1	19.33	58	.1250
Passaic	40	18.0	20.10	804	.2740
Salem	3	18.8	62.67	188	.7500
Somerset	6	18.6	16.67	100	.5000
Sussex	1	11.1	9.00	9	.1662
Union	5	2.9	38.60	193	.1000
Warren	2	15.3	11.00	22	.2500
State	375	16.5	19.88	\$7,454	.3236

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Generally, court costs were minimal (75% were under \$23), yet nearly one third of all households facing eviction were unable to meet them in time to secure their landlord's agreement to dismiss the action. This was especially true for households on a fixed income at the end of the month. The Program disbursed \$7454 to assist these families.

Legal fees constituted a more substantial, if less usual, demand. For the most part, only landlords with extensive holdings and apartment complexes asked to be reimbursed for attorney's fees, and then generally only when a court appearance had taken place. The majority of landlords who employed a lawyer resorted to a specialist handling a large volume of evictions on their behalf. This contributed to reducing their costs, and the Program's (half the attorneys charged \$75 or less). There were, however, twenty instances where these fees exceeded \$150. All told, in FY 1987 the Homelessness Prevention Program paid an average of \$86 in legal fees on behalf of 10% of its clients (nearly one fifth of those facing eviction).

During the period covered by this report, the Homelessness Prevention Program was responsible for bringing to a halt 1159 eviction actions involving some 3714 people statewide. It is hardly necessary to say that most, if not all, of these people, over half of whom were children, would have been homeless in the absence of H.P.P. intervention. The total cost of this involvement was \$1,130,544 (or \$975.45 per household) for arrears and fees.

TABLE XXVII  
Legal Fees by County

<u>County</u>	<u>Households</u>		<u>Mean</u>	<u>Total</u>	<u>Ratio of Late Fees</u>
	<u>Number</u>	<u>Per Cent</u>			<u>to Arrears</u>
Atlantic	14	15.1	\$126	\$ 1,765	.3889
Bergen	12	9.1	109	1,309	.1818
Burlington	7	9.0	86	601	.1944
Camden	27	14.1	95	2,560	.2700
Cape May	2	5.0	75	150	.2222
Cumberland	6	11.3	66	396	.3000
Essex	38	7.6	85	3,220	.1367
Gloucester	4	8.0	161	644	.2667
Hudson	8	2.8	65	522	.0520
Hunterdon	0	N/A	0	0	.0000
Mercer	17	16.7	149	2,524	.3864
Middlesex	35	29.9	76	2,647	.4605
Monmouth	21	22.1	109	2,294	.4200
Morris	9	31.0	93	834	.3913
Ocean	7	14.3	299	2,090	.2917
Passaic	7	3.2	72	507	.048
Salem	2	12.5	225	450	.500
Somerset	6	28.6	91	544	.500
Sussex	0	N/A	0	0	.000
Union	13	7.7	223	2,900	.260
Warren	4	30.0	54	214	.500
State	228	10.0	86	\$19,627	.1967

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In the nine months (October 1986 through June 1987) covered by the data base under analysis, the Homelessness Prevention Program provided assistance to 2165 renter households. Approximately half as many additional households were found eligible but were unable to benefit from Program assistance either because of their inability to locate affordable housing within the allotted time (a maximum of sixty days) or because the Program had exhausted all its funding by the time they did. In fact, nearly three fourths of all outlays occurred between November 1 and April 1, by which time the majority of our Program's county offices had exhausted their target allocations. It is of course impossible to determine how many more households would have received assistance if the funding had held up.

## Chapter 4

### ASSISTING HOMEOWNERS

For as long as anyone can remember, homeownership has been the embodiment of security and the symbol of success in America. Yet, in recent years, this security has become increasingly evasive as growing numbers of people have lost their homes. Many of them have become homeless and many more are in danger. The Homelessness Prevention Program has sought to address the needs of New Jersey residents who are facing foreclosure due to a temporary inability to meet their housing costs.

In the period covered by the FY 1987 data base, 112 homeowners and former homeowners received Program assistance. 3.7% of the 87 assisted households benefitted from Program help in keeping their homes. Most of them (82) were facing mortgage foreclosure; others owed property taxes. The Program disbursed \$243,849 (10.5%) on their behalf; an average of \$2,802.36 per family. Unfortunately, twenty five households had already lost their homes or had creditors who were unwilling to cooperate with the Program. These households received relocation assistance from H.P.P.

This chapter will address some of the changing circumstances surrounding low and moderate income home ownership. Next, it will summarize the Program's activities on behalf of its homeowner clients.

Finally, this chapter will discuss some of the differences between our homeowner and our renter clients.

The reduction in H.U.D. services to F.H.A. mortgage holders has seriously affected low and moderate income homeowners over the last five or six years. As of July 1987, only nine agencies (down from 45 in 1981) provided H.U.D. counseling in New Jersey. This is an extremely important program for low and moderate income homeowners. It includes budget counseling, pre-purchase guidance, default and delinquency counseling as well as advice on consumer rights and even landlord-tenant matters. In short, H.U.D.'s counseling program provides the benefits of in-depth financial planning and general guidance to people who otherwise would have to do without.

From the standpoint of homelessness and its prevention, default and delinquency counseling is the most important activity of H.U.D.-approved and financed agencies. This program considers an F.H.A. mortgage holder who is three or more months in arrears to be "in danger." A qualified "in danger" homeowner who wishes to participate must contact a H.U.D. counselor at an approved agency. Together, the owner and the counselor discuss the reasons for non-payment and examine the family's ability to maintain the mortgage and eventually bring it up to date.

Under general H.U.D. guidelines, only job loss or a major illness constitute good cause for non-payment of F.H.A. mortgage obligations. Furthermore, in order to qualify they must continue to meet housing payments. Based upon a detailed examination of the household's finances and at least one in-depth interview, the counselor may suggest that the family sell an unaffordable dwelling, assist in the negotiation of a forbearance agreement or recommend the case to H.U.D.'s assignment program.

If H.U.D. approves the mortgagee for its assignment program, then the Federal government assumes the mortgage. H.U.D. establishes new terms under which the mortgagee must continue to meet regular obligations and bring his or her payments up to date within an average period of three years. Once the mortgage is up to date H.U.D. "spins it off" to a private mortgage company. The end result is that a foreclosure is prevented at a relatively insignificant long term cost to the public.

Unfortunately, the Federal Government has curtailed significantly its funding for counseling and assignment efforts. The Homelessness Prevention Program has attempted to fill in some of this gap by using a portion of its funding (targetted at 10%) to assist low and moderate income homeowners who otherwise might become homeless.

Eligible households need not have F.H.A. mortgages, in fact, those who do receive a referral to a H.U.D. agency whenever one is

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available. The Homelessness Prevention Program only assists eligible households with F.H.A. mortgages when H.U.D. is unable to help them.

The Homelessness Prevention Program provides its clients with limited budget counseling as well as no interest loans repayable within five years. Typically, the Program's mortgage specialist discusses the client's finances with a household representative in order to determine both eligibility and ability to meet future payments.. By focusing primarily on housing costs, the Program representative suggests how a client may establish budgetary priorities to minimize the possibility of a recurrent crisis. Upon the conclusion of the budget counseling phase, the Program offers the lending institution funds to bring its client up to date. For the most part (88% of the time), mortgage companies are willing to participate.



TABLE XXVIII  
SUMMARY OF ASSISTANCE TO HOMEOWNERS

<u>COUNTY</u>	<u>MEAN MONTHS</u>	<u>MEAN MORTGAGE PAYMENT</u>	<u>TOTAL MORTGAGE</u>	<u>MEAN "OTHER"*</u>	<u>TOTAL "OTHER"*</u>	<u>MEAN LEGAL FEES</u>	<u>TOTAL LEGAL FEES</u>
Atlantic	5.0	\$2030.00	\$12,180	\$ 80.00	\$ 80	N/A	\$ 0
Bergen	7.0	3307.50	6,615	N/A	0	N/A	0
Burlington	4.2	2090.20	10,451	N/A	0	N/A	0
Camden	5.1	2741.06	43,857	15.24	259	\$ 56.47	960
Cape May	15.0	1883.00	1,883	34.00	34	N/A	0
Cumberland	8.0	1127.50	2,255	N/A	0	N/A	0
Essex	4.3	2719.67	8,157	59.33	178	160.00	480
Gloucester	8.2	2361.83	14,171	26.14	183	64.29	450
Hudson	N/A	N/A	0	N/A	0	N/A	0
Hunterdon	N/A	N/A	0	N/A	0	N/A	0
Mercer	8.0	2404.83	14,429	200.17	1,201	166.50	999
Middlesex	9.4	3346.63	26,773	7.38	59	N/A	0
Monmouth	8.0	2562.25	20,498	975.00	975	N/A	0
Morris	N/A	N/A	0	N/A	0	N/A	0
Ocean	12.3	4019.67	12,059	112.67	338	455.00	1365
Passaic	5.0	2730.20	13,651	111.80	250	N/A	0
Salem	11.0	4121.00	8,242	67.50	135	87.50	375
Somerset	N/A	N/A	0	N/A	0	N/A	0
Sussex	N/A	N/A	0	N/A	0	N/A	0

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<u>COUNTY</u>	<u>MEAN MONTHS</u>	<u>MEAN MORTGAGE PAYMENT</u>	<u>TOTAL MORTGAGE</u>	<u>MEAN "OTHER"*</u>	<u>TOTAL "OTHER"*</u>	<u>MEAN LEGAL FEES</u>	<u>TOTAL LEGAL FEES</u>
Union	5.6	\$2623.88	\$ 20.99	\$ 5.25	\$ 42	\$239.38	\$1915
Warren	N/A	N/A	0	N/A	0	N/A	0
STATE	7.0	2669.31	206,204	42.25	3,567	75.22	6544

\*Includes back taxes.

Payments for mortgage arrears accounted for nearly 80% of Program disbursements on behalf of homeowners. The mean cost of preventing a mortgage foreclosure was \$2,669.31 per household (\$638.59 per person). There were, however, situations that required further or different assistance in the form of back taxes, insurance, legal fees, and other related costs.

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# **ASSISTING PEOPLE IN CRISIS**

## **A Report on the New Jersey Homelessness Prevention Program**

***For Fiscal Year 1987***



**State of New Jersey**  
Thomas H. Kean, *Governor*

**Department of Community Affairs**  
Anthony M. Villane Jr., D.D.S., *Commissioner*

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# **ASSISTING PEOPLE IN CRISIS**

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## *INTRODUCTION*

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**E**ach year more than 130,000 summonses for evictions are issued to renter households in New Jersey. Every month approximately 1,000 families who fail to resolve these evictions in court are actually locked out of their homes.

Emergency shelters are overflowing and continually turn away homeless people.

Consequently, families are doubled up, tripled up, broken up, victimized and abandoned.

Clearly, a new assault on the crisis of homelessness must be launched. An assessment of current efforts expended on behalf of homeless people reveals that more must be done, but more funding for programs is only part of the answer. A new commitment to strategic planning and coordination of the variety of services to the homeless, coupled with additional financial resources will enable us to resolve this growing crisis.

The Department of Community Affairs' Homelessness Prevention Program seeks to address the problem of homelessness before it becomes hopeless. Working in close collaboration with County Welfare and Youth and Family Service agencies the Program refers eligible households to them thereby avoiding duplication of services.

For individuals and families who are ineligible for Emergency Assistance, the Program represents the only alternative to homelessness for thousands of people every year.

The Program has created an effective link with the Section 8 Housing Programs and places several hundred families each year in these long-term federal subsidy programs.

Recently the Homelessness Prevention Program's field staff have been designated as coordinators at the local level for the Comprehensive Homeless Assistance Plan in conjunction with the programs funded by the Stewart B. McKinney Homeless Assistance Act of 1987.

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## A WORD ON METHODOLOGY

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The information in this report is based primarily on data gathered in the course of the Homelessness Prevention Program application process. Staff members who were engaged in direct service delivery, asked a number of questions in addition to those that the clients had to answer on the application form. (The survey instruments appear in the Appendix). In this manner, the Program has gathered a substantial body of information since its inception in December 1984.

Given the nature of the data gathering process, a number of caveats are in order.

First, the client data are not the result of a random sample of the homeless or imminently homeless populations. Rather, they reflect the population that approached the Program, was eligible for its services and benefitted from them. In short, this is a self-selected sample. Great caution must be exercised in drawing inferences about the general population.

Secondly, as clients were the source of information on factors such as displacement causes and employment history, these data must be regarded with a measure of caution. Homelessness Prevention Program rules and regulations partially base eligibility on reasons for displacement (they must suggest a temporary failure of resources beyond iv the client's control). Thus, there is some motivation to misreport factors such as causes for displacement. While we believe that our clients' responses are for the most part accurate, the reader ought to look upon these data as reflecting client perception and reporting rather than as objective accounts.

Finally, the Program adopted a new data collection format in October of 1986. The new process simplified the application and collection processes, but it resulted in two incompatible data sets for FY 1987. In all, the Program assisted 2,791 households at a cost of \$3,185,699. However, the data base for this report includes 2,277 households (82 percent of the total) and disbursements of \$2,599,114 (81 percent of the total). As there is no reason to expect fundamentally different patterns, and, in any case, the numbers excluded are so small (514 households), it is felt that no substantially meaningful information gain would result from the added cost of conducting a separate analysis of the pre-October data set.

We feel that this report contributes to the understanding of homelessness in New Jersey, and that it is a useful account of the development of New Jersey's responses to the plight of its homeless people through the services provided by the Homelessness Prevention Program.

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## A PROFILE OF THE CRISIS

Homelessness is a life-threatening condition. Besides being subject to the mercy of the elements, homeless people are often prey to criminals in search of easy victims. Yet, homelessness threatens not just their physical well-being. Children go from school to school and often are deprived of any education for long periods of time. Adults, too tired from the tasks required to survive, tend to lose their jobs. Families split up. While adapting to chaotic and nomadic conditions, people tend to lose normal skills of behavior and social interaction. Quite often, reality is too much to bear and its victims simply lose touch with it. To paraphrase Hobbes, life on the streets, in parks and in transit stations is "solitary, poor, nasty, brutish and short."<sup>1</sup>

In a departure from the Hobbesian nightmare, all people are not equal in this latter day state of events. Some are clearly more vulnerable than others. For this reason, the Homelessness Prevention Program has developed a system of seven priority selection categories. Their purpose is to give special consideration to those in greatest danger.

The Program's policy is to make its services available to all eligible New Jersey residents while recognizing intrinsic differences. As a result, its outreach efforts emphasize the top priority selection categories. When resources (funds, rental assistance or staff time) are scarce, and they usually are, the staff makes every effort to assist the most vulnerable first. Referrals and placements into the Section 8 Rental Assistance Program of the Bureau of Housing Services are perhaps the best reflection of this commitment.

**TABLE I**  
**SUMMARY CHARACTERISTICS OF ASSISTED HOUSEHOLDS**

<b>CATEGORY</b>	<b>HOUSEHOLDS NUMBER</b>	<b>PERCENT</b>	<b>MEAN AGE*</b>	<b>MEAN FAMILY SIZE</b>	<b>MEAN MONTHLY INCOME</b>	<b>MEAN RENT</b>	<b>I**</b>
Disabled	276	12.1	42	2.47	\$550	\$401	.8925
Elderly	51	2.2	66	1.59	632	363	.6519
Domestic Violence	74	3.3	29	3.30	660	436	.8068
DYFS*** Referral	109	4.8	32	3.95	693	535	.7667
Single- Parent	1,134	49.8	32	3.35	623	407	.7843
Two-Parent	405	17.8	33	4.30	939	485	.6800
Adult Household	226	9.9	39	1.41	735	389	.7361
Singles****	286	12.7	43	1.00	539	349	.8683
<b>Program</b>	<b>2,277</b>	<b>100.0</b>	<b>34</b>	<b>3.20</b>	<b>\$687</b>	<b>\$418</b>	<b>.7723</b>

\* Mean age of head of household.

\*\* I = mean ratio of rent to income.

\*\*\* Division of Youth and Family Services

\*\*\*\* Singles was not a priority selection category. Single individuals were classified according to other criteria (disability, age, etc.). To avoid double counting, their numbers are not included in the Program total.

<sup>1</sup> Thomas Hobbes, *Leviathan*, ed. by C. B. MacPherson, Harmondsworth, Eng.: Penguin, 1986, p. 186.

As Table I and the preceding pages suggest, almost all Homelessness Prevention Program clients find themselves in dire need of rental assistance. Unfortunately, the number of subsidies (Section 8 certificates, vouchers or public housing units) does not even approach the number of needy, let alone income eligible households in New Jersey. It is a well known fact that most public housing agencies have waiting lists which, in the absence of new applications, would require six months to five years to exhaust. At any given time, upward of 90 percent of the Bureau of Housing Service's administered certificates and vouchers may be under contract, the remainder are almost always certified. Thus, even though the Bureau of Housing Service's administrative plan gives preference to Homelessness Prevention Program clients most of whom are within Section 8 income guidelines,<sup>2</sup> only a very small number can be served. Under these circumstances, the Program's policy has been primarily to refer the neediest top priority households for immediately available slots. As a result, clients in the top two categories (Disabled and Elderly) comprised over 75 percent of FY 1987 rental assistance referrals; together the top five categories accounted for more than 95 percent of these referrals.

This report will define each priority selection category in order to identify its specific problems. Keeping this in mind, the discussion will focus on some of the relevant characteristics of the households covered by each assistance category. Furthermore, this report will also address the problems of single adults, a population that overlaps several Program assistance categories. Our general goal will be to examine the diversity of the homeless population, not to assign causality to specific demographic characteristics.

**TABLE II**  
**DISTRIBUTION OF PROGRAM DISBURSEMENTS**

<b><u>CATEGORY</u></b>	<b><u>MEAN</u></b>	<b><u>PERCENT</u></b>	<b><u>TOTAL</u></b>
Disabled	\$1,115.48	11.7	\$307,873
Elderly	931.04	1.8	47,483
Domestic Violence	1,141.93	3.2	84,503
DYFS* Referred	1,034.85	4.3	112,799
Single Parent	1,065.87	46.1	1,208,691
Two Parent	1,532.83	23.7	620,797
Adult Household	1,064.37	9.2	240,547
<b>PROGRAM</b>	<b>\$1,152.83</b>	<b>100.00</b>	<b>\$2,622,693</b>

*\*Division of Youth and Family Services*

<sup>2</sup>Federal Section 8 guidelines prescribe that households with incomes below 50 percent of their area median are income eligible for rental assistance.

## DISABLED HOUSEHOLDS

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The Program does not distinguish between physical handicap and mental disability to determine priority consideration. For its purposes, any household including a disabled person, whether this person is an adult or not, is a disabled household.<sup>3</sup> Many disabled people are largely unable to care for themselves when they become homeless. Many require special treatments, medication or therapy which are not easily dispensed on the street. Many will always be unable to seek and hold employment. Some are unable to move about easily. Under the severe stress of homelessness, a few may become a threat to themselves.

Even at this late date, many people feel that most homeless people are mentally ill. This notion is conceptually and factually erroneous. Deinstitutionalization results in homelessness only when affordable housing and community support facilities are insufficiently available. Indeed, the overwhelming majority of the deinstitutionalized mentally ill are not homeless and, while it is conceivable that homelessness may cause mental illness, most homeless people are not mentally ill. Nevertheless, poverty may exacerbate the effects of mental illness. As a result, the mentally ill are especially vulnerable to changing housing market conditions, i.e., rising rents, contraction of supply, especially single-room occupancy units.<sup>4</sup>

Our Program experience appears to confirm these observations. Only 12.1 percent of assisted households included one or more disabled people. While no separate record was kept, staff observation suggests that fewer than two-fifths of Disabled Households included a mentally ill person. Fewer than five percent of all applicants could be identified as mentally ill.<sup>5</sup> Indeed, the majority of our disabled clients were more like Mr. and Mrs. G.

The G.'s had lived for many years in a public housing development in a large urban area. Mrs. G., a victim of multiple sclerosis, was confined to a wheel-chair. Often, other people in the area subjected her to intense harassment. Having heard about the economic boom along the Route 1 corridor, the G.'s decided to relocate in search of better living conditions and a better job for Mr. G. Unfortunately, he was unable to secure better paying employment. When they approached the Program for assistance, Mr. G. was not earning substantially more than the minimum wage and they had been living for months in a motel. The Program was able to assist them with first month's rent, security and a referral for a Section 8 Voucher.

In the period covered by the FY 1987 data, the Homelessness Prevention Program assisted 276 Disabled Households (12.1 percent) at a total cost of \$307,843 or \$452.05 per person. In fewer than half of these households, the disabled person lived alone. Nearly one-third of these households included children.

At least one person, often the disabled person, was employed in most Disabled Households. While only 15.9 percent of Disabled Households relied exclusively on wages, another 12.1 percent supplemented wages with another source of income. Nevertheless, 90 percent of Disabled Households (75 percent of those employed) had incomes below the average poverty threshold (\$11,203). In short, Disabled Households were the poorest of our clients.

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<sup>3</sup>Under Section 8 guidelines, designations such as "elderly" or "disabled household" are applicable only when they describe the head of household. In effect, then, the presence of a disabled minor is not sufficient to designate a household "disabled."

<sup>4</sup>This discussion owes much to H. Richard Lamb, "Deinstitutionalization and the Homeless Mentally Ill," pp. 262-78, in Housing the Homeless, ed. by J. Erickson and C. Wilhelm, New Brunswick, N.J.: Rutgers University, Center for Urban Policy Research, 1986.

<sup>5</sup>Disabled people were generally the object of a referral from a specialized agency. In some cases, Program representatives referred clients to those agencies.

**TABLE III**  
**INCOME OF DISABLED HOUSEHOLDS**

<u>SOURCE</u>	<u>HOUSEHOLDS NUMBER</u>	<u>PERCENT</u>	<u>INCOME MEAN</u>	<u>MEDIAN</u>
Wages	44	15.9	\$9,426.84	\$9,561
Social Security	36	13.0	5,708.75	4,938
Aid for Dependent Children	21	7.6	5,160.71	5,016
Unemployment	5	1.8	6,353.60	5,472
Supplemental Security Insurance	35	12.7	4,436.46	4,524
General Assistance	25	9.1	2,578.00	2,400
Other*	110	39.9	7,655.78	7,192
<b>All Sources</b>	<b>276</b>	<b>100.0</b>	<b>\$6,602.54</b>	<b>\$5,580</b>

*\*Includes temporary disability, child support and combined sources.*

Like many of the general client population,<sup>6</sup> Disabled Households most frequently reported that loss of income and household break-up had resulted in an inability to meet housing costs. However, this population also was especially vulnerable to changes or delays in benefits and medical expenses.

Considering that rental costs on the average amounted to 89.3 percent of household income, it is not surprising that benefit actions and medical expenses made a significant difference to these households. Given their relatively high incidence of dependence on public assistance and their health status, it is only surprising that more Disabled Households did not see these factors as the immediate causes of their impending displacement.

**TABLE IV**  
**DISABLED HOUSEHOLDS: CAUSES OF DISPLACEMENT**

<u>CAUSE</u>	<u>FREQUENCY</u>	<u>PERCENT</u>
Medical	22	8.1
Unexpected	9	3.3
Delayed Benefits	27	9.9
Loss Benefits	14	5.1
Reduction Benefits	5	1.8
Increased Rent	2	0.7
Government Action	6	2.2
Breakup	32	11.7
Disaster	7	2.8
Owner Occupy	12	4.4
Loss Income	66	24.2
Theft	11	4.0
Illegal Action	8	2.9
Other	52	19.0

<sup>6</sup> See p. 2, above.

In short, the special characteristics of the disabled population make it particularly vulnerable in New Jersey's housing crisis. While disabled people are not the norm among the homeless, let alone this Program's clients, their specific problems make homelessness especially critical. The Homelessness Prevention Program sought to contribute to New Jersey's efforts to protect its most vulnerable citizens by providing temporary housing assistance and, whenever possible, facilitating long-term relief from disproportionately high housing costs by prioritizing the disabled homeless for assistance from the Section 8 Housing Program.

## ELDERLY HOUSEHOLDS

Under the Program's criteria, any household including a person aged 62 years or over is an Elderly Household. During the period covered by the FY 1987 data base, the Program assisted 51 such households (2.2 percent) at a cost of \$47,483 (1.8 percent) or \$586.21 per person.

Generally speaking, the elderly were more able to meet their housing costs than any other client group. Rent amounted to 66 percent or less of income for half the assisted households in this category. One-fourth of them paid less than 42 percent of income toward housing. The average Elderly Household faced rents amounting to 65 percent of income. While our elderly clients' rents were out of proportion to their incomes by most standards, they were still significantly less burdensome than those of the assisted population as a whole (77.2 percent). Elderly Households were more likely to have lived in the same unit for extended periods. As a result, their mean housing payments were nearly 14 percent lower than average.

Although state law provided for special protection of the elderly and disabled from conversions and renovations, many of them did not benefit from this status. Mrs. B. was one such person. When a friend contacted the Program on her behalf, she was 74 years old and had lived in a residential hotel for more than a decade. The owner of this facility was apparently attempting to avoid his obligations by forcing poor, elderly and disabled tenants to relocate. He provided insufficient or no heat, turned off or did not repair the elevator and generally harassed the residents. While, under normal circumstances, the Program would have only referred Mrs. B. and her neighbors to Legal Services, it was clear that given her age and frailty she was facing a life-threatening situation. Fortunately for all involved, a landlord known to the Program had an appropriate vacancy. The Homelessness Prevention Program assisted with her relocation and helped her to get of rental assistance.

TABLE V  
INCOME OF ELDERLY HOUSEHOLDS

<u>SOURCE</u>	<u>HOUSEHOLDS</u>		<u>MEAN</u>	<u>MEDIAN</u>
	<u>NUMBER</u>	<u>PERCENT</u>		
Wages	10	19.6	\$8,182.40	\$7,752
Social Security	22	43.1	7,016.91	6,354
UIB	2	3.9	3,960.00	3,960
SSI	4	7.8	4,488.00	4,428
Other*	12	23.5	8,990.58	7,068
All sources**	51	100.0	\$7,583.43	\$6,360

\*Includes pension plans and combinations of sources.

\*\*Includes unavailable income source data.

Social security benefits constituted the only source of income for 43.1 percent of Elderly Households. Another 13.8 percent supplemented their benefits with another source of income. Approximately one-fourth of Elderly Households included at least one employed person. Someone had worked within the preceding year in 54.3 percent of these households. Nevertheless, the elderly ranked fifth among Program assistance categories in terms of mean income.

Although some assisted elderly people lived with a spouse, children, grandchildren or an unrelated adult, most (75 percent) lived alone. Slightly more than half of them (54.9 percent) were women and one-fourth were 74 or older. Thus, the elderly tended to live alone and to be quite frail. Their relatively low incomes compounded the difficulties due to their specific characteristics. As a result, the elderly were especially vulnerable when their homes were removed from the rental market: 18 percent reported that an owner wished to occupy their unit, eight percent reported a natural disaster or a fire and eight percent claimed that an action by a governmental body had resulted in their displacement. Any person faced with such situations would have been in a quandary. For low-income elderly people with no one to turn to, these were severe life-threatening problems. The Homelessness Prevention Program sought to protect this vulnerable population group.

## VICTIMS OF DOMESTIC VIOLENCE

Historically the Homelessness Prevention Program has worked closely with battered women's shelters and agencies. In the period of the FY 1987 data base, the Program disbursed \$84,503 (3.2 percent) to assist 74 referred Domestic Violence Households (3.3 per cent) at a mean cost of \$346.32 per person. Furthermore, the Program facilitated Section 8 rental assistance for about one-third of these households and provided referrals without disbursing funds (many were eligible for Emergency Assistance) for another nine Domestic Violence Households.

Victims of domestic violence were circumstantially different from the general assisted population: in an immediate sense their homelessness was not due to family financial difficulties. Ms. H., for example, had been married for 30 years to a man who, upon retirement, started drinking heavily. Alcoholism led to severe physical abuse requiring extensive medical attention. Ms. H., who had never sought social services or received public assistance, turned to the local public housing authority for help. The authority referred her to the Homelessness Prevention Program. After directing her to a specialized domestic violence agency for services and emergency shelter, the Program helped her to relocate.

In most cases, however, specialized agencies were the source of the referral after the victim had decided to leave the abusive situation. Many required intensive medical care, all required crisis intervention services followed by extensive counseling. As most victims of domestic violence were unable to afford relocation, Homelessness Prevention Program intervention became crucial to efforts aimed at breaking the cycle of violence. In the absence of housing assistance, these women and their children would have had little choice but to return to environments where the recurrence of violence was nearly a certainty.

Indeed, most domestic violence victims had been economically dependent on their abusers. While slightly more than half of Domestic Violence Household heads were employed and nearly half relied exclusively on wages, their mean earnings were 11 percent below the average poverty threshold.

**TABLE VI**  
**INCOME OF DOMESTIC VIOLENCE HOUSEHOLDS**

<u>SOURCE</u>	<u>HOUSEHOLDS</u>		<u>MEAN</u>	<u>MEDIAN</u>
	<u>NUMBER</u>	<u>PERCENT*</u>		
Wages	36	48.7	\$9,991.67	\$9,372
AFDC	31	41.9	4,906.10	4,848
UIB	1	1.4	6,480.00	6,480
Other**	6	8.1	11,255.30	9,312
<b>All sources</b>	<b>74</b>	<b>100.0</b>	<b>\$7,916.23</b>	<b>\$6,480</b>

*\*Does not add up to 100% percent due to rounding off.*

*\*\*Includes child support, temporary disability and combined sources.*

6/10/87

As 76.7 percent of these employed women held either clerical, domestic or home health aid or food service jobs, it was not surprising to find that 75 percent earned below poverty wages. Generally ineligible for Emergency Assistance, these employed women had a special need for Homelessness Prevention Program assistance.

The Domestic Violence category also encompassed the highest rate (32.4 percent) of people who had not been employed during preceding 12 months. As a result, 42 percent of the households in this assistance category had to make do with Aid For Dependent Children benefits. This high rate of dependence on public assistance only served to compound the difficulties they faced.

In a very narrow sense, housing is not the main problem facing victims of domestic violence. However, when leaving the abusive situation becomes the only solution, as it often does, then the absence of alternative housing may be transformed into the most serious barrier facing these women. Specialized shelters provide an indispensable element in the resolution of this problem. However, in the absence of permanent housing, going to a shelter constitutes only a temporary respite.

The Program sought to participate in efforts to break the cycle of violence by assisting in the relocation of victims to safe and affordable housing and, in some cases, enrolling them in Project Self-Sufficiency to enable them to upgrade their employment skills.

#### **FAMILIES IN DANGER OF BREAKUP DUE TO HOMELESSNESS**

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As homelessness is especially threatening to the welfare of children, state policy has long faced a dilemma over the appropriate course of government intervention in this situation. Is it not the duty of society to protect these children? Should the pain of separation be added to the trial of homelessness?

While the stated policy of the Division of Youth and Family Services (DYFS) has been to avoid foster placement of the children of homeless families, that agency has not always been able to do so. Since its inception, the Homelessness Prevention Program has worked to make available the only fully satisfactory solution to this dilemma: forestalling family homelessness. In conjunction with this position, the Program has assigned a high priority ranking to DYFS referrals of households facing imminent foster placement due solely to homelessness. In the period of the FY 1987 data base, the Program assisted 109 such families (4.8 percent of assisted households) at a total cost of \$112,799 (4.3 percent) or \$261.72 per person.

Almost all assisted households in this category (98.2 percent).<sup>7</sup> were actually homeless when they contacted the Program. Women headed 77 percent of these households. The average household size in this category was 23 percent larger than the average of the assisted population. In short, DYFS referrals were mostly single-parent households headed by women.

Although nearly half the households in this assistance category included at least one employed person, more than three-fourths had incomes below poverty level. Half these households had incomes of \$6,972 and one fourth had to make do with less than \$410 per month. As a result, they lived in units where the housing payment, on the average, was the equivalent of 76.7 percent of income.

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<sup>7</sup>. Another 62 households referred by DYFS applied but were unable to locate suitable housing in this period.

**TABLE VII**  
**INCOME OF DYFS HOUSEHOLDS**

<u>SOURCE</u>	<u>HOUSEHOLDS</u>		<u>MEAN</u>	<u>MEDIAN</u>
	<u>NUMBER</u>	<u>PERCENT</u>		
Wages	44	40.4	\$10,833.00	\$10,040
Social Security	2	1.8	10,206.00	10,206
AFDC	40	36.7	5,068.90	4,848
UIB	2	1.8	8,448.00	8,448
SSI	1	.9	2,400.00	2,400
Other*	20	18.4	9,418.85	8,222
<b>All Sources</b>	<b>109</b>	<b>100.0</b>	<b>\$8,325.61</b>	<b>\$6,972</b>

*\*Includes temporary disability, child support and combined sources.*

Nevertheless, by Program standards, DYFS-referred households were generally "average" in terms of income, education, affordability of rent and employment status. Only the imminent possibility of foster placement made these households different from the rest of the assisted population. Often, in cooperation with DYFS staff, the Program provided the only alternative to foster placement.

#### **SINGLE-PARENT HOUSEHOLDS**

If there was a "typical" client household, it was headed by a single woman, with two or three children, who was employed in a low-paying occupation. Indeed most Domestic Violence and DYFS-referred households were single-parent families. Some Disabled and Elderly Households also fit this description. Unless they fit a higher ranking assistance category, almost all one-parent families fell into the Single-Parent Household category. Well over half of all assisted clients were households composed of a single parent with children.

In the period covered by the FY 1987 data base, the Program assisted 1,134 households in the Single-Parent Family category (49.8 percent of all assisted households). On their behalf, the Homelessness Prevention Program disbursed \$1,208,691 (46.1 percent) or \$318.83 per person.

The heads of assisted Single-Parent Households were almost exclusively female (94.9 percent). Nearly 40 percent had not completed high school, 25 percent never finished the 11th grade and 10 percent did not go beyond the ninth grade. Only Victims of Domestic Violence, with a mean age of 29, were younger than single heads of household (mean age of 32.3). One of every 10 single parents was under 22 years of age. Nearly 40 percent were homeless, requiring the disbursement of \$247,451 in security deposits to obtain housing.



**TABLE VIII  
INCOME OF SINGLE PARENT HOUSEHOLDS**

<u>SOURCE</u>	<u>HOUSEHOLDS</u>		<u>MEAN</u>	<u>MEDIAN</u>
	<u>NUMBER</u>	<u>PERCENT*</u>		
Wages	476	42.0	\$9,585.41	9,105.50
Social Security	18	1.6	6,799.61	5,774.50
AFDC	431	38.0	5,051.35	4,848.00
UIB	39	3.4	6,925.23	6,268.00
SSI	11	1.0	5,109.73	4,455.00
Other**	158	13.9	8,089.48	6,404.00
<b>All Sources***</b>	<b>1,134</b>	<b>100.0</b>	<b>\$7,477.87</b>	<b>\$6,214.00</b>

*\*Does not add up to 100.0% percent due to rounding and missing source data.*

*\*\*Includes child support, temporary disability, workmen's comp. and various combined sources.*

*\*\*\*Includes missing source data.*

Only Disabled Households, which, in any case, were smaller families, had lower incomes than Single-Parent Households. The latter reported a mean income of \$7,477.87 and half of them had to make ends meet on \$517.83 or less per month. Fewer than half (47.6 percent) of these heads of household were employed and only 42 percent lived exclusively off wages. Meanwhile, 43.7 percent collected Aid to Families with Dependent Children (AFDC). Half of these households paid monthly rents in excess of 72.5 percent of income, for one-fourth the housing payment exceeded 90 percent of income. Only 10 percent lived in units costing 36 percent or less of their income.

Household breakup was the second most important reported reason for displacement (nearly 21 percent). Loss of earned income was the most commonly reported immediate displacement cause (22.4 percent). Actions affecting their benefits were the most immediate problem for 10.6 percent of these households. Unexpected expenses (medical or otherwise) had lead to an inability to meet current housing costs for 9.4 percent.

**TABLE IX**  
**SINGLE PARENT HOUSEHOLDS: DISPLACEMENT CAUSES**

<u>CAUSE</u>	<u>FREQUENCY</u>	<u>PERCENT</u>
Medical	18	1.8
Unexpected	88	7.8
Delayed Benefits	44	3.9
Loss Benefits	55	4.9
Reduction Benefits	20	1.8
Increased Rent	10	1.8
Government Action	40	3.8
Breakup	235	20.9
Disaster	16	1.4
Owner Occupy	45	4.0
Loss Income	251	22.4
Theft	44	3.9
Illegal Action	38	3.4
Other**	206	18.4

*\*\*Includes combinations.*

Clearly, households in this assistance category illustrated the plight of single parents in New Jersey. Single-parent households constitute the second, after two-parent families, fastest growing portion of the homeless population. Female-headed single-parent households represent less than one-fifth of the state's families, yet they account for more than half of its poor families.<sup>8</sup> In other words, this is a particularly "at risk" population.

To address some of the specific needs of single parents, Homelessness Prevention Program representatives in Monmouth and Ocean counties have developed two demonstration projects. The first is a variation of Project Self-Sufficiency. Using the Program's resources as well as its ability to facilitate Section 8 rental assistance, the Program representative, in collaboration with other agencies, especially Displaced Homemakers, selects single-parent households that agree to participate in a job training program. Participation also provides easy access to counseling programs and nonspecific skills training. The goal of this project is to provide participants with sufficient training to become eligible for skilled and semi-skilled employment. Rental assistance is available to ensure that housing will remain affordable.

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<sup>8</sup>In 1983 the median New Jersey household income was \$25,299, yet single female householders had a median income of \$13,039. During that same year "Families with a female householder and no spouse represented 16.2 [sic] of all families, but 55.3 sic of families with incomes below the poverty level..." N.J. Department of Labor, Office of Demographic and Economic Analysis, New Jersey Annual Demographic Profile, 1984, Trenton: N.J. Department of Labor, 1984.

However, Program experience has suggested that many people are not prepared to manage a household on their own, or to seek mid- to high-level training. Some homeless households have been on the street so long they have lost necessary homemaking and social skills. Others are simply so young they have never acquired these skills. To address the special needs of these households, most of which are single-parent households, Program representatives in Monmouth and Ocean counties have organized scattered-site transitional housing projects. These demonstration projects also involve collaboration with other agencies, especially DYFS and the Board of Social Services. The goal here is to provide temporary housing in seasonal (winter) rental units for three to eight months. Volunteer participants then become the object of intensive case management aimed at imparting parenting skills, housekeeping techniques and non-specific social interaction skills appropriate to living in decent housing rather than on the street.

The Self-Sufficiency project in Ocean County began operations in the last quarter of FY 1987. Due to the need for seasonal rentals as well as to the time involved in organizing the necessary inter-agency task forces, the transitional housing projects in Monmouth and Ocean counties will not begin operation until the second quarter of FY 1988.

Through the independent efforts of two of its field representatives, the Program has sought to expand the range of services available to single-parent households, thereby enhancing the effectiveness of its temporary housing assistance. After all, homelessness is not a problem that admits to short-term solutions.

## **TWO-PARENT HOUSEHOLDS**

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The Program considered any household composed of two adults and children a Two-Parent Household. This category, however, did not include all "traditional families." Some of them have been referred by DYFS or may have included disabled or elderly people. In these cases, households were generally assigned to the highest ranking appropriate category.

Two-Parent Households were the second most frequently served category. In the period of the FY 1987 data base, the Homelessness Prevention Program assisted 405 such households (17.8 percent) including 1,740 persons (910 children under 18). The Program disbursed \$620,797 (\$356.78 per person) in order to assist them.

By most indicators, Two-Parent Households were significantly better off than the assisted population at large. Their mean income was 36.7 percent higher than average. At least one person was employed in 80.7 percent of these households, as compared to 50.2 percent of all households. On the average, housing payments took 12 percent less of their income. They were almost three times as likely to own their homes: 10.6 percent of Two-Parent Households and 3.8 percent of all households did.

However, by most other standards, the Two-Parent Households the Program assisted were a distressed population. Well over half of them had incomes below \$11,203, the federally established 1986 average poverty threshold.

**TABLE X  
INCOME OF TWO-PARENT HOUSEHOLDS**

<u>SOURCE</u>	<u>HOUSEHOLDS</u>		<u>MEAN</u>	<u>MEDIAN</u>
	<u>NUMBER</u>	<u>PERCENT*</u>		
Wages	272	67.2	\$12,328.10	\$11,544
Social Security	9	2.2	9,500.33	7,848
AFDC	35	8.6	5,724.63	5,580
UIB	32	7.9	8,617.06	9,467
Other**	53	13.1	11,965.90	11,412
<b>All Sources***</b>	<b>405</b>	<b>100.0</b>	<b>\$11,264.70</b>	<b>\$10,272</b>

*\*Does not add up to 100 percent due to rounding and missing source data.*

*\*\*Includes temporary disability and miscellaneous and combined sources.*

*\*\*\*Includes missing source data.*

One-fourth reported gross incomes under \$7,200 (64 percent of poverty). Three-fourths had incomes under 130 percent of poverty.

For half of the families relying exclusively on wages, income exceeded the poverty level by only 3 percent! Thus, even here poverty was the rule.

However, for purposes of the Homelessness Prevention Program, the relation between income and rent was a better indicator of distress. Half the Two-Parent Families faced housing costs in excess of 52 percent of income. Rents or mortgage payments represented at least 76 percent of gross income for one-fourth of these families. In short, even these households were less than one month's income away from homelessness.

While men headed 64.7 percent of Two-Parent Households,<sup>9</sup> fewer than one-third of heads of household (31.8 percent) reported a present or most recent job in the construction or manufacturing sector. Two-thirds held service sector jobs with little security and low pay. As a result, 55.3 percent attributed their inability to meet housing costs to a loss of income. In most cases someone in the household had secured employment by the time Program assistance ended.

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<sup>9</sup>.Men headed only 24.6 percent of all assisted households. This was the only category where males outnumbered females as heads of household. Among Elderly and Adult Households female heads of households were a small majority. In the other assistance categories, women were at least three times as likely to be heads of households.

TABLE XI

## TWO-PARENT HOUSEHOLDS: DISPLACEMENT CAUSES

<u>CAUSE</u>	<u>FREQUENCY</u>	<u>PERCENT</u>
Medical	7	1.8
Unexpected	20	5.0
Delayed Benefits	17	4.3
Loss Benefits	11	2.8
Reduction Benefits	2	5.0
Increased Rent	4	1.0
Government Action	4	1.0
Breakup	21	5.3
Disaster	8	2.0
Owner Occupy	21	5.3
Loss Income	221	55.5
Theft	3	7.0
Illegal Action	13	3.3
Other*	46	11.5

\*Includes combinations.

Two-Parent Households would be expected to have been at less risk than other household types, only because the possibility of two incomes was present. However, even two incomes—nearly one-half of these households had them—were often insufficient to face eventualities that put a stress on family resources. Indeed, nearly one-fifth of assisted households fell into this category. Furthermore, considering that these households were less likely to be involved with the “social service network”,<sup>10</sup> it is conceivable that more Two-Parent Households would have contacted the Program, had they been aware of it.

<sup>10</sup>. Two-Parent Households were significantly less likely to have contacted the Program as a result of a referral: 45.4 percent of families “walked in,” only 33.8 percent of all clients did.

## ADULT HOUSEHOLDS

Under Program criteria, households without children and composed of one or more non-elderly or disabled persons fell into the Adult Household Assistance category. This group comprised 9.9 percent of all assisted households. On their behalf, Homelessness Prevention Program disbursed \$240,547 (9.2 percent) or \$756.44 per person.

While most Adult Households included only one person,<sup>11</sup> 34.1 percent included at least two. Women headed 55.8 percent of these households.

At least one person was employed in most (70.8 percent) Adult Households; 66.8 reported that wages were their sole source of income. However, half of those reporting only wages grossed less than \$800 per month. One-fourth earned less than \$580, i.e. \$3.35 per hour if they worked full time. Three-fourths of those reporting a current or previous occupation—only 10 percent had not been employed in the preceding 12 months—claimed employment in a service sector occupation. Unemployment benefits were collected by 9.3 percent and General Assistance by only 6.2 percent, most of them “unemployables.”

**TABLE XII**  
**INCOME OF ADULT HOUSEHOLDS**

<u>SOURCE</u>	<u>HOUSEHOLDS</u>		<u>MEAN</u>	<u>MEDIAN</u>
	<u>NUMBER</u>	<u>PERCENT*</u>		
Wages	151	66.8	\$10,151.40	\$9,600
UIB	21	9.3	7,621.19	7,248
GA	14	6.2	2,340.29	2,400
Other**	25	11.1	7,812.20	6,480
All Sources***	226	100.0	\$8,926.24	\$8,032

*\*Does not add up to 100 percent due to missing source data and rounding.*

*\*\*Includes temporary disability, workmen's comp. and combined sources.*

*\*\*\*Includes missing source data.*

Although Adult Households were better able to afford their housing than all but the Elderly and Two-Parent Households, half of them still had to devote 55 percent or more of income to meeting their housing obligations. Housing payments exceeded 80 percent of income for one-fourth of these households. In short, much as our other clients, adult households were less than one month's income away from homelessness. This became a reality when 47.3 percent experienced a loss of income, when 10.7 percent had to face unexpected medical or otherwise expenses, when 8.5 percent lost a spouse or a housemate, when 8.5 percent were the object of actions affecting their benefits.

Thus the Program assisted 226 Adult Households in the period covered by the FY 1987 data base. Unfortunately, many more, especially those on General Assistance, could not qualify for assistance quite simply because of the almost complete lack of affordable housing for their income range. This was a problem especially for singles.

<sup>11</sup>The Adult Household category should not be confused with the single-people category which is discussed below.

## SINGLES

The Program's assistance category criteria did not classify households according to their size. As a result, the problem that this section addresses already has been the subject of discussion under other headings. Nevertheless, we feel it is important to examine one-person households or "singles" if only because they receive so much attention, especially in the mass media. This attention easily lends itself to the concept of the single individual as the embodiment of homelessness. Yet, most homeless people are not singles and single homeless individuals are a diverse group.

In terms of the Program's assistance classification, slightly over half of "singles" (52.1 percent) were Adult Households. A total of 44.8 percent were Disabled or Elderly. Seven people were single parents whose children had been placed in foster care due to homelessness. They are no longer "singles". Thus, nearly half the assisted single people were in highly vulnerable categories.

**TABLE XIII**  
**CATEGORIES OF SINGLE PERSONS**

<u>CATEGORY</u>	<u>HOUSEHOLDS</u>	<u>PERCENT*</u>
Disabled	100	35.0
Elderly	28	9.8
Domestic Violence	2	.7
DYFS Household**	7	2.5
Adult Household	149	52.1
<b>All categories</b>	<b>286</b>	<b>100.0</b>

*\*Does not add up to 100 percent due to rounding.*

*\*\*Children in foster care due to homelessness*

Single adults represented only slightly more than one-tenth of assisted households. In the period covered by the FY 1987 data base, the Program served 286 one-person households (12.6 percent). To assist them, Homelessness Prevention Program disbursed \$285,771 (10.9 percent) or \$999.20 per person. However, assisting single people presented special difficulties.

First, the rapid decline in the number of single room occupancy residential facilities (SROs) has had a severe impact upon the availability of the type of housing most suitable to many single adults. Second, unless they were elderly or disabled, single adults simply were not eligible for any kind of subsidized housing. A third factor, the low level of public assistance, compounded the effects of the structure of the housing supply. Indeed, a single adult who was deemed "unemployable," e.g. a woman in the final weeks of pregnancy or someone with a temporary disability, only qualified for \$200 per month in FY 1987. If this person was "employable," the top General Assistance benefit dropped to \$130 per month. Meanwhile, the maximum Supplemental Security Income benefit was only \$373 per month. Finally, very few social service agencies addressed the needs of non-disabled or elderly individuals. As a result, single people were generally less likely than families to have benefitted from emergency assistance, to have received any kind of care or to have been referred to the Program.

Of course, given the paucity of housing for this group, the Program was often unable to help single people receiving public assistance who were neither elderly nor disabled. There was simply no housing for General Assistance clients with \$130 per month incomes. Homelessness Prevention Program assistance to single disabled and elderly people often hinged upon the availability of rental assistance certificates and vouchers.

Reflecting these factors, nearly half (45.5 percent) of assisted single adults were employed. Wages were the sole source of income for 42.7 percent, half of whom earned no more than \$718 per month. One-fourth of employed single adults grossed \$557 or less. As a result, housing payments exceeded 40 percent of gross income for nearly three-fourths of employed single adults. They exceeded 69 percent of income for one-fourth of employed single people.

**TABLE XIV  
INCOME OF SINGLE PEOPLE**

<u>SOURCE</u>	<u>HOUSEHOLDS</u>		<u>MEAN</u>	<u>MEDIAN</u>
	<u>NUMBER</u>	<u>PERCENT</u>		
Wages	122	42.7	\$8,961.54	\$8,619
Social Security	36	12.6	5,451.69	4,704
UIB	23	8.0	6,763.70	6,604
SSI	32	11.2	4,466.78	4,407
GA	35	12.2	2,400.00	2,400
Other*	38	13.3	4,952.15	4,656
<b>All Sources</b>	<b>286</b>	<b>100.0</b>	<b>\$6,469.69</b>	<b>\$5,376</b>

*\*Includes temporary disability, alimony, no income and various combinations.*

When single individuals were not employed, they faced mean rents equivalent to 103 percent of income. For half the non-employed single individuals, rent represented at least 84 percent of income. For many of these households, Program assistance was effective only in conjunction with a referral to New Jersey Department of Community Affairs Section 8 Housing Program.

Compared to the population as a whole, single adults were less likely to be female (59.9 percent vs. 75.4 percent). On an average, single people were older (43 vs. 34) and poorer (\$539 vs. \$687 per month) than the general assisted population. Only disabled households lived in units with higher cost to income rates (89.3 per cent vs. 86.8 per cent); by comparison, the Program-wide mean rent to income rate of 77.2 per cent seemed manageable. In short, single adults, many of whom were part of high risk groups, chronically faced homelessness.

Despite their differences, all assisted groups had one thing in common: they lived on the brink of homelessness. Not only were their incomes low, their rent was out of proportion to their incomes. For three-fourths of the assisted population, housing payments, excluding out-of-pocket utility costs, exceeded 47.5 percent. Including utility costs would have brought the housing cost to income rate closer to 60 percent or more for most of the assisted population. Yet, rental assistance was available only to about 7 percent.

Clearly, the underlying problem affecting the Program's assisted clients was of an economic nature. Any event with an impact requiring costs of approximately one month's income, and perhaps even less, was translated into an inability to meet housing costs among a population that lived from check to check. Indeed, over 60 percent of assisted households reported that occurrences ranging from loss of wages and household breakup, i.e. the departure of an income provider, to theft and loss of benefits had led to at least imminent, if not actual, displacement.



These figures, of course, conceal some differences. Single-Parent Households, for example, were substantially more vulnerable to the departure of an income provider than the rest of the population. Elderly Households, on the other hand, appeared more likely to be affected by owners wishing to occupy a unit in a structure containing three or fewer units. However, regardless of the immediate precipitator, all these households were at the mercy of a housing market that has pushed prices significantly beyond their means. An elderly person being displaced from a \$275 per month rent controlled unit was rather unlikely to find a replacement unit at a similar rent level.<sup>12</sup>

There were many other differences because homeless people do not constitute a homogeneous population. Households with children, for example, often reported that landlords, in blatant violation of state law, refused to rent to them. Sometimes clients told of racial discrimination in housing. Landlords frequently refused to rent to single women with children. Many disabled and elderly people required specialized housing. Also, it was not uncommon to find landlords who refused to rent to people who were homeless. Single parents on public assistance and, especially, non-employed single adults were often unable to locate housing within their means.

In the course of its activities, the Homelessness Prevention Program sought to address the varied housing problems of its clients within the limits of Program resources. Taking into account the diversity of the assisted population has already led the Program to create new projects aimed at increasing the effectiveness of Program assistance. Furthermore, the assistance category process also facilitated the search for the most appropriate means of assisting specific households. Quite often referrals to other agencies served to reinforce Program activity as well as to address client problems for which the Program was not equipped, e.g., counseling, legal assistance, etc. In the final analysis, however, the creation of a system of assistance categories has helped to develop an understanding of the underlying common factors that thrust Program clients face to face with homelessness.

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<sup>12</sup>The median rate of rent to income for households assisted in place was 65 percent. It was 74 percent for relocating households.

## SOCIO-ECONOMIC CHARACTERISTICS OF ASSISTED HOUSEHOLDS

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Homelessness generally is not a condition of choice. For some, it is the consequence of unfortunate errors or misjudgements. For most, it is the result of an interplay of forces and events over which they have little influence or control. As a rule, the homeless are simply those people who were most vulnerable to economic trends and changes in the conformation of employment structures and housing markets. These developments have made widespread homelessness the extreme manifestation of a broader housing crisis.

This chapter examines some of the characteristics that made 2,277 households assisted by the Homelessness Prevention Program from July 1, 1986, to June 30, 1987, especially vulnerable. First this chapter addresses the resources available to these households; it then explores their interaction with specific and general events.

The clients of the Homelessness Prevention Program constitute more than an array of distress indicators. They are people with individual histories, problems and, sometimes, solutions. Take Mr. F., for instance. He had been a lighting engineer who had designed the illumination for many outdoor concerts by groups such as the Jefferson Airplane, Genesis and the Grateful Dead. His misfortunes began in the early 1980's when his vision weakened and he developed a heart condition. An early Viet Nam war veteran, Mr. F. sought treatment at a Veterans Administration Hospital. By the time he approached the Program, Mr. F. had been unable to work for six years. He was renting a room from which he was in imminent danger of being evicted. The Program paid his arrears and offered to provide him with a Section 8 Rental Assistance Certificate. Claiming that he would be able to take care of himself, Mr. F. refused long term assistance. A follow-up report indicated that he had learned how to make pottery and was selling it at shops catering to tourists, and is now living independently.

The majority of the Program's clients, however, were more like Ms. Q., a mother of eight, who did not earn enough to pay the mortgage, let alone make up the arrears. As she had an Farmer's Home Administration mortgage, the program representative explained to the U.S. Department of Housing and Urban Development (HUD) representative how difficult it was to locate housing for such a large family. The HUD representative agreed to a three week postponement of the final foreclosure date. In that time, Ms. Q. located a four-bedroom unit which she would be able to rent with the help of her teenage daughter who had managed to secure employment. The Program helped with the security deposit and first month's rent.

Women headed 75.4 percent of all assisted households in this data base. In slightly less than one-sixth of these cases, the nominal head was not the primary income generator. About three-fourths of all assisted households included children. Most Program clients were female-headed households with children. This is not surprising since families with a "female householder" constitute the majority of New Jersey's poor population.<sup>1</sup>

Among the assisted client population, women were employed in fewer instances than men. Our data show that 41.1 percent of female heads of household were employed as compared to 58.8 percent of their male counterparts. Perhaps the fact that women were most likely to be single parent accounts for much of this difference (64 percent of women and 10 percent of men were single parents). Yet, even when they worked, female heads of household had substantially less income that was 26.9 percent lower than that of male heads of household.

While there was no significant sex-related difference in educational attainment, the overall level was fairly low: 37.2 percent of all heads of household had never finished high school or its equivalent and 13.6 percent had completed nine or fewer years of schooling. By contrast, only 3.1 percent had finished college or better. The mean educational attainment was 11.44 years.

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<sup>1</sup>N.J. Department of Labor, Office of Demographic and Economic Analysis, New Jersey Annual Demographic Profile, 1984, Trenton: N.J. Department of Labor, 1984, p.11.

Factors such as the sex distribution, educational attainment and racial and ethnic composition (58.7 percent Black, 10.4 percent Hispanic) of the assisted households in this data base would suggest a particularly disadvantaged population. Their income level only confirms this expectation.

It is impossible to stress how poor the clients of the Homelessness Prevention Program were. In FY 1987, four-fifths (78.1 percent) had incomes below the federally determined 1986 "average poverty threshold" (\$11,203). Nearly 38 percent verified incomes at half that threshold level. Half the participating households reported incomes of \$7,000 or less and the mean gross household income was \$8,242.82 (73.6 percent of poverty). Fewer than 15 percent of all assisted households showed incomes in excess of \$13,247, 50 percent of the North Eastern United States median household income.<sup>2</sup>

The program identified six major income sources, several minor ones and 34 combinations of income sources. However, the majority of its client households were wage earners. At least one person was employed in slightly more than half (50.16 percent) of assisted households; 45.4 percent relied exclusively on wages. Nevertheless, well over half of all assisted households lived in units where the ratio of rent to monthly income exceeded 68.1 percent. For one-fourth of these households rent exceeded 91 percent of income. Only 10 percent lived in units costing under one-third of their income. Five percent paid 26.7 percent or less.

**TABLE XV**  
**HOUSEHOLD INCOMES AND THEIR SOURCES**

<b>SOURCE</b>	<b>HOUSEHOLDS NUMBER</b>	<b>PERCENT*</b>	<b>MEDIAN INCOME</b>	<b>MEAN INCOME</b>	<b>I**</b>
None	3	.01	0	0	N/A
Wages	1,034	45.5	\$9,600	\$10,432.53	.6447
AFDC	562	24.9	4,848	5,036.71	.9383
Unemployment	102	4.5	7,140	7,538.62	.7270
Soc.Security	91	4.0	6,024	6,869.44	.8355
Other***	79	3.5	4,944	5,236.56	.9509
S.S.I	56	2.4	4,404	4,396.22	.9287
Wages and AFDC	50	2.2	8,496	10,089.80	.6069
General Assistance	40	1.8	2,400	2,470.25	1.8011
Wages and Support	33	1.4	11,713	13,103.70	.5078
Wages and Unemploy.	17	.7	11,905	12,441.20	.5310
Wages and Soc. Sec.	16	.7	12,638	13,595.50	.7413
Combined Sources (30)	164	7.2	6,660	7,885.09	.9192
<b>All Sources</b>	<b>2,274</b>	<b>100.0</b>	<b>\$7,000</b>	<b>\$8,242.82</b>	<b>.7723</b>

\*Does not add up due to missing data on income source for 27 cases.

\*\* MEAN RATIO OF RENT TO INCOME

\*\*\*Includes child support and alimony, workmen's compensation, temporary disability, income from expected insurance settlements, etc.

<sup>2</sup> According to the Bureau of the Census of the U.S. Department of Commerce, 10.5 percent of the population of the North East had incomes below the poverty threshold in 1986. The median household income for the region (including New England, New York, New Jersey, Pennsylvania, Delaware, and Maryland) was \$26,494. See Current Population Reports, Series P-60, July 1987, #157, pp. 3, 8. The most recent figures available for New Jersey indicate a median income of \$25,299 and a poverty rate of 8.5 percent in 1983. See N.J. Department of Labor, Office of Demographic and economic analysis, New Jersey Annual Demographic Profile, 1984, op. cit., pp. 11-12.

For purposes of comparison, the reader should recall the traditional rule of thumb which postulates that rent should not exceed one-fourth of monthly income. Under its current rules, the U.S. Department of Housing and Urban Development establishes most of its Section 8, with the notable exception of its Voucher program, housing subsidy programs in such a manner as to ensure that tenant housing costs approximate one-third of gross monthly income. Regardless of which standard is deemed applicable, it is clear that 90 percent of Homelessness Prevention Program clients faced excessive housing costs. The average client, paying 77.2 percent of income toward rent lived very close to the edge.

With the exception of a small number (66) of households that relied on wages and social security, unemployment or child support, wage earning households were substantially better off. Their average income was 26.6 percent higher than the client average. Nevertheless, 63.4 percent of wage earners had incomes below the poverty threshold and only 14.2 percent exceeded one-half of the North Eastern United States median income. Rent exceeded 53 percent of gross income for approximately half the wage earning households. Only one-tenth of them paid less than one third of household income toward rent. Meanwhile, one-fourth of wage earners had to pay rents that amounted to at least 72.4 percent of monthly income.

Even these figures fail to do justice to the plight of our wage-earning clients. Wage income, unlike other categories, was subject to deductions. Thus, wage earners must have paid a substantially higher proportion of net income toward rent than this discussion has suggested. If their deductions, for example, averaged an estimated 17 percent, their rent must have exceeded three-fourths of take home pay. This would leave an "average" wage earning Program household about \$178 per month to take care of utilities, food, auto repair and insurance, children's clothing and other necessities. Clearly, the Program constituted the only margin of safety for these families.

Though less fortunate than the average New Jersey resident, people such as the Program's working clients are not an unusual occurrence in today's economy. Since 1979, almost all United States employment growth has taken place in the service sector, and fully 44 percent of the newly-created jobs have paid poverty level wages.<sup>3</sup> While New Jersey has fared significantly better than the rest of the country, experiencing the creation of 600,000 new jobs between 1979 and 1986, the state's manufacturing sector has suffered a net loss of 103,262 jobs in the same period. In short, New Jersey's employment picture increasingly has demonstrated a shift away from traditionally higher paying manufacturing jobs requiring relatively little training. The new service sector jobs, on the other hand, require either relatively little training and pay very little or require substantial and very specialized training and pay very high salaries.

Homelessness Prevention Program clients were often the victims of these trends. Ms. B, for example, a widow with three children, lost her job, which paid more than \$10 an hour, when an automobile plant closed down. Thereafter, she spent over two years as a convenience store clerk, a home health aid and a domestic. When she contacted the Program, she just had secured employment as a supermarket clerk earning \$13,000 per year. She also had been homeless for three months, two of them spent with her children in a shelter. Fortunately, Ms. B. was able to locate housing. The Program provided the security deposit and first month's rent because the landlord refused to accept rental assistance and Ms. B was afraid to continue her two-month-long housing search. There is no way of knowing how many others were less fortunate.

Heads of household reported employment in a variety of occupations, ranging from registered nurses and managers to telephone salespeople and farmers. The three most frequently reported occupational categories were clerical (21.8 percent), factory (14.6 percent) and domestic or home health aid (10.8 percent). Fully 70 percent of those reporting a current classified occupation were employed in service sector jobs rather than in the traditionally better paying sectors of the economy. The occupational distribution of those reporting a second or a previous job was similar: 67.2 percent service. Nearly 11 percent of wage earning households reported holding at least two jobs.

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<sup>3</sup>Barry Bluestone and Bennet Harrison, "The Grim Truth About the Job Miracle," New York Times, Feb. 1, 1987, p. 0-7.

**TABLE XVI**  
**OCCUPATION OF HEAD OF HOUSEHOLD**

<b>TYPE I</b>	<b>FREQUENCY</b>	<b>CUM FREQ</b>	<b>PERCENT</b>
Construction	55	56	5.435
Factory	148	204	14.625
Clerical	221	425	21.838
Cashier	31	456	3.063
Domestic/Health	109	565	10.771
Driver	41	606	4.051
Food Service	62	668	6.126
Other	232	900	22.925
NA*	112	1012	11.067

*\*Indicates that even though these households reported wages as their income source for the most recent consecutive four weeks, the head of household was no longer employed.*

For the most part, wage earning heads of household had not been on the same job very long. While their mean tenure was approximately two years, half of them had worked the same job for fewer than seven months. 25 percent for one month or less. About 64 percent had worked for a year or less, and only 24.9 percent had held their current jobs for two or more years.

Among employed heads of household, the most commonly reported reasons for the loss of a previous job were resignation for a better position (17.9 percent) and lay-off (12.4 percent). Other leading causes were dismissal (4.6 percent) and temporary nature of the position (2.7 percent). Nearly 2 percent had been laid off due to a pregnancy and had never been rehired. Other employed heads of household told the Program of plant closings (1.6 percent) as well as an assortment of other causes, such as harrassment by the employer and being fired because an abusing spouse repeatedly harassed them on the job.

People employed in low paying occupations headed nearly half the Program's assisted households in FY 1987. Yet, the situation for the rest of our clients was much worse.

Aid to Families with Dependent Children was the second largest source of household income. Nearly one-fourth of households relied exclusively on AFDC. Another 2.2 percent supplemented their public assistance with part time employment. In some cases (6.6 percent of AFDC households), client households included two AFDC families or one AFDC family with an employed roommate. Another 1.3 percent of the households in this data base received AFDC and S.S.I. while 14 households collected AFDC and Social Security benefits.

With the exception of those who relied on General Assistance or on "other" (unclassified) sources, AFDC households were the worst off in terms of rent to income ratio: on the average, they spent nearly 94 percent of their benefits on rent alone. A small number of these households, especially some of those who were victims of domestic violence or had been referred by the Division of Youth and Family Services to prevent foster placement due to homelessness, benefitted from Program referrals for rental assistance. For more than 80 percent of AFDC households, there were either no certificates, vouchers, or available approvable units. Many more AFDC households were unable to locate housing they could afford on their grants and thus never benefitted from Program assistance.

TABLE XVII

## RENT COST PER FAMILY SIZE

<u>SIZE OF</u> <u>HSHLD.</u>	<u>MEAN INCOME</u> <u>(ALL SOURCES)</u>	<u>AFDC-F**</u> <u>AFDC-C</u>	<u>MEAN PROGRAM</u> <u>RENT</u>	<u>BERGEN</u> <u>FMR***</u>	<u>WARREN</u> <u>FMR***</u>	<u>BDRS.</u>
1	\$539.14		\$300.67	\$476	\$290	0
2	629.08	\$322	367.19	578	352	1
3	677.61	424	426.53	685	411	2
4	740.45	488				
5	773.95	552	466.75	856	518	3
6	817.92	616				
7	940.96	680	566.86	958	577	4
8	1,003.79	744				
9	1,021.10	808	560.36	1,102	644	5

\* For purposes of this table, there should be no more than two persons per bedroom. Depending on actual family composition (sex and age of residents), this measure may be inadequate.

\*\* July 1987

\*\*\* HUD approved fair market rents for Section 8 programs (July 1987) reflects the 45th percentile gross rent for a Primary Metropolitan Statistical Area. Bergen County exhibits the highest, Warren County the lowest.

Approximately half of the assisted AFDC recipients in the data base under examination had held a job within the 12 months preceding their application. Half of them had been employed for less than 10 months. However, one-fourth had been employed for more than two years prior to collecting public assistance. Most heads of AFDC households who had been employed (69.1 percent) had held service sector jobs with clerical (24.1 percent), domestic or home health aide (22.5 percent) and food service (12.5 percent) constituting the most commonly reported occupational categories. Most often, they reported losing their jobs due to lay-offs (28.5 percent), lay-offs because of pregnancies (14.1 percent) and resignations (15.6 percent).

AFDC heads of household (94 percent were female) had often been employed prior to collecting assistance. The majority of these (84.4 percent) had lost their jobs involuntarily. While our data do not provide information on their reasons for not returning to the job market, staff experience suggests that in many cases it was impossible or impractical for these individuals to do so. Some were the parents of infants requiring constant care. Many could not find adequate and affordable child care. For many more, employment was not an economically rational alternative because the local job market or their skill levels only opened the doors to minimum wage employment which more often than not carried no health benefits.

Unemployment Insurance Benefits (UIB) constituted the third major income source for assisted households. On the date they applied, 6.4 percent of assisted households (146) were collecting these benefits. Most of them (102) relied exclusively on benefits averaging \$144.97 per week. Generally, they had had to wait four to six weeks, longer if they had been employed out of state, between their last day at work and the starting date of their unemployment benefits. Furthermore, reductions in hours worked resulting in decreased wages had often preceded lay-offs. As a result, many UIB households had used up whatever savings they had had by the time their benefits started coming. Half of these heads of household had held their most recent jobs for more than one year. Many were not sure they would be rehired. When the Program assisted them, these households were spending an average of 72.7 percent of their benefits on rent. For one-fourth of the UIB recipients the rent bill exceeded 84.8 percent of current income.

Social Security was the fourth most important source of client income (4 percent). Its recipients were elderly, disabled and survivors. Their mean annual income was \$6,869, but one-fourth received less than \$370 per month. Rent exceeded monthly benefits for 25 percent of the Program's clients on Social Security. Fortunately, there were Section 8 certificates and housing vouchers to ensure that at least these households would not become homeless once Program assistance ended.

Nearly 80 percent of households relied exclusively on either wages, AFDC, UIB or Social Security benefits. The remaining households depended on Supplemental Security Income (2.4 percent), General Assistance (1.8 percent), "Other" (3.5 percent) sources, such as Worker's Compensation, child support or temporary disability benefits, and on many combinations of sources (12.2 percent). With a mean income of \$8,242, the households in this data base paid an average of 77.2 percent of monthly income toward rent. Our statistical analysis allows us to say with 90 percent confidence that the affordability of housing depended on the client's source of income. Nevertheless, virtually all assisted households continued to bear housing costs that allowed little if any safety from future crises. Indeed, the central problem of Homelessness Prevention Program clients was that their housing costs were out of proportion to their incomes, regardless of the source of their incomes.

Being so close to the edge means that almost any event which affects the household income even temporarily may precipitate homelessness. Table XVIII, which follows, lists the factors that our clients saw as the origins of their housing problems.

**TABLE XVIII  
CAUSES OF DISPLACEMENT**

<u>CAUSE</u>	<u>HOUSEHOLDS</u>	<u>PERCENT</u>
Medical bills	69	3.1
Unexpected Expenses	136	6.1
Delay in Benefits	107	4.8
Loss of Benefits	93	4.1
Reduction of Benefits	31	1.4
Increased Rent	36	1.6
Government Action	63	2.8
Household Breakup	391	17.4
Disaster	53	2.4
Owner Wishes to Occupy	97	4.3
Loss of Income	665	29.6
Theft	65	2.9
Illegal Action by Landlord	70	3.1
Other*	<u>373</u>	16.6
	2,249	

*\*Mostly combinations of listed causes. This loss may have been the result of unemployment, a temporary or permanent reduction of hours worked or the loss of a second job. Wage earners and, of course, UIB recipients reported this as their main problem. In some cases, our clients had been able to replace the lost income by the time they received Program assistance (25 percent had secured a job within one month of application).*

Household breakup was a special source of concern for women, 21.2 percent saw it as their main problem, as compared to 5.5 percent of men. Quite often, their spouses had left them with unpaid bills and insufficient resources to meet them. Many households had shared a unit with another family that had left. In fact, breakup was the imminent cause of displacement for a plurality (20.5 percent) of AFDC recipients. Sharing, often with another AFDC household, had been the only way they could secure housing in today's tight market. Many were able to find a new housemate. Some became independent once preexisting obligations had been met. Some had to seek more affordable housing. Others benefitted from referrals to the Section 8 Housing Program.

Nearly 10 percent of the households in this data base reported substantial necessary expenses, medical or otherwise, equivalent to at least one month's income as the precipitator of their homelessness. Approximately the same percent reported that some action affecting their benefits had lead to an inability to meet their housing obligations. Some households (4.3 percent) had resided in buildings of fewer than four units where the owner wanted to occupy their homes. Some (3.1 percent) had been the victims of landlord harassment and illegal evictions. Finally, many had lived in dangerously substandard units which their municipality had condemned or which the Division of Youth and Family Services had found hazardous to their children.

A variety of factors contributed to pushing Homelessness Prevention Program clients "over the edge." These factors, however, are only the most visible part of a deeper problem. Information on the relative impact of unit rents on household income suggests that events such as the accrual of substantial bills, actions affecting benefits and even loss of income and household breakup were only proximate precipitators. Even though the Program endeavored to assist its clients only in housing they would be able to afford, most of its clients were simply too poor to live anywhere in New Jersey with what most people would consider a reasonable margin of safety.

Only five to ten percent of assisted households lived in units they could conceivably afford with some comfort in the absence of a subsidy. Rents nearly equaled, and sometimes exceeded, current monthly incomes one-fourth of the time.<sup>4</sup> While data on unassisted households are not readily available, there is reason to assume that they were economically less well off. Indeed, approximately half of all unassisted clients were unable to find housing that was affordable within 30 to 60 days of acceptance into the Program.<sup>5</sup>

As the previous chapter suggested, there were characteristics other than income that made some households more vulnerable to homelessness than others. Yet, homelessness is not a syndrome whose parameters are definable in terms of an aggregate of individuals exhibiting specific symptoms or pathologies. It is a societal problem rooted in long term economic trends that have lead to a marginal shortfall in the supply of housing. This has resulted in an increasing disparity between changes in income levels and housing costs. There is an insufficient supply of affordable housing for the large number of people, especially, but not exclusively, low-income people who need it.

New Jersey's Council on Affordable Housing has suggested the potential for a shortfall of 145,707 units by 1993.<sup>6</sup> Indeed, there is evidence that the statewide rental housing vacancy rate has recently hovered around one percent.<sup>7</sup> In many areas, the rental market is substantially tighter. This strong demand for housing has pushed prices well beyond the reach of people on the lower rungs of the income ladder. Meanwhile, the restructuring of the job market, as suggested above, has left many people either without jobs or with relatively low-paying, yet economically necessary, jobs. A statewide housing crisis has been one of the consequences of these developments.

In short, homelessness is nothing other than an extreme manifestation of a broader housing crisis. A variety of sociological and economic factors mediate the impact of this crisis so as to select individuals and households with specific characteristics as its most likely victims. While our data are not representative of the homeless population in general, they do illustrate, if only partially, the impact of developments at the societal level.

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<sup>4</sup> The Department of Community Affairs' Section 8 Voucher and Certificate programs leased up 210 households as a result of Homelessness Prevention Program referrals in FY 1987. About one third of these households required no other state assistance. Thus, rental assistance was available to about 5.3% of all clients assisted by the Homelessness Prevention Program in FY 1987.

<sup>5</sup> Nearly 5500 households filed applications in the course of FY 1987 (three-fourths of them between October 1986 and April 1987). 2,791 benefitted from Program disbursements in FY 1987, 63 were directly referred for rental assistance. Of the remaining applicants, about 1,300 were unable to locate suitable housing in the allotted time.

<sup>6</sup> New Jersey Department of State, "Affordable Housing Council Rules," New Jersey Register, Supplement. Trenton: Aug. 18, 1986.

<sup>7</sup> In the process of reexamining Fair Market Rent validity, the Bureau of Housing Services conducted a survey of 91,565 units in seven Metropolitan Statistical Areas, covering 15 counties in January of 1986. An overall vacancy rate of 1.31 percent was one of the findings (The Salem County area registered the highest rate, 2.9 percent, the Monmouth-Ocean area registered the lowest rate, .03 percent). Eleven months later, a similar survey of 98,197 units in six MSA's (14 counties) suggested a vacancy rate of 1.17 percent. The Monmouth-Ocean area once again had the lowest rate (.05 percent), the Newark area came in with the highest rate (2.6 percent). Most real estate experts consider a vacancy rate of 5 percent as an indicator of a healthy rental market where units do not go vacant, resulting in vacancy losses, while tenants are more or less free to move around in search of the best value for their rent dollar.



The Homelessness Prevention Program assisted primarily poor households headed by women with relatively low educational attainment. When employed, these heads of household held very low-paying service jobs that barely generated enough income to cover their basic necessities. When not employed, their situation was chronically critical, especially if they were AFDC recipients. Finally, as Table XIX indicates, assisted households were most likely to reside in older municipalities where housing costs were generally, but not always, lower, and employment was less available.<sup>8</sup> For the most part our clients were people in crisis.

**TABLE XIX  
MUNICIPALITY OF RESIDENCE**

<u>MUNICIPALITY</u>	<u>HOUSEHOLDS</u>	<u>COUNTY</u>	<u>PERCENT OF COUNTY</u>	<u>PERCENT OF STATE</u>
Newark	213	Essex	42.4%	9.4%
Jersey City	202	Hudson	70.9	8.9
East Orange	184	Essex	36.6	8.1
Paterson	184	Passaic	82.9	8.1
Camden	158	Camden	82.7	7.0
Trenton	92	Mercer	90.2	4.0
Elizabeth	81	Union	47.7	3.6
Plainfield	68	Union	40.0	3.0
Atlantic City	63	Atlantic	67.8	2.9
Irvington Township	<u>47</u>	Essex	9.3	<u>2.1</u>
	<b>1,292</b>			<b>56.9%</b>

While under the Program's criteria, low- and moderate-income households were eligible for assistance, most of its clients were very low-income households paying over two-thirds of their income for basic housing costs. Clearly, these were economically disadvantaged people who often faced problems that compounded their poverty. Given the conditions they live in, it is not at all unlikely that many of them will face a housing crisis again. Yet, without Program assistance all of these households would now be homeless, adding 8,373 people to the state's homeless roster.

<sup>8</sup>. "Jersey Lost 100,000 Blue Collar Jobs in Six Years," Star-Ledger, *op. cit.*

## ASSISTING TENANTS

Since its inception, the Homelessness Prevention Program (HPP) has given the highest priority to assisting households in retaining or obtaining rental housing. During FY 1987 (July 1, 1986 to June 30, 1987) most of the Program's activities (95 percent of its cases and 91 percent of its disbursements) involved tenants. These were households who otherwise would have been homeless, who might be in shelters and motels at a substantially higher cost; who would have lost jobs, community support networks and whose family integrity would probably have been shattered.

Compared to the alternatives, Program assistance was extremely cost effective. For the data base under consideration,<sup>1</sup> the Program assisted 2,165 renter households (6,936 individuals) with a mean disbursement of \$1,090 (\$340.29 per person). Given the prevailing cost of placing a family in temporary shelter for just two months (\$50 per day for 60 days), the public saved an average of \$1,910 per household (\$4,135,150 for this population). The benefits in terms of social policy and the savings in human suffering are incalculable.

Program assistance to eligible renter households fell into several categories. It involved the provision of security deposits, rental payments for a maximum of six months (of which no more than three could be arrears) as well as payment of late fees, court costs, legal fees and other various charges. Staff members also provided limited yet often essential budget counseling, advice and referral on landlord-tenant matters and direction to other appropriate services. Finally, in some cases, extremely needy and vulnerable clients benefitted from direct referrals to the Section 8-Existing Certificate and Housing Voucher Programs operated by the Department of Community Affairs under contract with HUD.

**TABLE XX**  
**DISBURSEMENTS TO RENTER HOUSEHOLDS**

<b>PURPOSE</b>	<b>HOUSEHOLDS*</b>		<b>PROGRAM MONTHS</b>		<b>DISBURSEMENT</b>
	<b>NUMBER</b>	<b>PERCENT</b>	<b>MEAN</b>	<b>MEAN</b>	
Security	841	38.3	\$574.76	N/A	\$ 483,375
Rent Payment	1,394	63.5	517.27	1.25	720,521
Arrears	1,159	52.8	894.22	2.35	1,036,172
Late Fees	534	24.3	59.34	N/A	29,790
Court Costs	372	17.0	19.88	N/A	7,454
Legal Fees	239	10.9	86.08	N/A	19,627
Other	156	7.2	240.39	N/A	37,501
H.A.P.**	24	1.1	1,069.21	3.56	25,661
<u>Unit Rent</u>	<u>N/A</u>	<u>N/A</u>	<u>419.67</u>	<u>N/A</u>	<u>N/A</u>
<b>Program Totals</b>	<b>2,165</b>	<b>100.0</b>	<b>\$1,090.20</b>	<b>2.08</b>	<b>\$2,360,281</b>

\* Many households received more than one type of assistance.

\*\* Housing Assistance Payments, a temporary (six-month maximum) partial subsidy where the client contributes an adjusted third of his or her income.

This chapter addresses Program disbursements on behalf of tenants. First, it will examine the Program's relocation activities. Next, it will review payments of rent and arrears. Finally, it will discuss other expenses aimed at preventing displacement.

<sup>1</sup> Overall, the Program spent \$2,907,862 on behalf of 2456 renter households. See "A Word on Methodology," Page iii.

## RELOCATION

New Jersey State law allows landlords to collect an amount equal to one-and-one-half times the monthly rent for security deposit. By comparison, New York permits only the equivalent of one month's rent. In other areas, owners customarily demand one month's security in addition to the "last month's rent". This same New Jersey statute requires the owner to hold the deposit in escrow for a time not exceeding 30 days after the termination of tenancy. Should the tenant leave owing an amount at least equal to the deposit, the landlord may keep it as damages. The provisions of this law are enforceable through the courts and many tenants are unaware of them. Often, property owners are also unfamiliar with the Landlord/Tenant laws.

While the security deposit law seeks to protect both tenants and owners, it is a significant barrier for poor people who desire or need to relocate. They must be able to give a new landlord the equivalent of two-and-one half months rent before they can move in. An average Program client with a gross income of \$8,243 would have to save approximately \$1,047—roughly 13 percent of his or her annual income to move into a \$419 unit (the Program mean).<sup>2</sup> For those who have experienced a serious crisis, moving-in costs often represent the difference between a place to live and homelessness.

The Homelessness Prevention Program sought to meet this need by providing relocation assistance to eligible households. In addition to those situations where the Program referred people for Section 8 assistance and either no security deposit was required or another agency provided it, the Program directly assisted in 847 cases (37.2% of reported cases). Six of these households received security deposits from other agencies (their county welfare agency, the Division of Youth and Family Services or a non-profit agency), while HPP provided other assistance. The program paid a security deposit on behalf of the remaining 841 families who had no other options.

TABLE XXI  
SECURITY DEPOSIT PAYMENTS BY COUNTY\*

COUNTY	HOUSEHOLDS	MEAN	TOTAL
Atlantic	42	\$424	\$ 17,826
Bergen	62	816	50,588
Burlington	30	560	16,785
Camden	62	423	26,234
Cape May	28	388	10,887
Cumberland	31	447	13,884
Essex	191	605	115,468
Gloucester	24	472	11,339
Hudson	98	502	49,184
Hunterdon	5	476	2,384
Mercer	46	545	25,049
Middlesex	26	785	20,379
Monmouth	33	673	22,204
Morris	6	825	4,953
Ocean	21	746	15,664
Passaic	40	529	21,156
Salem	3	338	1,015
Somerset	6	828	4,967
Sussex	2	392	783
Union	82	617	50,623
Warren	3	688	2,003
STATE	841	\$575	\$483,375

\* County assisted may differ from county of application

<sup>2</sup> For the past 10 years, the United States savings rate has averaged under 5.5 percent (ranging from a high 6.6 percent in 1981 to a low of 3.8 percent in 1987) of disposable personal income. At these rates, the average Homelessness Prevention Program client, who is considerably poorer than the average American—compare a median household income of \$7,000 to the national median household income of \$23,618, would have had to start saving with an eye toward displacement more than three years ago. The U.S. Department of Commerce, Bureau of Economic Analysis, publishes savings rate figures in Survey of Current Business. See June 1987, Volume 67 #6, p. s-1, January 1986, Volume 66 #1, page s-1, December 1983, Volume 63 #12, page s-4, December 1982, Volume 61 #12, page s-2 and December 1979, Volume 59 #12, p. s-2; for information on U.S. incomes. See U.S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States: 1987, Washington, D.C.: U.S. Government Printing Office, 1987.

Overwhelmingly, the Program provided relocation assistance to households who were homeless at the time of application. However, there were situations where it was not possible to prevent displacement. In some instances, the rent was unaffordable to the client. In others, landlords refused to accept payment to settle a rent default situation.

There were many cases where the clients simply could not afford to continue living where they were. Sometimes, in the desperation that a tight housing market had created, people had chosen units whose costs were substantially above their means. More often, especially when a spouse or roommate had left, people who had been able to afford a given unit were no longer able to do so. Whenever it was appropriate and possible, these households received referrals to the Section 8 Program. Unfortunately, other forms of assistance were not feasible in many cases, so it was often impossible to prevent displacement. Nevertheless, the majority of these households benefitted from Program assistance in the form of security deposits and other financial assistance.

Some owners refused to accept Program assistance for reasons ranging from an intention to personally occupy the unit to a desire to convert a rental unit into a condominium. Under state law, the owner of a building with three or fewer units may evict a tenant if he or she intends to use it. This was the case for nearly 12 percent of all relocations.

Next, an eviction for non-payment of rent may have provided the landlord with a golden opportunity to dispose of a tenant. Although it is sometimes difficult to validate, some owners in areas as different as Hudson, Ocean, and Somerset Counties were already seeking to "upgrade" their properties or even to convert them into condominiums. In "vacancy decontrol" municipalities, where the rent control ordinance applies only to continuing tenants, they may have wanted to increase the rents. Finally, there were also instances where, justifiably or not, it is sometimes difficult to establish, the landlord simply considered the tenant undesirable.

The Program's operational characteristics were, sometimes, unacceptable to owners. Indeed, there was a lag of four to six weeks between the time the Program entered into a payment agreement and the landlord's receipt of a check from the Department of the Treasury. Some landlords either did not want to, or could not afford, to wait for the rent payment. For the most part, the courts did not press the issue.

In an effort to address situations where standard disbursement procedures might lead to the loss of a unit, the Program set aside a special replenishable emergency fund in the course of FY 1986. This fund was designed to issue checks within one day when the normal schedule was unacceptable to a landlord. This fund was initially set at \$10,000 and expanded to \$30,000 in the course of FY 1987. Its operation required that the landlord sign an agreement to dismiss the eviction proceeding. Upon receipt of the agreement, the field representative hand-carried the document to the Department's fiscal office where an emergency check was issued and approved. While extremely demanding on staff time, this procedure made all the difference in rent arrears and relocation cases, and prevented evictions that would certainly have occurred without the availability of emergency funds.

However, for nearly 34 percent of the assisted households there was no housing unit to save. They were homeless. For the most part, they relocated within the county in which they applied. Yet, it was not uncommon for them to search for affordable housing in other parts of the state. Indeed, staff experiences seemed to support the logical assumption that the more location-flexible a household was, the greater was its likelihood of securing housing. As the barriers to long distance relocation were substantial, the Program's policy neither encouraged nor discouraged it.<sup>3</sup>

The Program paid out \$483,375 for security deposits, considered as loans for which both landlords and tenants were responsible. Under its rules and regulations, owners were required to place Program security deposits in escrow for the State of New Jersey. They were refundable either by the landlord or the tenant (if he or she forfeited security by violating the rental agreement) within 30 days of the occurrence of vacancy. Reimbursements from landlords resulting from this approach, along with the repayments from other clients, enabled the Homelessness Prevention Program to increase its FY 1987 funding availability by nearly 8 percent.

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<sup>3</sup>. The barriers to long distance relocation are substantial. People whose lives are already in crisis have to face a completely new, strange and sometimes hostile environment. They lose their support networks of family and friends. Transportation from their new location to their place of employment may be unavailable. Finally, areas with lower housing costs often provide fewer jobs.

## **RENT PAYMENTS**

In its effort to stabilize its clients' housing situations, the Program provided temporary subsidies to 63.5 of all renter households it assisted during FY 1987. Although in most cases (1,082) the Program paid only one month's rent, assistance ranged from one to six months. This assistance was available to homeless households and to those in danger of becoming homeless.

<b>TABLE XXII</b>		
<b>RENT MONTHS PAID</b>		
<b><u>RENT MONTH</u></b>	<b><u>FREQUENCY</u></b>	<b><u>PERCENT</u></b>
1	1,082	77.84
2	258	18.56
3	46	3.31
4	2	.14
5	1	.07
6	1	.07

The Program disbursed funds only on behalf of households that would be able to meet their obligations once the assistance ended. For the majority of its clients, this was only possible if the Program provided a short-term subsidy to stabilize their situation. These families had often incurred a number of other debts, e.g., utility deposits, delinquent utility bills, medical bills, etc., that had to be satisfied, if they were to retain a home. Rather than pay these bills, the Program sought to give its clients the opportunity to get back on their feet, so to speak, by paying their rent for a short period of time.

The length of the period of assistance depended on the individual circumstances of the client. For the most part, the relationship between the client's income and his or her housing costs as well as the expectation of a future change were the crucial criteria. All other things being equal, households with bigger ratios of costs to income tended to benefit from longer periods of assistance. Also, the Program sought to assist those currently unable to meet their housing costs until a verifiable change in income occurred. This, for example, was the case for households where an illness had resulted in a loss of income but there was a job available once the health crisis had subsided.

There were also cases where the Program provided assistance until a Section 8 Certificate or Housing Voucher became feasible. Sometimes this required a prolonged wait for an opening. When this was the case, the Program provided temporary state-funded Housing Assistance Payments (HAP) designed in much the same way as Section 8 assistance. In FY 1987, the Program entered into 24 such contracts, spending \$25,661 for an average of 3.56 months.

**TABLE XXIII  
RENT PAYMENTS BY COUNTY**

<u>COUNTY</u>	<u>HOUSEHOLDS</u>		<u>MEAN</u>	<u>TOTAL</u>	<u>MEAN MONTHS</u>
	<u>NUMBER</u>	<u>PER CENT</u>			
Atlantic	56	60.2	\$357	\$19,991	1.15
Bergen	67	50.2	617	41,304	1.11
Burlington	54	69.2	508	27,431	1.20
Camden	119	62.3	402	47,824	1.30
Cape May	30	75.0	438	13,146	1.17
Cumberland	40	75.5	362	14,548	1.05
Essex	311	61.8	420	130,558	1.05
Gloucester	33	66.0	490	16,161	1.76
Hudson	119	41.8	499	59,324	1.29
Hunterdon	6	85.7	885	5,310	1.83
Mercer	78	76.5	666	51,952	1.71
Middlesex	73	62.4	707	51,639	1.47
Monmouth	65	68.4	542	35,221	1.19
Morris	28	96.6	677	18,943	1.18
Ocean	33	67.4	839	27,696	1.76
Passaic	117	52.7	482	56,417	1.29
Salem	9	56.3	523	4,709	1.44
Somerset	11	52.4	676	7,437	1.27
Sussex	8	88.9	808	6,463	1.50
Union	125	73.5	600	75,020	1.46
Warren	12	92.3	786	9,427	1.75
<b>State</b>	<b>1,394</b>	<b>61.3</b>	<b>\$517</b>	<b>\$720,521</b>	<b>1.25</b>

There were also many occasions when Section 8 assistance was available through this Department's Bureau of Housing Services, but the units did not meet the Housing Quality Standards (HQS). Whenever the owner agreed to perform the necessary repairs or modifications, the Program provided a subsidy on behalf of a client who otherwise would have been unable to keep up with the rent.

Added together, full rent payments and HAPs amounted to \$746,182 or 31.6 percent of all disbursements for tenants discussed in this report. A total of 1,408 households (10 received a combination of full rent and HAP), including 4,549 people benefitted from the full or partial subsidy of 1827.94 rent months at a mean cost to the public of \$408.21 per month. This assistance helped stabilize families and otherwise provided many New Jersey residents the opportunity to get on with their lives.

#### **PREVENTING DISPLACEMENT**

Evictions are the most common precipitators of homelessness. While a variety of factors may lead to an inability to meet housing costs, the legal process through which an owner regains possession of a dwelling is the critical event in the cycle of homelessness. New Jersey courts witnessed the filing of more than 130,000 evictions in 1986.

Once evicted, families tend to seek shelter from friends and relatives. It is rather common for people to go from one friend's home to another for a period of time. More often than not, these "doubled-up" situations lead to the exacerbation of family crises due to serious over-crowding, lack of privacy and loss of self-respect which ensues. Eventually many of these households lose all shelter and become fully dependent on temporary arrangements through county welfare agencies or other organizations.

Intervention to prevent the initial displacement is the most effective means of forestalling the onset of homelessness for a given household. The Homelessness Prevention Program seeks to do this by paying rent arrears, legal and court costs and other costs its clients may owe their landlords. In FY 1987, 51 percent of the Program's clients received assistance with rents in default. The Program paid late fees on behalf of 24 percent of its clients, court costs for 16 percent, legal fees for 11 percent and other fees (partial rent months, constabulary fees, etc.) to assist another 8 percent.

**TABLE XXIV  
RENT ARREARS BY COUNTY**

<u>COUNTY</u>	<u>NUMBER</u>	<u>% HOUSEHOLDS</u>	<u>MEAN</u>	<u>TOTAL</u>	<u>MEAN MONTHS</u>
Atlantic	36	38.7	\$ 854	\$ 30,747	2.36
Bergen	66	50.0	1,207	79,638	2.46
Burlington	36	46.1	790	28,432	1.94
Camden	100	52.4	657	65,650	2.29
Cape May	9	22.5	927	8,344	3.00
Cumberland	20	37.7	906	18,120	2.70
Essex	278	55.9	943	262,159	2.50
Gloucester	15	30.0	696	10,441	1.80
Hudson	154	54.0	808	124,475	2.48
Hunterdon	2	28.0	776	1,552	1.50
Mercer	44	43.3	826	36,356	2.30
Middlesex	76	65.0	1,196	90,898	2.34
Monmouth	50	52.6	949	47,455	2.84
Morris	23	79.8	1,407	32,380	2.16
Ocean	24	49.0	952	22,867	2.57
Passaic	146	65.8	648	94,650	2.30
Salem	4	25.0	924	3,696	3.00
Somerset	12	57.1	1,287	15,445	2.50
Sussex	6	66.7	1,076	6,454	2.33
Union	50	29.4	960	48,015	2.30
Warren	8	61.5	1,050	8,398	2.13
<b>State</b>	<b>1,159</b>	<b>50.9</b>	<b>894</b>	<b>\$1,036,172</b>	<b>2.35</b>

Rent arrears were the Program's single biggest item, accounting for nearly 40 of all disbursements (44 of all monies for tenants) in FY 1987. They were also the biggest debt category for clients in danger of eviction.

For the most part, landlords filed foreviction during the second half of the month in which the rent was unpaid. In most cases, the courts issued and delivered subpoenas during the latter part of the second month. As a result, 38 percent of all applicants (nearly 76 of all clients in default) owed back rent for two to three months. Ideally, people applied to the Program before the return date on their summons. However, because of client unawareness of the Program's availability, court delays in service of papers, or Program back logs, it was not uncommon for the court date to have passed before the Program could assist the applicant. Indeed, the staff reported that nearly one-third of all applicants in danger of eviction had already been served with warrants of removal, under state law, the step immediately preceding forceful removal by an officer of the Court.

Most of the time, Program intervention involved the offer of funds to settle client's debts to the owner who in return agreed to dismiss the court action and continue the tenancy under the law. Although there were outright refusals, most landlords were glad to cut their losses and accept settlement through the Program. Nearly 85 percent of all eligible households in danger of eviction were assisted in this fashion.

Some cases were more complex and required extensive negotiations with landlords, cooperation from other agencies in settling excessive arrear periods or collaboration with legal services and community law practices. These situations involved primarily factual disputes on the amount due to the owner. In a few instances, they involved rent abatement actions for poor unit conditions. In these events, the Program made funding available and its field representatives otherwise played key roles.

**TABLE XXV  
LATE FEES BY COUNTY**

<b>COUNTY</b>	<b>HOUSEHOLDS NUMBER</b>	<b>PER CENT</b>	<b>MEAN</b>	<b>TOTAL</b>	<b>RATIO OF LATE FEES TO ARREARS HOUSEHOLDS</b>
Atlantic	21	22.6	\$ 52	1,086	.583
Bergen	23	17.4	61	1,401	.1742
Burlington	17	21.8	61	1,037	.4722
Camden	82	42.9	58	4,779	.82
Cape May	2	5.0	25	50	.222
Cumberland	11	20.8	86	941	.55
Essex	103	20.5	62	6,431	.3705
Gloucester	10	20.0	73	725	.667
Hudson	54	19.0	47	2,513	.3507
Hunterdon	0	0.0	N/A	0	0
Mercer	20	19.6	101	2,012	.455
Middlesex	52	44.4	61	3,175	.684
Monmouth	29	30.5	60	1,740	.580
Morris	16	55.2	58	935	.696
Ocean	11	22.5	72	791	.458
Passaic	46	20.7	53	2,460	.315
Salem	2	12.5	183	366	.50
Somerset	8	38.1	61	490	.6667
Sussex	1	11.1	90	90	.1667
Union	22	12.9	89	1,958	.440
Warren	4	30.8	113	451	.500
<b>State</b>	<b>502</b>	<b>22.1</b>	<b>\$ 59</b>	<b>\$29,790</b>	<b>.433</b>

Under New Jersey's landlord-tenant law, an owner may demand late payment penalties, legal and court costs whenever a prior written agreement is present. Quite often, landlords were unwilling or unable to waive these charges so the Program had to settle them in order to secure dismissal of an eviction action.

Landlords insisted upon the collection of late payment charges (usually amounting to 5 percent of the rent) in 43 percent of the cases. While our clients almost never owed more than three months back rent, their financial difficulties often had begun long before. One symptom of this was a history of late fees ranging from \$5 to \$471. The Program paid out an average of \$59 per household to prevent the eviction of 502 households.



**TABLE XXVI  
COURT COSTS BY COUNTY**

<u>COUNTY</u>	<u>HOUSEHOLDS</u>		<u>MEAN</u>	<u>RATIO OF COURT COSTS</u>	
	<u>NUMBER</u>	<u>PER CENT</u>		<u>TOTAL</u>	<u>TO ARREARS HOUSEHOLDS</u>
Atlantic	10	10.8	\$22.70	\$ 227	.2778
Bergen	32	24.2	16.25	520	.4849
Burlington	8	10.3	15.25	122	.2222
Camden	60	31.4	19.73	1,184	.6000
Cape May	2	5.0	9.50	19	.2222
Cumberland	8	15.1	32.13	257	.4000
Essex	52	10.3	17.65	918	.1871
Gloucester	4	8.0	45.50	182	.2667
Hudson	48	16.8	12.83	616	.3117
Hunterdon	0	N/A	N/A	0	.0000
Mercer	11	10.8	22.46	247	.2500
Middlesex	38	32.5	22.82	867	.5000
Monmouth	34	35.8	19.82	674	.6800
Morris	8	27.5	30.88	247	.3478
Ocean	3	6.1	19.33	58	.1250
Passaic	40	18.0	20.10	804	.2740
Salem	3	18.8	62.67	188	.7500
Somerset	6	28.6	16.67	100	.5000
Sussex	1	11.1	9.00	9	.1662
Union	5	2.9	38.60	193	.1000
Warren	2	15.3	11.00	22	.2500
<b>State</b>	<b>375</b>	<b>16.5</b>	<b>19.88</b>	<b>\$7,454</b>	<b>.3236</b>

Generally, court costs were minimal (75 percent were under \$23), yet nearly one-third of all households facing eviction were unable to meet them in time to secure their landlord's agreement to dismiss the action. This was especially true for households on a fixed income at the end of the month. The Program disbursed \$7,454 to assist these families.

Legal fees constituted a more substantial, if less usual, demand. For the most part, only landlords with extensive holdings and apartment complexes asked to be reimbursed for attorney's fees, and then generally only when a court appearance had taken place. The majority of landlords who employed a lawyer resorted to a specialist handling a large volume of evictions on their behalf. This contributed to reducing their costs, and the Program's. (Half the attorneys charged \$75 or less.) There were, however, 20 instances where these fees exceeded \$150. All told, in FY 1987 the Homelessness Prevention Program paid an average of \$86 per household in legal fees on behalf of 10 percent of its clients, nearly one fifth of those facing eviction.

During the period covered by this report, the Homelessness Prevention Program was responsible for bringing to a halt 1,159 eviction actions involving some 3,714 people statewide. It is hardly necessary to say that most, if not all, of these people, over half of whom were children, would have been homeless in the absence of the Program's intervention. The total cost of this involvement was \$1,130,544 (or \$975.45 per household) for arrears and fees.

**TABLE XXVII  
LEGAL FEES BY COUNTY**

<u>COUNTY</u>	<u>HOUSEHOLDS</u>		<u>MEAN</u>	<u>TPTAL</u>	<u>RATIO OF LATE FEES</u>
	<u>NUMBER</u>	<u>PER CENT</u>			<u>TO ARREARS</u>
Atlantic	14	15.1	\$126	\$ 1,765	.3889
Bergen	12	9.1	109	1,309	.1818
Burlington	7	9.0	86	601	.1944
Camden	27	14.1	95	2,560	.2700
Cape May	2	5.0	75	150	.2222
Cumberland	6	11.3	66	396	.3000
Essex	38	7.6	85	3,220	.1367
Gloucester	4	8.0	161	644	.2667
Hudson	8	2.8	65	522	.0520
Hunterdon	0	N/A	0	0	.0000
Mercer	17	16.7	149	2,524	.3864
Middlesex	35	29.9	76	2,647	.4605
Monmouth	21	22.1	109	2,294	.4200
Morris	9	31.0	93	834	.3913
Ocean	7	14.3	299	2,090	.2917
Passaic	7	3.2	72	507	.0480
Salem	2	12.5	225	450	.5000
Somerset	6	28.6	91	544	.5000
Sussex	0	N/A	0	0	.0000
Union	13	7.7	223	2,900	.2600
Warren	4	30.0	54	214	.5000
<b>State</b>	<b>228</b>	<b>10.0</b>	<b>\$86</b>	<b>\$19,627</b>	<b>.1967</b>

In the nine months (October 1986 through June 1987) covered by the data base under analysis, the Homelessness Prevention Program provided assistance to 2,165 renter households. Approximately half as many additional households were found eligible but were unable to benefit from Program assistance either because of their inability to locate affordable housing within the allotted time (a maximum of 60 days) or because the Program had exhausted all its funding by the time they did. In fact, nearly three-fourths of all outlays occurred between November 1 and April 1, by which time the majority of our Program's county offices had exhausted their target allocations. It is, of course, impossible to determine how many more households would have received assistance if the funding had held up.

## ASSISTING HOMEOWNERS

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For as long as anyone can remember, home ownership has been the embodiment of security and the symbol of success in America. Yet, in recent years, this security has become increasingly evasive as growing numbers of people have lost their homes. Many of them have become homeless and many more are in danger. The Homelessness Prevention Program has sought to address the needs of New Jersey residents who are facing foreclosure due to a temporary inability to meet their housing costs.

In the period covered by the FY 1987 data base, 112 homeowners and former homeowners received Program assistance. Three point seven percent of 87 assisted households benefitted from Program help in keeping their homes. Most of them (82) were facing mortgage foreclosure; others owed property taxes. The Program disbursed \$243,849.00 (10.5 percent) on their behalf; an average of \$2,802.36 per family. Unfortunately, 25 households had already lost their homes or had creditors who were unwilling to cooperate with the Program. These households received relocation assistance from H.P.P.

This chapter will address some of the changing circumstances surrounding low- and moderate-income home ownership. Next, it will summarize the Program's activities on behalf of its homeowner clients.

Finally, this chapter will discuss some of the differences between our homeowner and our renter clients.

The reduction in HUD services to Federal Housing Assistance mortgage holders has seriously affected low- and moderate-income homeowners over the last five or six years. As of July 1987, only nine agencies, down from 45 in 1981, provided HUD counseling in New Jersey. This is an extremely important program for low- and moderate-income homeowners. It includes budget counseling, pre-purchase guidance, default and delinquency counseling, as well as advice on consumer rights and even landlord-tenant matters. In short, HUD's counseling program provides the benefits of in-depth financial planning and general guidance to people who otherwise would have to do without.

From the standpoint of homelessness and its prevention, default and delinquency counseling is the most important activity of HUD-approved and financed agencies. This program considers an FHA mortgage holder who is three or more months in arrears to be "in danger." A qualified "in danger" homeowner who wishes to participate in the Program is directly referred to a HUD counselor at an approved agency. Together, the owner and the counselor discuss the reasons for non-payment and examine the family's ability to maintain the mortgage and eventually bring it up to date.

Under general HUD guidelines, only job loss or a major illness constitute good cause for non-payment of FHA mortgage obligations. Furthermore, in order to qualify they must continue to meet housing payments. Based upon a detailed examination of the household's finances and at least one in-depth interview, the counselor may suggest that the family sell an unaffordable dwelling, assist in the negotiation of a forbearance agreement or recommend the case to HUD's assignment program.

If HUD approves the mortgagee for its assignment program, then the Federal government assumes the mortgage. HUD establishes new terms under which the mortgagee must continue to meet regular obligations and bring his or her payments up to date within an average period of three years. Once the mortgage is current, HUD "spins it off" to a private mortgage company. The end result is that a foreclosure is prevented at a relatively insignificant long-term cost to the public.

Unfortunately, the Federal Government has curtailed significantly its funding for counseling and assignment efforts. The Homelessness Prevention Program has attempted to fill in some of this gap by using a portion of its funding, targeted at 10 percent, to assist low- and moderate-income homeowners who otherwise might become homeless.

Eligible households need not have FHA mortgages. In fact, those who do, receive a referral to a HUD agency whenever one is available. The Homelessness Prevention Program assists eligible households with FHA mortgages only when HUD is unable to help them.

The Homelessness Prevention Program provides its clients with limited budget counseling, as well as no-interest loans repayable within five years. Typically, the Program's mortgage specialist discusses the client's finances with a household representative in order to determine both eligibility and ability to meet future payments. By focusing primarily on housing costs, the Program representative suggests how a client may establish budgetary priorities to minimize the possibility of a recurrent crisis. Upon the conclusion of the budget counseling phase, the Program offers the lending institution funds to bring its client up to date. For the most part, 88 percent of the time, mortgage companies are willing to participate.

**TABLE XXVIII**  
**SUMMARY OF ASSISTANCE TO HOMEOWNERS**

<u>COUNTY</u>	<u>MEAN MONTHS</u>	<u>MEAN MORTGAGE PAYMENT</u>	<u>TOTAL MORTGAGE</u>	<u>MEAN "OTHER"*</u>	<u>TOTAL "OTHER"*</u>	<u>MEAN LEGAL FEES</u>	<u>TOTAL LEGAL FEES</u>
Atlantic	5.0	\$2,030.00	\$12,180	\$ 80.00	\$ 80	N/A	\$ 0
Bergen	7.0	3,307.50	6,615	N/A	0	N/A	0
Burlington	4.2	2,090.20	10,451	N/A	0	N/A	0
Camden	5.1	2,741.06	43,857	15.24	259	\$ 56.47	960
Cape May	15.0	1,883.00	1,883	34.00	34	N/A	0
Cumberland	8.0	1,127.50	2,255	N/A	0	N/A	0
Essex	4.3	2,719.67	8,157	59.33	178	160.00	480
Gloucester	8.2	2,361.83	14,171	26.14	183	64.29	450
Hudson	N/A	N/A	0	N/A	0	N/A	0
Hunterdon	N/A	N/A	0	N/A	0	N/A	0
Mercer	8.0	2,404.83	14,429	200.17	1,201	166.50	999
Middlesex	9.4	3,346.63	26,773	7.38	59	N/A	0
Monmouth	8.0	2,562.25	20,498	975.00	975	N/A	0
Morris	N/A	N/A	0	N/A	0	N/A	0
Ocean	12.3	4,019.67	12,059	112.67	338	455.00	1,365
Passaic	5.0	2,730.20	13,651	111.80	250	N/A	0
Salem	11.0	4,121.00	8,242	67.50	135	87.50	375
Somerset	N/A	N/A	0	N/A	0	N/A	0
Sussex	N/A	N/A	0	N/A	0	N/A	0
Union	5.6	2,623.88	20,991	5.25	42	239.38	1,915
Warren	N/A	N/A	0	N/A	0	N/A	0
<b>STATE</b>	<b>7.0</b>	<b>\$2,669.31</b>	<b>\$216,212</b>	<b>\$42.25</b>	<b>\$3,567</b>	<b>\$ 75.22</b>	<b>\$ 6,544</b>

\*Includes back taxes.

Payments for mortgage arrears accounted for nearly 80 percent of Program disbursements on behalf of homeowners. The mean cost of preventing a mortgage foreclosure was \$2,669.31 per household (\$638.59 per person). There were, however, situations that required further or different assistance in the form of back taxes, insurance, legal fees, and other related costs. Overall, then, the mean Program disbursement on behalf of homeowner households was \$2,802.86 per client or \$669.91 per individual.

Clearly, homeowner assistance was nearly three times as costly, on a household basis, as renter assistance. The more extensive arrears period, 7 months as opposed to 2.35 months, accounts in large measure for this discrepancy. Nevertheless the long-term cost of this phase of Program activity should be minimal as all assistance to homeowners is refundable to the Program, and secured by a lien, within five years of disbursement.

TABLE XXIV

## COUNTY DISTRIBUTION OF ASSISTANCE TO HOMEOWNERS

<u>COUNTY</u>	<u>HOUSEHOLDS</u>		<u>MEAN</u>	<u>TOTAL</u>
	<u>NUMBER</u>	<u>PERCENT*</u>		
Atlantic	8	9.2	\$ 2,910.13	\$ 23,281
Bergen	2	2.3	3,307.50	6,615
Burlington	5	5.8	2,112.00	10,560
Camden	17	19.5	2,902.12	49,336
Cape May	1	1.2	1,898.00	1,898
Cumberland	2	2.3	1,127.50	2,255
Essex	3	3.5	3,003.67	9,011
Gloucester	7	8.1	2,355.86	16,491
Hudson	0	N/A	N/A	0
Hunterdon	0	N/A	N/A	0
Mercer	6	6.9	2,371.17	14,227
Middlesex	8	9.2	3,369.50	26,956
Monmouth	10	11.5	2,342.30	23,423
Morris	0	N/A	N/A	0
Ocean	3	3.5	4,571.00	13,713
Passaic	5	5.8	2,740.20	13,701
Salem	2	2.3	4,137.99	8,932
Somerset	0	N/A	N/A	0
Sussex	0	N/A	N/A	0
Union	8	9.2	2,931.25	23,450
Warren	0	N/A	N.A	0
<b>State</b>	<b>87</b>	<b>100.0</b>	<b>\$2,802.86</b>	<b>\$243,849</b>

\* Does not add up to 100 percent due to rounding.

While there is no ready explanation for this regional discrepancy, the reader should keep in mind that homeowner disbursements were not subject to target county allocations. The Program's allocation formula depended on the frequencies of tenancy cases and low- and moderate-income tenants (as well as on the unemployed population), both of which overwhelmingly occur in the northern counties. In fact homeownership, especially among low- and moderate-income families, is less common in the northern counties (Essex and Hudson were the only New Jersey counties where tenants outnumbered owners in the 1980 census). In short, the discrepancy in the regional distribution of disbursements on behalf of renters and owners may reflect differences in the dynamics of homelessness and of the housing crisis in general.

Nevertheless, there were more than regional differences between our homeowner clients and the rest of our clients. Homeowners exhibited a higher educational attainment than the rest of the client population. Eighty-five percent of homeowners compared to 62.8 percent of the general assisted population had finished high school. Furthermore, 49.4 percent of homeowners, compared to 17.8 of all clients, were two-parent families. Eighty point five percent, as opposed to 45.5 percent, of assisted homeowners reported wages as their sole source of income. Finally, owner heads of household

were older than the general assisted population. Compare a mean age of 42.8 to the Program mean of 34.

Besides average costs, homeowner clients differed from the rest of our population in other significant terms. They were, for example, more likely to live in the southern half, south of Middlesex and Monmouth counties, of the state. Whereas the 12 northern counties accounted for nearly 71 percent of all disbursements, the nine southern counties accounted for 57.7 percent of assistance to owners.

TABLE XXV				
<u>HOMEOWNER AND RENTER COSTS</u>				
<u>COUNTY</u>	<u>OWNERS</u>		<u>RENTERS</u>	
	<u>MEAN PAYMENT</u>	<u>MEAN RATIO OF PAYMENT TO INCOME</u>	<u>MEAN PAYMENT</u>	<u>MEAN RATIO OF PAYMENT TO INCOME</u>
Atlantic	\$341.88	.6295	\$428.69	.9362
Bergen	420.00	.2995	572.12	.7811
Burlington	416.00	.4079	422.43	.6303
Camden	465.12	.5090	304.31	.7348
Cape May	85.00	.1061	454.62	1.0170
Cumberland	182.00	.3169	456.27	.9867
Essex	690.33	.5375	400.85	.7336
Gloucester	372.14	.5624	375.91	.6661
Hudson	N/A	N/A	406.08	.8185
Hunterdon	N/A	N/A	514.86	.7965
Mercer	242.67	.3712	391.63	1.0601
Middlesex	456.88	.5079	516.49	.7138
Monmouth	316.40	.4337	467.36	.7360
Morris	N/A	N/A	589.97	.6894
Ocean	151.68	.5419	476.59	.6974
Passaic	424.20	.7199	374.70	.7672
Salem	387.00	.6676	322.00	.7310
Somerset	N/A	N/A	553.71	.8783
Sussex	N/A	N/A	532.11	.9622
Union	371.63	.1864	420.97	.7652
Warren	N/A	N/A	476.08	.9082
State	\$389.00	.4839	\$421.01	.7822

Not surprisingly, homeowners reported incomes substantially higher than those of renters. While the mean renter client income was \$8,101.37, the mean owner client income was \$12,228.70. Consequently, homeowner households, whose housing costs were in any case lower, found themselves in a better position to meet their housing obligations. Whereas the average tenant paid 78.2 percent of income toward rent, the average assisted homeowner's costs were only 48.4 percent of income.

This relative "affluence" should not be overstressed. By most standards, the Program's homeowner clients had little to fall back on. Nearly half reported incomes below the 1986 average poverty threshold (\$11,203 for a family of four): one-fourth had to make do with incomes under \$575 per month, 62 percent of poverty level. Mortgage payments and taxes claimed nearly 60 percent of the gross income of one-fourth of these households. Under these circumstances, a crisis such as the loss of a job (46 percent), a household breakup (24.1 percent) or major necessary home repairs (13.8 percent) may have led to an inability to meet housing obligations, foreclosure and homelessness.

In sum, the Homelessness Prevention Program helped 101 (87 percent are included in this data base) owner households in FY 1987. While they were generally better off than the Program's average client, these households were nevertheless close to the edge of homelessness. Despite Federal cutbacks, these families were able to keep their portions of the American dream at a minimal long-term cost to the public.

## SUMMARY & CONCLUSIONS

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The Homelessness Prevention Program is a sensible and cost-effective response to the problems it seeks to address. When people become homeless following evictions due to temporary inability to meet rent arrears, public intervention can stop the cycle before it becomes critical. Furthermore, as we have seen, payment of back rents is substantially less costly than the provision of "temporary" arrangements, which often continue for six, seven or eight months.

Nevertheless, the Program is not the answer for everyone. It does not necessarily address special problems. It cannot routinely provide long-term assistance to those who need it, and it does not resolve long-term conditions resulting from the structure of the housing market.

The Homelessness Prevention Program's assistance is best suited to households experiencing severe but short-term problems. The Program provides a temporary subsidy, which prevents the further deterioration of the situation and gives its clients the opportunity to get on with their lives. The "ideal" client is someone who can normally afford his or her housing costs. When that person encounters a critical condition resulting in a failure of resources, the Program intervenes to prevent the loss of housing. Upon the resolution of this problem, the client is once again able to afford his or her housing.

The question is how many of our clients actually fit this description. While no exhaustive long-term studies exist, a followup survey in the Fall of 1986 suggested a high rate of success. The survey consisted of a mailing to the landlords of approximately 5,000 households assisted through April 1986. The response rate was 45 percent. It indicated that approximately 72 percent of all assisted households were either still in place and current with their rents or had left in good standing. Thus, the Program made a significant long-term impact on a clear majority of its assisted clients.

At the same time, it is important to remember that, when assisted, the average FY 1987 Program client had to devote 77 percent of gross income to rent payments. While some of these households were placed into the Federal Section 8 Rental Assistance Program and others may have found sources to increase their income, a second or new job, etc., most of them probably continued to live one or two paychecks away from a new crisis. By most standards, then, the average client needed long-term assistance. While available evidence suggests that the majority will manage somehow, many will not. Indeed, not only our clients on public assistance, but also the majority of our employed clients, half of whom paid over 53 percent of gross income to rent, need either lower rents, which are generally unavailable, or assistance in paying their present rents. Thus, either an expansion of the Federal Section 8 Program or a fully state-funded rental assistance program or a combination of both would go a long way toward resolving the problem of homelessness.

Of course, many homeless people, especially those with specific mental health problems and those who have been without a fixed address for a long time, require specialized services in addition to financial assistance. In this regard, the Homelessness Prevention Program has given rise to a new program, the Transitional Housing Program. Combining state funds with Federal monies, available under the Stewart B. McKinney Act, the Transitional Housing Program will provide medium-term shelter in apartments and, in conjunction with the appropriate agencies, basic life skills training and support services. The goal of these activities will be to enable homeless people with special problems to develop independent living skills as well as to give them an opportunity to realize their potential.

However, neither the Homelessness Prevention Program, long-term rental subsidy programs nor transitional housing programs address the chronic housing shortage that characterizes much of New Jersey's housing market. While questions involving the housing market and, for that matter, the broader job market and economic structure require much more extensive treatment than this report can provide, it is nevertheless important to point out that homelessness is not an unrelated issue.



In a broad sense, a movement from manufacturing activities in relatively dense and urban areas to service-related activities in suburban and semi-rural areas has characterized the direction of economic development over the last decade or two. One consequence has been a sectoral and geographic displacement of employment as well as the deterioration of the urban housing stock, with the significant exception of areas of "gentrification," particularly along the Hudson River waterfront. As a result, people with no jobs become homeless in urban areas with comparatively low cost and low quality housing. Meanwhile, people with jobs in growth areas face a severe shortage of rental housing with the attendant high rents which often prove unaffordable. Thus, there is a growing need for employment training programs, transportation facilities to convey people to jobs, affordable quality child care, rehabilitation of deteriorating housing stock and construction of new affordable rental units. While these conditions and solutions are beyond the immediate scope of the Homelessness Prevention Program, they affect the context in which it operates.

Between February and November 1987, a significant event occurred in the type and level of assistance available to recipients of certain categories of public assistance. Following a series of law suits, the New Jersey Department of Human Services promulgated regulations affecting Emergency Assistance to SSI recipients, AFDC-eligible families (N.J.A.C. 10:82-5.10), and General Assistance recipients (N.J.A.C. 10:85-4.6). Under these new regulations, county and local welfare agencies will provide eligible clients with up to three months rent arrears to prevent evictions and foreclosures and up to five months of temporary shelter for those who are homeless. They also will continue to provide security deposits to eligible households.

The greater availability of Emergency Assistance (EA) funding should have a significant impact upon the Homelessness Prevention Program. In response to the new EA regulations, the Program will no longer assist otherwise eligible SSI, AFDC or GA recipients with back rents or security deposits unless they prove ineligible for EA. Program funding will be used as a supplemental to EA funds, when, for example, arrears exceed three months.

As only 31.3 percent of FY 1987 clients fit the new EA criteria, these new regulations do not significantly affect most Homelessness Prevention Program clients. Preliminary information on FY 1988 activities do not suggest a reduction in the volume of applications, only a change in the composition of our client population: most are wage earners.

In short, the change in EA regulations has resulted in a de facto expansion of the Homelessness Prevention Program funding by making more resources available to people who are not eligible for certain public assistance categories. Nevertheless, FY 1988 funding is not expected to last much longer than FY 1987 funding. Given the volume of tenancy filings (over 130,000 per annum) and an estimated 10,000 to 13,000 legal lockouts, the number of potential clients clearly exceeds the Program's resources and the reach of the EA program.

To summarize, the Department of Community Affairs' Homelessness Prevention Program constitutes a significant element in a broad effort to remedy the crisis of homelessness. In FY 1987 the Program assisted 2,791 households (8,959 people) at an average cost of \$1,141.42. Without a doubt, these people would otherwise have added to New Jersey's homeless rolls and, in the long run, would have added significantly to the state's fiscal burden.

While significant, the Program's effort was clearly not sufficient to resolve the problem it sought to address. Indeed, nearly three-fourths of its clients received assistance in a five to six month period (October 1986 to March 1987) after which the funding was all but exhausted. Certainly, with more staff and resources, the Program could easily assist at least twice as many households. In conjunction with newly-expanded EA benefits, Program activities could then go a long way toward preventing homelessness among those facing temporary, yet acute, crises.

Prevention programs must be supplemented with broader policies aimed at addressing the needs of special populations and the long-term questions of affordability and availability of housing. The expansion of already existing transitional housing and rental assistance programs would have a significant impact upon the problem of homelessness; so would an increased supply of decent housing affordable to moderate-, low- and very-low-income people.

TESTIMONY BEFORE TASK FORCE ON HOMELESSNESS  
DEPARTMENT OF HUMAN SERVICES  
JANUARY 24, 1989  
CHAIRMAN, PAT ROMA, ASSEMBLYMAN

GOOD MORNING CHAIRMAN ROMA AND MEMBERS OF THE TASK FORCE. I AM MARION REITZ, DIRECTOR, STATE DIVISION OF PUBLIC WELFARE. THANK YOU FOR GIVING ME THE OPPORTUNITY TO SPEAK TO YOU ABOUT THE SERIOUS AND GROWING PROBLEM OF HOMELESSNESS IN NEW JERSEY AND THE RESPONSE THE DEPARTMENT OF HUMAN SERVICES HAS MOUNTED.

I WOULD LIKE TO DISCUSS THREE AREAS OF CONCERN TODAY. FIRST, SOME INFORMATION AND THOUGHTS ABOUT WHY WE ARE HERE TODAY; SECOND, WHAT WE IN THE DEPARTMENT ARE DOING ABOUT HOMELESSNESS; AND THIRD, WHAT MORE NEEDS TO BE DONE.

NEW JERSEY, LIKE MANY OTHER STATES, HAS A SERIOUS HOMELESS PROBLEM. WE ARE ONE OF ONLY 26 STATES NATIONALLY WITH AN AFDC EMERGENCY ASSISTANCE PROGRAM. THAT PROGRAM, OUT OF NECESSITY, HAS QUADRUPLED IN THE PAST THREE YEARS FROM \$9 MILLION TO ALMOST \$43 MILLION IN FY 1989.

AS YOU KNOW, ESTIMATING THE NUMBERS OF HOMELESS PEOPLE IS ALWAYS DIFFICULT. SOME DEFINE HOMELESSNESS ONE WAY, OTHERS ANOTHER. SOME SOCIAL SCIENTIST WILL LOOK AT FAMILIES

IN A WELFARE HOTEL AND COUNT THEM AS HOMELESS, WHILE OTHERS SEEING A ROOF OVER THEIR HEAD, WILL NOT. IN ADDITION, SOME OF THE ESTIMATES WE SEE ARE SINGLE NIGHT COUNTS, WHILE OTHERS ARE ANNUAL ACCOUNTS OF ALL OF THOSE WHO ARE HOMELESS FOR ANY PERIOD OF TIME IN THE COURSE OF A YEAR. IN THE FINAL ANALYSIS, WE BELIEVE THAT THIS NUMBERS GAME IS IRRELEVANT. THE PROBLEM IS OBVIOUSLY A BIG ONE, AND TOTALLY UNACCEPTABLE IN A SOCIETY SUCH AS OURS.

IN NEW JERSEY, WE ESTIMATE THAT MORE THAN ONE-THIRD OF THE HOMELESS ARE FAMILIES, REFLECTING THE GENERAL CHANGE NATIONALLY IN THE FACT OF HOMELESSNESS. THE HOMELESS TODAY ARE YOUNGER; MORE OF THEM ARE FROM MINORITY GROUPS; FOR MANY OF THEM ALCOHOL AND SUBSTANCE ABUSE IS A BIG PROBLEM; AND MORE AND MORE OF THE HOMELESS ARE FAMILIES. FAMILIES ARE THE FASTEST GROWING SEGMENT OF THE HOMELESS POPULATION...CHILDREN ARE THE OVERWHELMING MAJORITY OF HOMELESS PEOPLE.

THIS IS WHY SHELTER IS NOT A STRAIGHTFORWARD ANSWER TO A PROBLEM CALLED HOMELESSNESS. RATHER, THE SOLUTION IS BEYOND THE RESOURCES OR RESPONSIBILITY OF ANY SINGLE AGENCY OR GROUP. THERE IS A COMPELLING NEED TO ADDRESS THE ROOT CAUSES OF HOMELESSNESS...POVERTY AND LACK OF AFFORDABLE HOUSING, AS WELL AS DRUG ABUSE, ILITERACY AND INADEQUATE SKILL TRAINING. AT THE SAME TIME, WE MUST ADDRESS THE VERY REAL HUMAN PROBLEMS OF PEOPLE IN CRISIS.

WHICH BRINGS ME TO THE SECOND POINT...WHAT ARE WE DOING NOW. RIGHT NOW WE ARE SERVING 16,000 FAMILIES A YEAR IN OUR AFDC EMERGENCY ASSISTANCE PROGRAM...ABOUT 48,000 INDIVIDUALS OVERALL. WHILE THE NUMBERS ARE LARGE, THERE IS ONE IMPORTANT FACT. BY AND LARGE THE AFDC-EA PROGRAM IS WORKING. OF THE 16,000 FAMILIES, APPROXIMATELY 12,000 RECEIVED BACK RENT OR MORTGAGE PAYMENTS TO PREVENT EVICTION, SECURITY OR UTILITY DEPOSITS, MOVING EXPENSES AND OTHER SERVICES THAT PREVENT HOMELESSNESS.

4,000 FAMILIES, REPRESENTING 66 PERCENT OF EA EXPENDITURES, REQUIRED EMERGENCY PLACEMENT. I BELIEVE IT IS THIS AREA OF THE PROGRAM THAT MUST BE FIXED.

WHILE THE PROGRAM HAS GROWN FROM \$9 MILLION SERVING 5,000 FAMILIES IN FY 1986 TO \$43 MILLION SERVING 16,000 IN FY 1989, IT IS THE SHELTER COMPONENT THAT IS CONSUMING MOST RESOURCES, MOST DISRUPTIVE TO FAMILIES AND CHALLENGING PUBLIC POLICY.

WE BELIEVE STRONGLY THAT THE EMERGENCY ASSISTANCE PROGRAM CANNOT BE ASKED TO SERVE AS THE SOLUTION TO THE BROADER LOW-INCOME HOUSING CRISIS. NEVERTHELESS, IT IS A VITAL PART OF OUR OVERALL RESPONSE.

IN LATE 1986, THE DEPARTMENT MADE TWO MAJOR CHANGES IN THE EA PROGRAM. FIRST, WE GREATLY EXPANDED ELIGIBILITY PROVIDING EA BENEFITS, FOR THE FIRST TIME, TO FAMILIES

AND INDIVIDUALS WHO WERE THREATENED WITH OR WERE ACTUALLY EVICTED.

SECONDLY, WE EXPANDED THE MAXIMUM BENEFIT FROM THREE MONTHS TO FIVE MONTHS. I MIGHT ADD AT THIS JUNCTURE THAT THIS IS EXACTLY THE OPPOSITE DIRECTION THAT THE FEDERAL GOVERNMENT IS TAKING. HHS HAS PROPOSED TO CUT BACK EA TO ONLY 30 DAYS. CONGRESS HAS IMPOSED A MORATORIUM ON IMPLEMENTING THIS PROVISION UNTIL MORE STUDY CAN BE DONE. THIS CUTBACK, IF IMPLEMENTED, COULD COST NEW JERSEY OVER \$7 MILLION NEXT YEAR.

SEVERAL OTHER STEPS HAVE BEEN TAKEN IN THE PAST YEAR TO RESPOND TO THIS GROWING CRISIS. I WOULD LIKE TO BRIEFLY NOTE THEM AND THEN MOVE ON TO WHAT MORE MUST BE DONE...BECAUSE MORE MUST BE DONE.

FIRST, IN THE SPRING 1987 WE PROVIDED \$2 MILLION TO THE COUNTIES IN THE FIRST RENTAL ASSISTANCE PROGRAM OPERATED THROUGH EA.

SECOND, WE IMPLEMENTED A PROLONGED PHASE-OUT OF FAMILIES (940) WHO HAD EXHAUSTED THEIR EA BENEFITS WHEN THE SUPREME COURT UPHELD OUR TIME LIMITED POLICY TO PROVIDE FOR AN ORDERLY IMPLEMENTATION.

THIRD, WE PROVIDED \$500,000 TO COUNTIES IN TRANSITIONAL

FUNDING TO HELP WITH THIS PHASE-OUT.

FOURTH, WE MADE AVAILABLE \$6000,000 FOR A HOME-FINDER'S PROGRAM THAT MADE FUNDING AVAILABLE TO NON-PROFIT AGENCIES WHICH PLACED HOMELESS FAMILIES IN PERMANENT HOUSING.

FIFTH, WE TURNED OVER STATE PROPERTY TO VOLUNTEERS OF AMERICA AND CATHOLIC COMMUNITY SERVICES TO OPERATE SHELTERS AS A LAST RESORT FOR FAMILIES WHO STILL HAD NO ALTERNATIVE.

SIXTH, WE OFFERED A 50/50 GRANT PROGRAM TO COUNTIES FOR NON-HOTEL EMERGENCY SHELTER PLACEMENTS FOR FAMILIES WHOSE EA HAD EXPIRED.

THESE PROGRAMS WERE DEVELOPED AS WE CONTINUED TO ASSESS THE SITUATION AS IT DEVELOPED OVER THE YEARS. WE ARE NOW CONCENTRATING OUR EFFORTS ON A TOTAL REFORM OF THE EA PROGRAM OVER THE NEXT SEVERAL YEARS. THIS BRINGS ME TO MY THIRD POINT...WHAT NEXT.

FIRST, I SUPPOSE I MUST STATE WHAT SEEMS, TO ALL OF US INVOLVED IN THIS HOMELESS CRISIS, THE OBVIOUS...THE FEDERAL GOVERNMENT MUST GET BACK INTO THE BUSINESS OF LOW-INCOME HOUSING. THE CONTINUED WITHDRAWAL OF THE FEDERAL GOVERNMENT FROM LOW-INCOME HOUSING PROGRAMS WILL MAINTAIN PRESSURE ON THE EMERGENCY ASSISTANCE PROGRAM...TRYING TO FORCE A SOLUTION IN THE WRONG AREA AND PLACING FAMILIES IN SHELTERS INSTEAD OF PERMANENT HOUSING.

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APART FROM THE FEDERAL RESPONSE, WE BELIEVE THE STATE MUST PROVIDE THE LEADERSHIP AND JOIN WITH COUNTIES ADMINISTERING THESE PROGRAMS. WE CAN AND MUST STATE CLEAR GOALS AND PROVIDE THE INCENTIVE AND TOOLS FOR COUNTIES TO DO THE JOB.

FOR THE FIRST TIME, STARTING THIS JULY, COUNTIES WILL HAVE TO SUBMIT A PLAN TO US ON WHAT MIX OF SERVICES THEY WILL USE TO RESPOND TO HOMELESS FAMILIES IN THEIR COMMUNITIES. THIS IS DESIGNED TO ELIMINATE THE USE OF HOTELS FOR EMERGENCY PLACEMENT IN THREE YEARS, BUT MOST IMPORTANTLY, TO SPEND \$40 MILLION A YEAR IN PROGRAMS THAT HELP FAMILIES TO RESOLVE THEIR CRISIS IN THE MOST HUMANE MANNER. COUNTIES WILL HAVE AN INCENTIVE TO USE PLACEMENTS OTHER THAN HOTELS BECAUSE IF THEY MEET TARGET REDUCTIONS (20 PERCENT IN THE FIRST YEAR, 60 PERCENT SECOND YEAR AND 100 PERCENT IN THE THIRD YEAR) IN HOTEL USE, THE COUNTY MATCH FOR ALL EA PLACEMENTS WILL BE PICKED UP BY THE STATE.

THE TOOLS COUNTIES HAVE TO MEET THESE TARGETS ARE:

1. 1200 RENTAL ASSISTANCE SLOTS EQUALING \$3.6 MILLION TO PLACE FAMILIES IN APARTMENTS RATHER THAN HOTELS.
2. A LEASED APARTMENT PROGRAM WHEREBY THE COUNTY OR NON-PROFIT AGENCIES LEASE APARTMENTS FOR PLACEMENT OF EA FAMILIES.
3. TRANSITIONAL HOUSING PROGRAMS, SIMILAR TO THE ONE UNDERWAY IN ESSEX COUNTY, WHEREBY THE STATE, COUNTY AND NON-PROFIT ORGANIZATIONS ESTABLISH TRANSITIONAL

UNITS WITH COMPREHENSIVE SOCIAL SERVICES.

4. TRANSITIONAL FAMILY SUPPORT THAT USES FOSTER-CARE LIKE ARRANGEMENTS TO ASSIST A HOMELESS MOTHER AND CHILD.
5. ONE OF THE LARGEST COMPONENTS OF THIS REFORM, A \$22.0 MILLION JOINT SHELTER EXPANSION PROGRAM FUNDED BY THE DEPARTMENTS OF HUMAN SERVICES AND COMMUNITY AFFAIRS. THIS JOINT INITIATIVE IS ALLOWING FUNDS TO BE STRETCHED FARTHER BY USING DCA FUNDS FOR "BRICKS AND MORTAR" AND DHS FUNDS FOR SERVICES. THE WORKING RELATIONSHIP AND SUPPORT BOTH DEPARTMENTS CAN GIVE TO EACH OTHER, AND THEREFORE, TO COUNTIES, BODES WELL FOR HOMELESS FAMILIES IN NEW JERSEY.

I THINK IT IS FAIR TO SAY THAT WE HAVE CONTINUED TO MEET THE GROWING CRISIS OF HOMELESSNESS WITH COMPASSION, FRUSTRATION AND FUNDING. WE HAVE IN PLACE A PLAN TO DRAMATICALLY IMPROVE WHAT HAD BEEN AN INFLEXIBLE PROGRAM THAT RELIED ALMOST EXCLUSIVELY ON HOTEL PLACEMENT AND THAT HELPED ONLY A NARROWLY DEFINED GROUP OF FAMILIES.

BESIDES OUR CONTINUED EFFORT TO INCREASE AFFORDABLE HOUSING, WE MUST:

- INVOLVE MORE NON-PROFIT AND RELIGIOUS ORGANIZATIONS IN OUR EFFORTS;



- BETTER ADDRESS THE SOCIAL SERVICES AND EDUCATIONAL NEEDS OF HOMELESS FAMILIES;
- CONTINUE THE REACH PROGRAM TO GIVE PEOPLE A CHANCE TO BECOME SELF-SUFFICIENT;
- CONTINUE TO FIND WAYS TO FUND ALTERNATIVES TO HOTELS TO PROVIDE A BETTER MIX OF RESPONSES FOR A DIVERSE PROBLEM.
- PROVIDE AN OPPORTUNITY FOR MORE PUBLIC DEBATE AND EDUCATION OF PUBLIC OFFICIALS AND PRIVATE CITIZENS ABOUT THE ISSUES OF HOMELESSNESS...A ROLE IN WHICH THIS TASK FORCE CAN PLAY AN IMPORTANT PART.

I REALIZE THAT I HAVE PRESENTED A GREAT DEAL OF INFORMATION TO YOU AND I WANT TO LET YOU KNOW THAT I HAVE BROUGHT ALONG SOME BACKGROUND INFORMATION WHICH I WOULD LIKE TO GIVE TO YOU AS A SUMMARY OF OUR ACTIVITIES TO HELP HOMELESS FAMILIES.

THANK YOU FOR AFFORDING ME THE OPPORTUNITY TO PRESENT THIS INFORMATION TO YOU TODAY AND I LOOK FORWARD TO WORKING WITH YOU IN THE FUTURE ON BEHALF OF THOSE FAMILIES, AND ESPECIALLY THE CHILDREN, WHO SO DESPERATELY NEED OUR HELP./ I WOULD BE GLAD TO ANSWER ANY QUESTIONS YOU MAY HAVE.

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STATEMENT  
OF  
ALFRED A. SLOCUM  
PUBLIC ADVOCATE OF NEW JERSEY  
BEFORE  
THE  
TASK FORCE ON HOMELESSNESS  
OF  
THE NEW JERSEY ASSEMBLY

TRENTON, NEW JERSEY  
JANUARY 24, 1989

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MEMBERS OF THE ASSEMBLY TASK FORCE ON HOMELESSNESS:

THE DEPARTMENT OF THE PUBLIC ADVOCATE HAS LONG BEEN CONCERNED WITH, AND INVOLVED IN, ONGOING EFFORTS TO SECURE PERMANENT HOUSING FOR THE POOR AND NEEDIEST CITIZENS OF OUR STATE. FOR EXAMPLE, THE DEPARTMENT HAS FOUGHT TO ELIMINATE THE BARRIERS OF EXCLUSIONARY ZONING, REPRESENTING THE INTERESTS OF LOW AND MODERATE INCOME HOUSEHOLDS BEFORE THE COUNCIL ON AFFORDABLE HOUSING. HOWEVER, THE DRAMATIC INCREASE IN RECENT YEARS IN THE NUMBERS OF MEN, WOMEN AND CHILDREN WHO HAVE NO PLACE TO LIVE AND ARE FORCED TO SEEK REFUGE SLEEPING ON OUR STREETS, HAS COMPELLED OUR DEPARTMENT TO FOCUS ON THE PLIGHT OF THE HOMELESS -- THE TRAGIC VICTIMS OF NEW JERSEY'S CRITICAL SHORTAGE OF AFFORDABLE HOUSING. WHILE THERE IS NO CLEAR CONSENSUS ON WHETHER AND HOW TO ADDRESS THE NEW ISSUE OF HOMELESSNESS, IT IS THE GOAL OF THE PUBLIC ADVOCATE TO ACHIEVE DECENT, SAFE AND SUITABLE PERMANENT HOUSING FOR THOSE WHO HAVE NO SHELTER AT ALL. FURTHERMORE, THE DESPERATE NEED FOR IMMEDIATE RESOURCES TO HOUSE THE HOMELESS HAS RESULTED IN OUR RECENT EMPHASIS ON ESTABLISHING RIGHTS TO EMERGENCY SHELTER.

ACCORDINGLY, THE PUBLIC ADVOCATE HAS BEEN ACTIVELY INVOLVED IN THE LEGAL EFFORT TO SECURE ADEQUATE EMERGENCY SHELTER AND OTHER ASSISTANCE FOR THE THOUSANDS OF HOMELESS MEN, WOMEN AND CHILDREN IN OUR STATE. IN THE LAST YEAR, WE OBTAINED TWO COURT RULINGS WHICH HAVE FURTHER DEFINED THE OBLIGATIONS OF THE DEPARTMENT OF HUMAN SERVICES (DHS) AND COUNTY AND MUNICIPAL WELFARE AGENCIES TO AID THE HOMELESS. WE ARE HERE TODAY TO

DISCUSS WITH YOU OUR CONCERN THAT, DESPITE THESE LEGAL RULINGS, NEEDS OF THE HOMELESS IN OUR STATE ARE NOT BEING ADEQUATELY AND APPROPRIATELY MET.

IN FRANKLIN V. DHS, 111 N.J. 1 (1988), THE SUPREME COURT UPHELD THE DHS' FIVE (5) MONTH TIME LIMIT ON EMERGENCY SHELTER ASSISTANCE (EA) TO HOMELESS AFDC FAMILIES. THE COURT MADE THIS RULING IN RELIANCE ON REPRESENTATIONS BY THE COMMISSIONER OF THE DHS THAT A SAFETY NET OF SHELTER PROGRAMS WOULD BE MADE AVAILABLE TO HOUSE NEEDY FAMILIES WHOSE EA HAD EXPIRED. THE COURT'S ACTION WAS PREMISED ON ITS BELIEF THAT THE DHS WOULD NOT ABANDON THESE FAMILIES BUT WOULD COMMIT AGENCY RESOURCES TO FINDING BETTER HOUSING SOLUTIONS. IMPLICIT IN THE COURT'S DECISION IS ITS RECOGNITION THAT THE DHS HAS A OBLIGATION TO PROVIDE APPROPRIATE SHELTER IN A MANNER THAT IS SUFFICIENT TO MEET A FAMILY'S CONTINUING NEED FOR SUCH ASSISTANCE.

IN A SECOND CASE, WILLIAMS V. DHS, \_\_\_\_ N.J. SUPER. \_\_\_\_ (APP. DIV. DECIDED NOVEMBER 15, 1988), THE APPELLATE DIVISION DETERMINED THAT THE DHS HAD INDEED ABANDONED HOMELESS MEN AND WOMEN ON GENERAL ASSISTANCE BY TERMINATING THEIR EMERGENCY SHELTER BENEFITS AFTER FIVE (5) MONTHS WITHOUT PROVIDING ANY OTHER RESOURCES. ACCORDINGLY, THE APPELLATE DIVISION INVALIDATED THE TIME LIMIT, REQUIRING THE DHS TO DEVELOP A REGULATORY PROGRAM TO ENSURE THAT HOMELESS INDIVIDUALS CAN OBTAIN EMERGENCY SHELTER AND OTHER SERVICES FOR AS LONG AS THEY REMAIN IN NEED.

OUR DEPARTMENT HAS CAREFULLY MONITORED THE ACTIONS TAKEN IN RESPONSE TO THE FRANKLIN AND WILLIAMS DECISIONS. THESE CASES

ESTABLISHED A FRAMEWORK FOR ADDRESSING THE NEEDS OF THE HOMELESS IN OUR STATE. TO BE FRANK WITH THIS TASK FORCE, WE HAVE NOT SEEN A COMPREHENSIVE PLAN, INVOLVING STATE, COUNTY AND LOCAL AGENCIES, TO IMPLEMENT THE STANDARDS ARTICULATED BY THE JUDICIARY. THE FAILURE OF THESE AGENCIES TO EXAMINE THEIR RESOURCES AND TO COORDINATE AN APPROACH ALSO MEANS THAT NO BUDGETARY BLUEPRINT HAS BEEN DEVELOPED. WITHOUT A PLAN OR A BUDGET, IT IS DIFFICULT, IF NOT IMPOSSIBLE, TO MOBILIZE ALL APPROPRIATE LEVELS OF GOVERNMENT TO THIS CRITICAL TASK. THUS, AT THE OUTSET, IT IS IMPERATIVE THAT THE PERTINENT STATE AGENCIES, PARTICULARLY THE DHS AND THE DEPARTMENT OF COMMUNITY AFFAIRS (DCA), DEVISE A PLAN THAT IDENTIFIES NEEDS AND ALLOCATES RESOURCES AND RESPONSIBILITIES SO THAT THE STANDARDS ARTICULATED BY THE JUDICIARY IN FRANKLIN AND WILLIAMS CAN BE FULLY SATISFIED.

MORE SPECIFICALLY, WE HAVE IDENTIFIED THE FOLLOWING SIGNIFICANT PROBLEMS:

1. THERE HAS BEEN A FAILURE OF STATE AGENCIES TO DEVELOP A UNIFORM APPROACH TO PROVIDING EMERGENCY SHELTER TO HOMELESS FAMILIES WHERE EA HAS BEEN TERMINATED UNDER THE FIVE (5) MONTH TIME LIMIT UPHELD IN FRANKLIN. FOR EXAMPLE, IN MANY COUNTIES, RECIPIENTS AND COMMUNITY ORGANIZATIONS REPORT THAT HOMELESS FAMILIES ARE NOT BEING ADVISED THAT THEY ARE ENTITLED TO RECEIVE EMERGENCY SHELTER THROUGH THE "SAFETY NET" OR NON-EA PROGRAMS. AS A CONSEQUENCE, SOME NEEDY FAMILIES ARE NOT RECEIVING ANY ASSISTANCE AT ALL AFTER THEIR EA HAS EXPIRED. THE LACK OF STANDARDS AND GUIDELINES FOR ADDRESSING THE NEEDS OF THESE

FAMILIES HAS RESULTED IN AN AD-HOC AND DISORGANIZED SYSTEM OF ADDRESSING THE SHELTER NEEDS OF POST-EA FAMILIES, WITH SOME COUNTIES NOT OFFERING AVAILABLE SHELTER ALTERNATIVES IN A TIMELY OR EFFECTIVE MANNER.

2. THERE HAS BEEN A LACK OF ADEQUATE RESOURCES ALLOCATED BY STATE AND LOCAL GOVERNMENT TO PROVIDE APPROPRIATE EMERGENCY SHELTER ALTERNATIVES FOR FAMILIES WHOSE EA BENEFITS HAVE EXPIRED. AS A RESULT, THE SHELTER OPTIONS THAT ARE AVAILABLE TO THESE FAMILIES ARE INSUFFICIENT TO MEET THE NEED FOR SUCH ASSISTANCE. FURTHER, THE FEW SHELTER ALTERNATIVES THAT HAVE BEEN MADE AVAILABLE ARE EXTREMELY LIMITED IN NUMBER AND FAR REMOVED FROM THE COMMUNITIES IN WHICH THESE FAMILIES RESIDE.

FOR EXAMPLE, IN RESPONSE TO FRANKLIN, THE DHS OPENED FOUR SHELTER FACILITIES AT ANCORA PSYCHIATRIC HOSPITAL IN WINSLOW TOWNSHIP, AT THE NEW LISBON DEVELOPMENTAL CENTER IN NEW LISBON, AT MARTLAND HOSPITAL IN NEWARK, AND AT THE MARLBORO PSYCHIATRIC HOSPITAL. OUR DEPARTMENT HAS CAREFULLY EVALUATED THE PROGRAMS AT THESE FACILITIES, IN PARTICULAR THE NEW LISBON SHELTER, IN RESPONSE TO A VARIETY OF COMPLAINTS RECEIVED FROM SHELTER RESIDENTS. THESE COMPLAINTS FOCUS ON A WIDE-RANGE OF PROBLEMS THAT INCLUDE:

- INADEQUATE EFFORTS TO MAINTAIN CONTINUITY AND STABILITY IN THE EDUCATION OF THE SCHOOL AGE CHILDREN IN THESE FAMILIES.
- PLACEMENT OF FAMILIES IN FACILITIES THAT ARE SO REMOTE FROM THEIR HOME

COMMUNITIES THAT THESE FAMILIES ARE UNABLE TO CONDUCT A MEANINGFUL SEARCH FOR PERMANENT HOUSING.

-- A LACK OF TRANSPORTATION AND OTHER ASSISTANCE TO ENABLE FAMILIES TO UNDERTAKE EFFECTIVE HOUSING SEARCHES.

-- A VIRTUAL ABSENCE OF CHILD CARE AND OTHER PROGRAMS FOR PRE-SCHOOL CHILDREN.

-- UNQUALIFIED AND INSUFFICIENT STAFF WHO ARE INCAPABLE OF RESOLVING THE MYRIAD PROBLEMS THAT ARISE UNDER THESE CONDITIONS.

IN RESPONSE TO THESE COMPLAINTS, WE RETAINED TWO EXPERTS TO EXAMINE THE PROGRAM AT NEW LISBON. ONE EXPERT FOUND THAT THE GEOGRAPHICAL ISOLATION OF THIS FACILITY, COUPLED WITH THE LACK OF AN ORGANIZED HOUSING SEARCH PROGRAM AND THE STAFF'S PUNITIVE USE OF RULES AND REGULATIONS, WERE HAVING DEVASTATING EFFECTS ON SHELTER RESIDENTS. THE OTHER EXPERT, A CHILD PSYCHOLOGIST, CONCLUDED THAT THE VIRTUAL NON-EXISTENCE OF ANY PROGRAMS TO RECONNECT THESE FAMILIES TO THEIR COMMUNITIES ONLY SERVED TO REINFORCE THE ALREADY LOW FEELINGS OF SELF-WORTH, SELF-BLAME AND INCOMPETENCE AMONG THESE FAMILIES. THESE EXPERTS RECOMMENDED THAT THE FACILITY BE CLOSED. SUBSEQUENTLY, ON JANUARY 13, 1989, THE DHS ANNOUNCED THAT THE NEW LISBON SHELTER WOULD BE PHASED OUT AND CLOSED BY MAY 1989.

3. THE DHS' PROGRAM TO PROVIDE RENTAL SUBSIDIES TO HOMELESS AFDC FAMILIES INSTITUTED IN RESPONSE TO THE FRANKLIN RULING HAS SERIOUS SHORTCOMINGS. FIRST, THE RENTAL SUBSIDIES ARE LIMITED TO 12 MONTHS. AS A RESULT, A SIGNIFICANT NUMBER OF FAMILIES WHO WERE ABLE TO SECURE PERMANENT HOUSING WITH A RENTAL SUBSIDY WILL HAVE THEIR ASSISTANCE TERMINATED AFTER ONE (1) YEAR, THEREBY PLACING THESE FAMILIES IN IMMINENT DANGER OF BECOMING HOMELESS ONCE AGAIN. SECOND, THE AMOUNT OF RENTAL SUBSIDY OFFERED TO HOMELESS FAMILIES IS LEFT TO COUNTY DISCRETION. CONSEQUENTLY, THERE IS NO UNIFORMITY AMONG THE COUNTIES AND THE AMOUNT OF ASSISTANCE OFFERED TO HOMELESS FAMILIES IN SOME COUNTIES IS TOO LOW TO ENABLE FAMILIES TO SECURE A HOUSING UNIT. THIRD, THERE ARE NO HABITABILITY STANDARDS FOR THE HOUSING UNITS LEASED UNDER THIS PROGRAM. THIS HAS LED SOME CWA'S, IN THEIR RUSH TO REDUCE THE NUMBER OF FAMILIES IN MOTELS AND SHELTERS, TO AUTHORIZE RENTAL ASSISTANCE FOR HOUSING UNITS WITH SERIOUS DEFECTS THAT AFFECT THE HEALTH AND SAFETY OF THE OCCUPANTS. FOR EXAMPLE, A HOMELESS FAMILY IN BURLINGTON COUNTY WAS RECENTLY PLACED BY THE COUNTY IN A HOUSING UNIT THAT LACKED HEAT, HAD HOLES IN THE ROOF AND HAD DEFECTIVE PLUMBING. THE CONDITIONS IN THE UNIT WERE SO SEVERE THAT THE COUNTY HAD TO MOVE THIS FAMILY TO ANOTHER UNIT. FINALLY, THE RENTAL SUBSIDY PROGRAM HAS NOT BEEN OFFERED TO HOMELESS MEN AND WOMEN ON GENERAL ASSISTANCE. THESE INDIVIDUALS, WHOSE MONTHLY BENEFITS ARE ONLY \$140 OR \$210, SIMPLY CANNOT AFFORD PERMANENT HOUSING WITHOUT SOME ADDITIONAL ASSISTANCE.



4. THE DHS AND THE DCA HAVE, WITH THE ANNOUNCEMENT OF THE FAMILY SHELTER STRATEGY IN AUGUST, BEGUN TO EXERT PRESSURE ON THE CWA'S TO REDUCE THE OVERALL NUMBERS OF FAMILIES RECEIVING EA. AS A CONSEQUENCE OF THIS PRESSURE, ALONG WITH THE INADEQUATE CONDITIONS IN THE STATE SHELTER FACILITIES, MANY HOMELESS FAMILIES WHO ARE ELIGIBLE FOR EA ARE UNABLE TO OBTAIN APPROPRIATE SHELTER ASSISTANCE. IN PARTICULAR, LEGAL SERVICE PROGRAMS AND COMMUNITY GROUPS REPORT AN INCREASING INCIDENCE OF FAMILIES WHO ARE TURNED AWAY BY THE CWA'S WHEN THEY APPLY FOR ASSISTANCE OR ARE ADVISED THAT, ALTHOUGH THEY ARE ELIGIBLE FOR EA, THERE ARE NO SHELTER RESOURCES AVAILABLE FOR THEM.

SIMILARLY, MUNICIPAL WELFARE DEPARTMENTS (MWDS), REQUIRED BY THE APPELLATE DIVISION'S DECISION IN WILLIAMS V. DHS TO PROVIDE HOMELESS GA RECIPIENTS WITH SHELTER ASSISTANCE FOR AS LONG AS THEY REMAIN IN NEED, HAVE BEGUN TO TURN NEEDY INDIVIDUALS AWAY ALLEGING THAT THE INCREASED DEMAND HAS FILLED ALL EXISTING SHELTER VACANCIES. IN JERSEY CITY, DESTITUTE AND DISABLED MEN AND WOMEN HAVE BEEN FORCED TO SEEK REFUGE IN THE PATH STATION AT JOURNAL SQUARE BECAUSE THE WELFARE DEPARTMENT, THOUGH ACKNOWLEDGING THEIR ELIGIBILITY FOR EA, HAVE TOLD THEM THAT THERE IS JUST NO PLACE AVAILABLE TO SHELTER THEM. THESE INDIVIDUALS ARE SIMPLY BEING ABANDONED TO THE STREETS BECAUSE OF THE LACK OF SHELTER RESOURCES.

5. THE DHS HAS FAILED TO CONSIDER THE EDUCATIONAL NEEDS OF HOMELESS CHILDREN IN MAKING PLACEMENTS IN EMERGENCY SHELTER FACILITIES. IN PARTICULAR, FAMILIES ARE OFTEN PLACED IN MOTELS

OR SHELTERS IN LOCATIONS THAT REQUIRE CHILDREN TO CHANGE SCHOOLS. FURTHER, NO EFFORT IS MADE TO FACILITATE TRANSFERS OR TO OBTAIN TRANSPORTATION SO THAT THESE CHILDREN CAN REMAIN IN THEIR SCHOOL DISTRICT OF ORIGIN. THESE FAILURES OFTEN RESULT IN UNNECESSARY SCHOOL TRANSFERS OR IN LENGTHY DELAYS IN ATTENDING SCHOOL, BOTH OF WHICH HAVE A DEVASTATING IMPACT ON THE EDUCATIONAL PROGRESS OF HOMELESS CHILDREN.

TO ADDRESS THESE CONCERNS, THE PUBLIC ADVOCATE RECOMMENDS, AT A MINIMUM, THE FOLLOWING ACTIONS:

1. THE EXISTING EMERGENCY ASSISTANCE PROGRAM BE REFORMED TO ACHIEVE THE OVERRIDING GOAL OF PROVIDING PERMANENT HOUSING FOR THE HOMELESS AND NOT SIMPLY TEMPORARY, EMERGENCY SHELTER. THE DHS/DCA INTERDEPARTMENTAL FAMILY SHELTER STRATEGY CONTAINS SOME POSITIVE INITIATIVES THAT MOVE IN THIS DIRECTION. FOR EXAMPLE, THESE AGENCIES HAVE PROPOSED THE RENOVATION OF APPROXIMATELY 150 VACANT PUBLIC HOUSING AND SUBSIDIZED UNITS TO BE USED AS TRANSITIONAL HOUSING FOR HOMELESS FAMILIES WITH RENTS TO BE SUPPLIED THROUGH THE EA PROGRAM.

HOWEVER, SUCH EFFORTS TO CREATE ADDITIONAL TRANSITIONAL HOUSING THROUGH THE RENOVATION OF EXISTING UNITS OR NEW CONSTRUCTION ARE NOT ENOUGH. FIRST, THESE TRANSITIONAL UNITS ARE BEING OFFERED EXCLUSIVELY TO HOUSE HOMELESS FAMILIES AND ARE NOT BEING MADE AVAILABLE TO DESPERATELY NEEDY HOMELESS INDIVIDUALS. SECOND, THE OVERWHELMING NEED OF THE HOMELESS IS FOR PERMANENT AND NOT TRANSITIONAL HOUSING.

ACCORDINGLY, THE EA PROGRAM SHOULD BE SUBSTANTIALLY REDESIGNED AND EXPANDED TO PERMIT ALLOCATION OF THESE FUNDS TOWARD PERMANENT HOUSING ALTERNATIVES FOR ALL THE HOMELESS. AMONG THE PERMANENT HOUSING INITIATIVES AVAILABLE TO NEW JERSEY AND ALREADY BEING IMPLEMENTED BY OTHER STATES ARE:

-- THE USE OF EMERGENCY ASSISTANCE SHELTER MONIES AS AN ESCROWED ONE YEAR RENT SUBSIDY TO ENABLE HOMELESS FAMILIES OR INDIVIDUALS THREATENED WITH EVICTION TO REMAIN IN THEIR APARTMENTS. IN THIS WAY, THE STATE COULD TAKE THE AMOUNT OF MONEY IT WOULD HAVE TO SPEND TO HOUSE HOMELESS MEN, WOMEN AND CHILDREN IN EMERGENCY SHELTERS AND PLACE IT IN AN ESCROW SUBSIDY WHICH THE FAMILY OR INDIVIDUAL COULD DRAW DOWN AS A MONTHLY RENTAL SUBSIDY.

-- THE USE OF EMERGENCY ASSISTANCE MONIES TO SUBSIDIZE PERMANENT LOW INCOME HOUSING. FOR EXAMPLE, NEW YORK HAS INVOLVED NON-PROFITS IN THE RENOVATION AND CONSTRUCTION OF MIXED INCOME HOUSING WHERE RENT RECEIVED FROM THE EA PROGRAM TO SHELTER A SMALL PERCENTAGE OF TRANSITORY HOMELESS TENANTS IS USED TO SUBSIDIZE THE RENT FOR PERMANENT LOW AND MODERATE INCOME OCCUPANTS.

-- THERE SHOULD BE A REQUIREMENT THAT STAFF FROM CWAS AND MWDS BE PLACED IN LANDLORD-TENANT COURT TO PREVENT EVICTIONS BY HELPING AFDC AND GA RECIPIENTS TO ACCESS EA AND OTHER BENEFITS AND SERVICES IN A TIMELY MANNER. FURTHER, THE DHS SHOULD CONSIDER INSTITUTING PROGRAMS, THROUGH EA, THAT PROVIDE DIRECT LEGAL ASSISTANCE TO RECIPIENTS IN LANDLORD-TENANT PROCEEDINGS. SUCH PROGRAMS HAVE BEEN INSTITUTED IN NEW YORK CITY AND HAVE BEEN SUCCESSFUL IN REDUCING EVICTIONS AMONG AFDC FAMILIES.

2. THERE BE "A CLEAR IDENTIFICATION OF THE AGENCY OR PROGRAM OF GOVERNMENT THAT IS TO PROVIDE SHELTER OF LAST RESORT" AND "A CLEAR STATEMENT OF THE RESOURCES THAT SHALL BE DEDICATED TO THAT END . . ." FRANKLIN, 111 N.J. AT 19. SUCH ACTION WOULD ELIMINATE THE PRESENT CONFUSION; WOULD ESTABLISH UNIFORM PROCEDURES FOR ENSURING THAT THESE FAMILIES RECEIVE THE ASSISTANCE THEY NEED; AND WOULD HELP TO ESTABLISH THE "SAFETY NET" WHICH THE SUPREME COURT ENVISIONED FOR HOMELESS FAMILIES.

3. THERE IS A DESPARATE NEED FOR ADDITIONAL SHELTER RESOURCES FROM STATE, COUNTY AND LOCAL GOVERNMENT FOR HOMELESS FAMILIES AND INDIVIDUALS WHOSE EA HAS EXPIRED. BECAUSE OF A LACK OF RESOURCES, THESE PERSONS, EVEN THOUGH LEGALLY ENTITLED TO

SHELTER ASSISTANCE UNDER FRANKLIN, ARE BEING ABANDONED TO THE STREETS.

4. THE DHS UNDERTAKE A COMPREHENSIVE EVALUATION OF THE SHELTER PROGRAMS OPERATING AT ANCORA PSYCHIATRIC HOSPITAL, MARTLAND HOSPITAL AND MARLBORO PSYCHIATRIC HOSPITAL. INADEQUACIES IN THESE PROGRAMS SHOULD THEN BE PROMPTLY ADDRESSED OR THESE FACILITIES SHOULD BE CLOSED IF THE DEFICIENCIES ARE SERIOUS OR IF THE FACILITIES PROVE TO BE TOO GEOGRAPHICALLY REMOTE.

5. THE DHS' TEMPORARY RENTAL SUBSIDY PROGRAM BE CONVERTED INTO A PERMANENT RENTAL SUBSIDY, ADMINISTERED PURSUANT TO UNIFORM GUIDELINES, INCLUDING MINIMUM HABITABILITY STANDARDS.

6. THERE BE A REQUIREMENT THAT THE EDUCATIONAL NEEDS OF HOMELESS CHILDREN BE TAKEN INTO CONSIDERATION IN MAKING SHELTER PLACEMENTS AND THAT PROCEDURES BE IMPLEMENTED TO FACILITATE TRANSFERS TO NEW SCHOOLS OR TRANSPORTATION TO RETURN TO SCHOOLS OF ORIGIN, WHERE APPROPRIATE. THIS COULD EASILY BE ACCOMPLISHED BY THE DHS EXERCISING ITS SUPERVISORY RESPONSIBILITIES THROUGH THE ISSUANCE OF REGULATIONS TO THE COUNTIES ON THIS SUBJECT.

IN CONCLUSION, THE COURTS HAVE DECREED THAT, "THE TRULY NEEDY HOMELESS [SHALL] ALWAYS HAVE SOMEWHERE TO TURN FOR HELP..." WILLIAMS, SLIP OPINION AT 15. UNFORTUNATELY, THE REALITY IN NEW JERSEY IS FAR DIFFERENT THAN THE STANDARDS FOR THE HOMELESS ESTABLISHED BY THE COURTS FOR OUR "PROGRESSIVE AND COMPASSIONATE SOCIETY" ID. THE FIRST STEP TO SATISFYING THESE JUDICIAL STANDARDS MUST BE THE DEVELOPMENT OF A COMPREHENSIVE PLAN,

INVOLVING ALL LEVELS OF GOVERNMENT, THAT ENABLES EACH AGENCY TO FULFILL ITS RESPECTIVE RESPONSIBILITIES IN THIS IMPORTANT ENDEAVOR. WE HOPE THAT THE INFORMATION PROVIDED TODAY WILL ASSIST THIS TASK FORCE IN CONTINUING THE EFFORT TO ACHIEVE THIS GOAL.



# InterFaith Neighbors

103 Monmouth Road

Oakhurst, N.J. 07755

(201) 531-1150

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Testimony To Assembly Task Force On Homelessness  
January 24, 1989

Members of the Assembly Task Force on Homelessness:

My name is Jack Johnson, Chairman of the Board of Directors of Interfaith Neighbors of Monmouth County, New Jersey. Interfaith Neighbors was founded in March of 1988 in response to the crisis of homeless families living in area motels throughout Monmouth County.

The organization today represents forty congregations of the Jewish, Protestant and Roman Catholic faith communities in Monmouth County.

Our goals are threefold. First, we seek to provide emergency shelter in church and synagogue facilities for families who are homeless and are not, in fact, eligible at the time of their crises for immediate or long-term governmental assistance. Presently we have two congregations providing such a service. One congregation, which opened their doors in June, has served six families in such a time of transition. In a modest converted room in their church facility, these six families have called this place their home. The families have lived in the facility for a period as short as two days and as long as six weeks.

The facility has allowed the family to stay together as a family unit which, in fact, had it not been in place, these families would have been separated in most cases from their husband and father. Their time spent at this facility has also enabled congregants to become aware of the critical plight of families who have no place to call home.

The second aspect of our organization is a program which seeks to provide rental subsidies as well as emotional, educational, spiritual, and specific kinds of support other than funds to homeless families.

As of this date, we have assisted fifteen families. Our assistance includes monthly rental subsidies ranging from as low as \$350 per month and as high as \$500 per month. Each family is linked with a supporting congregation and agrees to meet on a monthly basis with a designated representative from the congregation. (Agreement attached)

Some families make more frequent contact with their designated representative as they seek additional support as mentioned in the preceding paragraph.

We have received over \$50,000 in commitments from the faith communities which are a part of our organization. Many of these communities gave additional support in terms of gifts during the holiday season to homeless families.

A family who receives support from Interfaith Neighbors is referred to us by the Monmouth County Board of Social Services. The head of the household is interviewed by our hospitality committee for approving a "covenant" relationship between the neighbor and Interfaith Neighbors. (Covenant Agreement attached)

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In addition to this agreement, Interfaith Neighbors enters into a Housing Assistance Agreement with the owner of the dwelling where the family will reside. (Agreement attached) This agreement has been instrumental in enabling a family to find a rental in that the landlord can be certain that the rental income will be paid. This agreement has also enabled Interfaith Neighbors to be an advocate for the tenant by insuring that the facility meets basic housing standards. On more than one occasion, we have advocated on behalf of the client to a landlord concerning the condition of the rental facility.

Finally, we seek to be advocates for those who find themselves homeless. Through interpretation of legislative opportunities and presentations to membership and community organizations we have been telling the story of homeless families in Monmouth County.

The story is one of shame in such an affluent county. Yet we commend Governmental, corporate, and nonprofit organizational efforts in Monmouth County to address this critical issue. Our program is but a modest part of a larger effort to address an issue that will not go away where affordable housing is out of reach for many of our citizens.

We appreciate this opportunity to meet before you today and to share with you, our experiences. We would be happy to answer any questions from members of the committee.

AN UNDERSTANDING  
BETWEEN INTERFAITH NEIGHBOR BOARD,  
INTERFAITH NEIGHBOR SUPPORTING CONGREGATION  
AND THE FAMILY

We seek to share in assisting \_\_\_\_\_ by pledging \_\_\_\_\_  
toward his/her monthly rental for a period of one year beginning \_\_\_\_\_.

We, too, understand that this rental assistance is to be accompanied by mutual terms of support as defined by the Interfaith Neighbor Board and afforded by the Interfaith Neighbor Supporting Congregation.

1. The Interfaith Neighbor Board, through its designated representative, will inspect and recommend to the Screening Committee of the Board, the rental unit.
2. The Interfaith Neighbor Supporting Congregation will appoint a designated representative for the purpose of sharing ways in which the congregation and the family may be mutually supportive of one another.
3. The designated representative from the Interfaith Neighbor Supporting Congregation and the recipient shall share together on a monthly basis ways in which we can be mutually supportive of one another. Monthly meeting will take place at a mutually convenient time.
4. Interfaith Neighbor Supporting Congregation through its designated representative will seek to provide guidance and support in the following areas.
  - a. finding suitable rental dwelling
  - b. job counseling and placement opportunities
  - c. assistance in school placement, day care, nursery, public school, vocational school, college level as well as tutoring where appropriate
  - d. religious guidance and directing to appropriate faith communities
  - e. transportation when needed
  - f. child-care
  - g. community networking, shopping services, medical services, mechanical services
  - h. household furnishings and appliances

We therefore mutually sign this document as an understanding that we hold for one another

\_\_\_\_\_  
Interfaith Neighbor

\_\_\_\_\_  
Interfaith Neighbor Board Representative

\_\_\_\_\_  
Interfaith Neighbor Congregational Representative

\_\_\_\_\_  
Date

160x

April 27, 19

AN UNDERSTANDING  
BETWEEN INTERFAITH NEIGHBOR BOARD  
AND OUR NEIGHBOR

We seek to share in assisting \_\_\_\_\_ by pledging \_\_\_\_\_  
toward his/her monthly rental for a period of one year beginning \_\_\_\_\_

We, too, understand that this rental assistance is to be accompanied by mutual terms of support as defined by the Interfaith Neighbor Board and afforded by the Interfaith Neighbor Supporting Congregation.

1. The Interfaith Neighbor Board, through its designated representative, will inspect and recommend to the Welcoming Committee of the Board, the rental unit.
2. The Interfaith Neighbor Board will appoint a designated representative from an Interfaith Neighbor congregation for the purpose of sharing ways in which the congregation and the family may be mutually supportive of one another.
3. The designated representative from the Interfaith Neighbor Supporting Congregation and the recipient shall share together on a monthly basis ways in which we can be mutually supportive of one another. Monthly meeting will take place at a mutually convenient time.

We therefore mutually sign this document as an understanding that we hold for one another.

\_\_\_\_\_  
Interfaith Neighbor

\_\_\_\_\_  
Interfaith Neighbor Board Representative

\_\_\_\_\_  
Date

5/5/88

16/x

INTERFAITH NEIGHBORS, INC.  
HOUSING ASSISTANCE PAYMENT AGREEMENT  
103 Monmouth Road, Oakhurst, NJ 07755

This Housing Assistance Agreement is entered into between Interfaith Neighbors, Inc. and \_\_\_\_\_,

(OWNER)

(ADDRESS)

and \_\_\_\_\_

(TENANT)

1. This contract applies only to this family: \_\_\_\_\_,  
and the dwelling located at : \_\_\_\_\_.
2. The term of this agreement is for twelve (12) months, and shall begin on \_\_\_\_\_.
3. The total rent payable to the owner will be \$ \_\_\_\_\_ per month.
4. Interfaith Neighbors will pay a portion of the total rent, in the amount of \$ \_\_\_\_\_ per month, on behalf of the family.
5. The portion of the rent payable by the family will be \$ \_\_\_\_\_.
6. The amount of the security deposit paid to the owner by \_\_\_\_\_ is \$ \_\_\_\_\_; and said owner shall place the security deposit in an interest-bearing account, keeping one (1) percent of the interest earned. The balance of the interest earned shall be paid to the party who has paid the security deposit.
7. This agreement is only for the period not exceeding twelve (12) months during which the family occupies the dwelling unit; and it is the owner's responsibility to immediately notify the Interfaith Neighbors if the family vacates the dwelling. In the event the owner institutes eviction proceedings, said owner agrees to immediately notify the Interfaith Neighbors.
8. The owner represents that it is in compliance with all municipal ordinances, and State statutes and regulations, governing landlord/tenant relationships.
9. It is agreed and understood by all the parties that Interfaith Neighbors assumes no responsibility with respect to the terms and conditions of the lease. Interfaith Neighbors' only responsibility is to make rental payments as stated in paragraph #4 and said responsibility expires in accordance with paragraph #2 or if tenant vacates the premises for any reason including eviction. Interfaith Neighbors, Inc. shall not be liable for any damage to the premises caused by tenants nor any other civil liability of tenants.

INTERFAITH NEIGHBORS, INC.

By \_\_\_\_\_

\_\_\_\_\_  
(tenant)

\_\_\_\_\_  
(owner)

\_\_\_\_\_  
(date)

\_\_\_\_\_  
(date)

\_\_\_\_\_  
(date)

\_\_\_\_\_  
(witness)

\_\_\_\_\_  
(witness)

\_\_\_\_\_  
(witness)

162x

NEW JERSEY CATHOLIC CONFERENCE  
211 North Warren Street  
Trenton, New Jersey 08618  
(609) 599-2110

Archdiocese of Newark  
Diocese of Camden  
Diocese of Metuchen  
Diocese of Paterson  
Diocese of Trenton  
Eparchy of Passaic

William F. Bolan, Jr.  
Executive Director

January 24, 1989

TO: Members, Task Force on Homelessness

FROM: William B. Watson, ACSW  
Associate Executive Director  
Catholic Community Services, Newark, NJ

RE: Testimony on Programs for Homeless

Thank you for the opportunity to speak today on behalf of the New Jersey Catholic Conference which represents the Bishops of the six Catholic dioceses in our State. As Associate Executive Director of Catholic Community Services of the Archdiocese of Newark, I oversee the operation of the seven shelters for the homeless. I speak to you from our personal experiences with the homeless and our attempts to respond to their needs. In putting together our comments today, I have incorporated the input received from our other diocesan shelters and those diocesan staff working with the homeless throughout the State.

You have, by now, a good understanding of the seriousness of the homeless situation in our State. Rather than re-state the statistics on the problem, I will focus on our response to it by giving, as was requested in your letter, an overview of the

programs and services to the homeless, the degree of coordination in the delivery of programs and will offer recommendations on improvements needed in programs.

It is important to identify who makes up the homeless if we hope to respond adequately to their needs. The Catholic dioceses make available approximately 46% of the total shelter beds in our State. In Essex County alone, 353 shelter beds, or 80% of the total number of beds, have been developed by Catholic Community Services.

In the City of Paterson, Eva's Kitchen and Sheltering Programs provides 300 hot meals daily and can shelter 125 men, women and children each night. Eva's also has a rehabilitation program with 45 men in residence. The Ozanam Men's Shelter in New Brunswick offered 682 men shelter during 1987-88. The Ozanam Family Shelter, which is out of operation during the summer months when the facility reverts to a day camp, offers shelter to women and children.

All of our shelters offer a variety of programs to serve their residents. As an example, St. Rocco's Family Shelter in Newark provides individual treatment and case management services from mandatory classes for family living, homemaking and parenting skills to classes on how to set up and maintain a budget from vocational job training and placement to substance abuse counseling -- in addition to the basic provisions of food and shelter. Shelters provide day care for preschool children, family and marriage counseling, inpatient and outpatient mental

health services, counseling for unwed mothers, speech and hearing services. Shelters also provide transportation services and information and referrals to drug/alcohol treatment programs and other services as needed. In Burlington County, Emergency Services of Catholic Charities responds on a 24-hour-a-day basis to the myriad needs of the homeless, although its overnight shelter is limited to battered women and children.

Our experience shows us that the homeless are not one homogeneous group that can be lumped together. A large component of homeless are single males or females with chronic alcohol, substance abuse problems, or profoundly mentally ill. This group is the oldest group and responsible for the stereotype of "street people" or "bag lady."

I would like to address some of the concerns we as shelter providers face and offer our recommendations. The need for the State to put its emphasis on the availability of low and moderate income housing as a means of addressing homelessness has been stated by others and is evident to anyone who looks at the problem of homelessness in New Jersey. One of our important and increasingly difficult tasks is finding permanent and affordable housing for the shelter residents. In Middlesex County, the location of the Ozanam shelters, there is a less than one percent vacancy rate in rental apartments. Rents in the Newark area are averaging between \$450 and \$700 per month. Obviously, this situation poses serious problems for those seeking affordable housing. Yet there are other needs as well. We applaud the

direction the State is taking away from its reliance on welfare motels and are absolutely opposed to housing children in motels. As you know, the State Department of Human Services has a three-year plan to eliminate use of hotels and motels. However, these children should not have to wait three years. The State moved in the right direction in opening the three shelters to transfer clients from these motels. We are recommending that they open more and do it right away -- why not a dozen, if needed. Why not a dozen if less costly. At these hotels, there are few social services available to them; children in motels can suffer from poor nutrition and have a low school attendance. Many are unsupervised and walking the streets.

We stress, though, however laudable the State's Family Shelter Strategy, its primary attention must continually be placed on the lack of affordable housing.

We urge this Task Force not to see the problem of homelessness in a vacuum. A significant number of residents, especially in our Men's Shelters, are in need of treatment programs for drug abuse, alcoholism, or mental illness. Yet it is almost impossible for an indigent male in our State to get into a treatment program. In parts of New Jersey, there are simply no facilities available. The five beds existing in Essex County are operated by Catholic Community Services and are only partially funded by the State. Residents of our Men's Shelter in New Brunswick are told they must wait at least three months to enter an inpatient treatment program. Our shelter director was



told that there would be no additional beds available this year. The lack of facilities means that our Men's homeless shelters become sleeping quarters for the addict or the mentally ill. The environment in a shelter is especially stressful for the mentally ill who are, more often than not, totally isolated and are unable to interact with others. They can become the targets of abuse by other residents. Shelters are used as convalescent centers for the indigent needing a nursing home or aftercare programs, or halfway house for prison inmates. Indigent patients can stay for only so long at a hospital. After that, a patient is dropped off at a shelter, perhaps in the middle of the night. We ask the State to encourage the development of smaller size men's shelters of about 15 beds which could create a better environment conducive to rehabilitation. A large shelter simply does not allow for adequate individualized treatment.

In regard to homeless AFDC families, a decision was made in the 1970's to impose a flat rate for public assistance grants in New Jersey rather than having a separate budget for housing that is related to market costs. AFDC grant levels are extremely low. A single person on SSI receives as much of a monthly income as a mother and her two children on AFDC. We urge the State to reconsider the flat grant level and make payments dependent upon family size but with additional funding for housing costs.

Homeless children face unique problems that few of us can imagine having to deal with. Although some local school districts have been cooperative in placing homeless children in

its schools, children with emotional, physical, or learning disabilities who are in need of special education programs are not as lucky. These students must have transfer papers, then must undergo testing. The final hurdle is finding an opening in these programs. As a result, many special needs children simply do not attend school, further deepening their dependency on the welfare system. Although some of our shelters provide adequate day care for mothers looking for housing or jobs, others are unable to meet the requirements for day care centers. For example, one Family Shelter has a wood frame and so does not meet the fire safety requirements of the child care regulations. We recommend that day care licensing regulations be flexible when located in shelters. Homeless mothers with children encounter a great deal of discrimination when it comes to finding apartments, especially if the children are older. One mother of three was told that if she had cats instead of children, the two bedroom apartment was hers! We believe that the greatest effort possible should be placed on meeting the needs of homeless children, the most vulnerable to a life of continued poverty unless help is given to them.

In addition to more adequate grant levels, additional monies are needed in the State's Homelessness Prevention Program. The insufficient and erratic funding means that money dries up after several months. The lack of Section 8 certificates also creates problems for those seeking housing assistance. And, there is a lack of uniformity among municipalities in interpreting the

eligibility requirements for this program which creates inequities.

Several of our shelters are concerned with the complexity of the funding requirements. Not only is there a number of State departments the shelter must contact for funds (there is no centralized office for homelessness), but also our shelters find that criteria for funding programs change from year to year and state agencies are vague about whether funding will continue. Our shelters face an extremely short deadline to apply for funds and are required to give detailed information on programs with ever changing guidelines. We recommend a continuous source of funding that will eliminate the annual scramble for money -- as well as clear and consistent criteria for funding. We further recommend that Shelter Operators have input into RFS application processes in both DCS and DHS.

The number of State Departments funding programs for the homeless causes fragmentation within the social service delivery system. A textbook case can be seen with the implementation of the McKinney Act. The Departments of Labor, Health, Education, Community Affairs, and Human Services all have programs funded through the McKinney Act. The programs are transferred through the county and municipal level which further aggravates the situation. There is little consolidated effort to coordinate programs on an interagency basis. The Department of Human Services Advisory Council is a good step toward coordinating social service programs on a county level. Yet, one body, one

person, a czar if you will, should be made responsible for coordination of all programs for the homeless on a county level. Legislation may be needed to implement this.

Another recommendation we ask this Task Force to consider is that there be a continuum of support programs available to those who leave the shelter and find housing. All too often, a family will find itself back on the street or in a shelter because of a problem that could have been avoided if case management were available, such as assistance in maintaining a budget, or mental health counseling.

Finally, we must understand in regard to the AFDC program, that the vast majority of recipients are not homeless. In Essex County, for example, of 31,545 families, only 1,052, or only 3%, are in the Emergency Assistance Program. We should focus on programs that prevent the need for emergency assistance and that might include a more active role of the County welfare departments to monitor rent payments and to prevent evictions. Such ideas as assigning staff to the housing courts, or the Courts advising the county when a complaint is filed. Such other ideas as two-party checks and employment of specialized and experienced housing counselors, should be explored.

Solutions to the problem of homelessness cost money and require a commitment from all sectors of society. Yet the most important element necessary in dealing with the homeless is, a change of public attitude toward their plight -- caring about each other does not cost anything. Come and visit our shelters

and see these kids. It is a delight to serve them but they have a right to permanent housing.

I appreciate this opportunity to speak before this Task Force and thank you for the work you are doing in addressing the needs of the homeless.



# the mental health association in new jersey

60 south fullerton avenue • montclair • new jersey • 07042-2683 • phone: (201) 744-2500



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### HONORARY LIFE MEMBER

Barbara L. Ackerman

## Testimony for the Assembly Task force on Homelessness

January 24, 1989

Delivered by

Gail Levinson

Director of Public Policy and Legislation  
Mental Health Association in New Jersey

173x

Good Morning. On behalf of the Mental Health Association in New Jersey (MHANJ) I would like to thank you for providing the opportunity for me to speak about homelessness. By granting a public forum to air the many difficult issues associated with homelessness, you have already increased opportunity for solutions. Much however has to be done. We hope that the MHANJ's views will be of assistance to you as you plan a state level strategy to combat the growing number of people who have no place to live.

The MHANJ is a non-profit organization composed of concerned citizens who advocate on behalf of children and adults with mental illness in New Jersey. My name is Gail Levinson and I am the Director of Public Policy and Legislation for the Association.

The MHANJ speaks on behalf of all homeless people. Homelessness is a basic mental health issue. When an individual is deprived of shelter his/her emotional well being is threatened. Today however I am here to discuss the needs of a component of the homeless population, the mentally ill homeless who make up roughly 1/3 of New Jersey's citizens who do not have a residence.

As we approach the 1990's the issues confronting mental health advocates are diverse and not easily resolved. The lack of housing continues to loom as an enormous obstacle preventing the rehabilitation of the 90,000 citizens who suffer from chronic and persistent mental illness in our State.

Most of these individuals do not have a decent or appropriate place to live. Slightly over 1% of the population is provided with supervised transitional residential care at any given point in time. Estimates indicate that



over 10,000 of the mentally ill are homeless, 8,000 live in boarding homes and rooming houses, many of which are substandard, 30% of the 4,000 who are patients in state and county hospitals cannot be discharged because there are insufficient residential placements available. The remainder are unable to achieve independence, often residing with friends or family due to a shortage of affordable rental units statewide. As so although over 10% of the mentally ill are currently homeless, many more are potentially homeless and most are living inappropriately in transitory settings.

Who are the mentally ill homeless? They are individuals who have had a psychiatric history and who are often symptomatic displaying signs of severe emotional distress marked by confused thinking, hallucinations and delusions. A portion of the population is composed of an older group of men and women who have been in and out of psychiatric hospitals throughout much of their adult years. Another component of the population is represented by an emerging group of younger persons in their 20's and early 30's who are either acutely psychotic or dually diagnosed with serious mental illness as well as substance abuse.

All of these mentally ill individuals remain severely and actively emotionally disturbed because they do not use the mental health system both for inpatient as well as outpatient needs. As a result they do not continue to take the psychotropic medication that is vital to their rehabilitation.

The mentally ill homeless face many of the barriers that confront the homeless population as a whole. Most importantly, there is not enough low cost housing available statewide. For this population appropriate housing

would include rental apartments, quality boarding homes and residential health care facilities, transitional residences (group homes) and family care (adult foster care). For the mentally ill who receive either \$210 in general assistance or \$399.50 in SSI each month, these categories of housing are unaffordable. Without an address, the homeless individual is no longer connected to a community which provides a source of ongoing local health care, social, spiritual, educational and vocational opportunities.

In addition to these basic housing related dilemmas, the mentally ill homeless have additional needs. A roof over their head is only one half of the solution. The chronically mentally ill also require professional residential support and supervision if they are to truly survive in the community.

A severe mental disorder often deprives its occupant of the ability to think clearly and behave rationally. Many of the mentally ill become homeless because they are unable to maintain their residences. Without mental health care, an individual may forget to pay the rent, or will spend an entire monthly income on all but his basic needs for food, clothing and shelter and will thus be evicted. He will stop taking medication unless it is properly monitored and will additionally fail to eat properly and attend to his health care needs. Negotiating the public entitlement bureaucracy is something that becomes extremely difficult for the mentally ill and therefore they are often without benefits despite eligibility. A portion of the mentally ill would not be homeless if a sufficient number of mental health workers were available to assist them in keeping their residential status.

Of the mentally ill who become homeless, most will not voluntarily use the mental health system. They will not come into a mental health agency seeking help. If given an appointment they will forget or never appear on the designated day. Part of the answer to this dilemma rests with the Department of Human Services. Services must be brought to where the homeless are. Opportunities must exist for professional staff to engage the homeless in shelters, on the streets, in the drop-in centers and coffee shops. Training in assistance with daily living skills, medication monitoring, therapeutic intervention and casemanagement must be available to the homeless.

Many of the homeless who are seriously mentally ill cannot responsibly spend their monthly income. They will lose checks or will spend the money irresponsibly. Protective payees are needed to ensure that the welfare check or SSI check is used for shelter and other necessary basic needs.

The MHANJ has learned that many of the public shelter operators will not accept the mentally ill. While we believe this practice to be discriminatory, we also recognize the urgent need for shelter operators to be trained in better understanding the needs of the mentally ill and becoming familiar with the mental health resources that are available in the communities. With increased awareness and support, shelter operators will be less reluctant and more capable of providing care to the mentally ill.

In fiscal 87-88 the state of New Jersey received \$1.7M in federal aid (McKinney Homeless Assistance Act) which was matched with \$527,000 in state CEAS funds to provide a total of \$2.3m in mental health service programs for the mentally ill homeless. Grants have been approved in all 21 counties to

provide a cadre of services which prioritize outreach, mobile outreach and outstationing of professionals at shelters, drop-in-centers and in soup kitchens.

Unfortunately, Congress has reauthorized only \$267,000 of this McKinney money for FY 89 to each state. Agencies and service providers who are in the process of implementing these innovative and urgently needed mental health outreach programs are now faced with an uncertain future. Unless Congress authorizes a supplemental appropriation for this year, many of these outreach programs will be defunded.

Although the MHANJ recognizes the importance of many strategies and initiatives developed for homeless families by the Department of Human Services it is concerned that the state has not placed enough emphasis upon the needs of the mentally ill homeless. In the face of these federal cuts for FY 89 the lack of programming and opportunities for the mentally ill homeless will become most apparent.

In summary, the MHANJ believes that the mentally ill homeless require more appropriate and accessible mental health care (which includes inpatient care) as well as opportunity for permanent housing once their level of functioning improves. With adequate mental health supervision and professional guidance they too can lead happier and more productive lives in our communities.

Thank you.

