
Public Hearing

before

ASSEMBLY HOUSING COMMITTEE

ASSEMBLY BILL No. 1442

(Designated the "Jobs from Housing and Economic Development Implementation Act;" appropriates \$290 million)

ASSEMBLY BILL No. 1443

(Authorizes creation of \$290 million in debt to foster development of affordable housing and growth of small businesses)

LOCATION: Jewish Federation Apartments
Cherry Hill, New Jersey

DATE: March 19, 1996
1:15 p.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman John V. Kelly, Chairman
Assemblywoman Nilsa Crus-Perez

ALSO PRESENT:

Assemblyman Louis D. Greenwald
District 6

Robert H. Levin
Office of Legislative Services
Aide, Assembly Housing Committee



Hearing Recorded and Transcribed by
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ASSEMBLYMAN JOHN V. KELLY (Chairman): Good afternoon, folks. I am Chairman John Kelly. I am going to run this hearing as quickly as possible, not that I don't want to hear everyone, but we have 20 names on our list. So, please, I ask you, do not repeat what you have already heard one of the previous speakers elicit. Okay? Would that be fair? Otherwise, we are going to be here until 5:00, and none of us want to do that.

I would like to introduce the people here: This is Robert Levin, James Uzcategui-Gaymon -- am I pronouncing that correctly -- and Debbie Smarth, my Aide.

Okay. How about Dan Anderson? You have to speak loud. Get on that mike over there. (indicates which microphone)

DANIEL J. ANDERSON: Okay.

Good afternoon. My name is Dan Anderson, and I am with the Eastern Paralyzed Veterans Association. On behalf of the EPVA, I would like to thank Chairman Kelly and the Assembly Housing Committee for providing my organization the opportunity to express its support for the "Jobs from Housing and Economic Development Bond Act."

As you may know, EPVA is a veterans' service organization dedicated to serving the needs of veterans who have a spinal cord injury or dysfunction. Through the programs we operate, our goal is to assist our members and all people with disabilities to lead independent productive lives. One of the major obstacles to realizing this goal in New Jersey continues to be the lack of accessible, affordable housing. EPVA supports the "Jobs from Housing and Economic Development Bond Act" because we believe it will help

our members achieve their goal of independence by increasing the number of affordable housing units and creating jobs in New Jersey.

As you are aware, the Bond Act is a multifaceted approach to addressing New Jersey's housing problems at the core. It is a \$290 million proposal comprised of the five following components:

1) An Affordable Housing Development Fund that will help build or rehabilitate housing units affordable to low- and moderate-income households.

2) A project-based Rental Assistance Program to ensure that a certain percentage of newly created units be affordable to very low-income households.

3) A Homeownership Fund to assist home buyers to purchase their first home.

4) An Economic Development Fund to help create jobs and small business ventures.

5) A Non-Profit Financial Assistance Fund to expand the capacity of nonprofit community-based development organizations.

This legislation could have a substantial impact on the lives of many of our members, as well as on all New Jersey residents.

EPVA's Social Service Program is currently working with a member who could be living proof. He is a 19-year-old spinal cord injured veteran who has a wife and a baby. He was paralyzed in an automobile accident last summer while stationed in southern New Jersey. Since that time, he has been undergoing extensive rehabilitation at the East Orange Veterans

Administration Hospital. This gentleman will soon be medically ready to leave the hospital and will need to find accessible, affordable housing.

The VA will provide him with some financial support, but it will be a great challenge for him to find appropriate housing. He is a skilled individual who wants to be a worker, a taxpayer, a consumer, and an active member of his community. However, as long as he is unable to find accessible, affordable housing, he will be forced to settle for substandard housing or remain in the hospital at an enormous cost to the taxpayers. The average annual Veterans Administration expenditure for a bed in a DVA hospital is over \$110,000.

We think this example clearly illustrates that it usually makes more sense, from a financial, as well as from a quality of life perspective, to facilitate an individual's independence, rather than institutionalize him. EPVA urges the Assembly Housing Committee to pass the "Jobs from Housing and Economic Development Bond Act" to give this person and other New Jersey residents like him a better opportunity to be independent, productive citizens.

Once again, on behalf of EPVA, I would like to thank the Committee for affording my organization the opportunity to comment on this critical legislation.

Thank you.

ASSEMBLYMAN KELLY: Thank you.

ASSEMBLYMAN KELLY: Bear Atwood, National Organization for Women?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Not here.

ASSEMBLYMAN KELLY: He is not here yet.

How about Darryl A. Stove?

D A R R Y L A. S T O V E: Good afternoon.

ASSEMBLYMAN KELLY: How are you doing?

MR. STOVE: I am Darryl Stove, from Commerce Bank. I would like to start out by thanking you for having me this afternoon and letting you know that it is our pleasure to be in support of the “Jobs from Housing and Economic Development Bond Act.”

We, coming from a lending institution’s viewpoint, are very, very happy to be able to be involved in such an endeavor, as far as being able to assist with creating programs that will be able to make housing finally affordable. Economically speaking, I believe the creation of jobs definitely speaks for itself.

ASSEMBLYMAN KELLY: You like it?

MR. STOVE: I love it, I love it.

I would like to also offer my personal voluntary status as far as what I can do with regard to helping on the boards, if I may talk to Diane later, possibly, to see what we can do as far as that is concerned. Rather than the monetary aspect, which we have also contributed to, I would also like to put my time in.

ASSEMBLYMAN KELLY: You may put all the time in you are willing to give us.

MR. STOVE: Thank you very much. I appreciate it.

ASSEMBLYMAN KELLY: My advice to you, though, is that we want to make sure that when this bond issue gets on the ballot, that a lot of propaganda is out there to get the people to support it.

MR. STOVE: Oh, absolutely, absolutely. I will spread the information.

ASSEMBLYMAN KELLY: Propaganda is not a bad word, by the way.

MR. STOVE: No, it is not, the propagation of positive information.

ASSEMBLYMAN KELLY: Okay. Thank you.

MR. STOVE: Thank you.

ASSEMBLYMAN KELLY: How about Margaret Walker? Good afternoon.

MARGARET WALKER: Good afternoon. I am Margaret Walker, and I represent the New Jersey League of Women Voters.

Since the early 1970s, League members have believed that all levels of government should share the responsibility of providing equal opportunity for housing for all. There should be a variety of incentives to local jurisdictions to encourage them to provide, within their boundaries, an adequate supply of decent housing for low- and moderate-income groups. Government at all levels should make available sufficient funds for housing assistance programs.

That is the League's formal statement of our position reached through our consensus process. I would like to put the idea in simpler terms.

We believe in equality of opportunity. There isn't much equality when you have to go out to school or to look for a job from a housing shelter or from inadequate, substandard housing.

We strongly supported Mount Laurel legislation. However, we have been disappointed that in more than 20 years the supply of low- and

moderate-income housing in New Jersey has not substantially increased. The cost of housing is high, the supply is limited. It has been estimated that there is a need for at least 86,000 more affordable housing units in this State.

We are pleased that the Governor's H-Easy 2000 Program recognizes that State government has a role to play in spurring the creation of affordable housing, but we are disappointed that it does not provide new grant or loan money.

We believe there is a great need to provide help to those who may never be able to afford home ownership. Thus, we strongly support the provisions for rental units and project-based Rental Assistance provided for in the bond legislation.

The League has traditionally believed that the State's programs should be funded out of the current budget. However, we have supported bond issues in the past when there were great needs for large sums of money. With the current political and economic climate, it is unrealistic to believe that the urgent needs for jobs and housing will be funded through the budget.

We urge your support of the \$290 million bond issue. In this case, the benefits far outweigh the costs.

Thank you.

ASSEMBLYMAN KELLY: I would like to make one comment, though. With all the problems we have had with affordable housing, we have to thank the United States Congress and the United States Senate of 1986 -- or 1985 -- that introduced that wonderful tax law that destroyed any reason for anybody investing in real estate. That is what destroyed housing -- one of the major things that destroyed housing. So you have Congress to blame.

New Jersey is just trying to pick up a piece of that. We will never be able to duplicate what we had prior to that legislation, but we are going to try.

MS. WALKER: Thank you.

ASSEMBLYMAN KELLY: Howard Sereda, come on up. Am I pronouncing your name correctly?

H O W A R D S E R E D A: Yes, sir.

ASSEMBLYMAN KELLY: You are from the Moorestown Ecumenical Neighborhood Development?

MR. SEREDA: Yes.

ASSEMBLYMAN KELLY: Thank you. You have the floor.

MR. SEREDA: My name is Howard Sereda. I am the Executive Director of the Moorestown Ecumenical Neighborhood Development, which is a nonprofit group located in Moorestown, Burlington County. MEND has been in existence since 1969, and is, perhaps, the most active nonprofit, suburban, affordable housing developer in this State. We have developed, to date, 251 units, primarily rental units for families and seniors in this middle-class Burlington County community. We also work with other groups in Burlington County and in Camden County, as well as municipalities, to deliver affordable housing.

I would like to thank the Committee for allowing me to appear in support of the bond proposal. I would like to make a couple of brief comments from our perspective as a developer in the suburbs, as well as the cities.

I think the record shows that there is very broad-based support in this State for the need for additional affordable housing. This is the perception held by Republicans, as well as Democrats.

ASSEMBLYMAN KELLY: I am a Republican.

MR. SEREDA: --suburbanites, as well as urbanites, people from the north, as well as people from the south. Housing in this State and the urgent problems of affordable housing are not just an urban problem. They are not just a welfare problem. They are an issue that many people face, or their parents who are retiring on fixed incomes face. They are a problem that many people face with their children just starting out, particularly children who are in entry-level positions. They are a problem faced by many employers with their employees, particularly their clerical employees. This is a chamber of commerce issue. It is really grassroots. It is an issue for many municipal employees who are simply unable to live in the communities which they serve.

The cost of living, as we all know, is beyond the reach of many New Jerseyans. The cost of housing reflects the cost of land, it reflects the cost of regulatory approvals, the cost of construction, and many other factors. But there is a dire need for additional capital, capital support in particular, to develop both rental housing, which has been our focus since our inception, as well as for-sale housing. These additional resources are vitally needed.

Thank you.

ASSEMBLYMAN KELLY: Thank you.

I would like to introduce latecomer Assemblyman Greenwald. I think most of you know him. If you live around here, you should know him, because he is your Assemblyman.

ASSEMBLYMAN GREENWALD: I want to thank you for having me. I just want to say, as a representative from the 6th District, and as your Assemblyman, it is an honor to be here today to be able to substitute on this

Committee and to really talk about legislation that is going to be good for our community and for the State in general.

This is good law. It is good government, and it is heading us in the right direction. It is not Republican or Democrat, it is just good government.

I thank you for being here.

ASSEMBLYMAN KELLY: Housing is never partisan, and it should never be.

Okay, who do we have now? Sibyl Gass.

SIBYL F. GASS: Mr. Chairman and members of the Committee: I thank you for permitting me this time to bring my thoughts and the recommendations of the Association of Jewish Federations of New Jersey to your attention regarding the “Jobs from Housing and Economic Development Bond Act.”

Before I begin, I would like to take this opportunity to tell you about the Association of Jewish Federations of New Jersey. The Association is composed of 14 federations which coordinate and fund Jewish communal and social service agencies throughout the State. We provide services to the general community, and especially to the Jewish community, with regard to housing, hospitals, nutrition, vocational retraining, recreation, family counseling, nursing home and home health care -- both through Medicaid and Medicare -- education, transportation, and services for the immigrant and refugee populations. Our agencies, although primarily charged to serve the Jewish community, are representative of any social service organization, in that many of our services are nonsectarian in nature.

I have been a member of the Board of the Association for the past six years, and I am currently an officer of the Board and in line to be the next president of the Association. The Jewish community has subsidized and sponsored housing through both HUD, Section 8, and many other programs throughout the State. Right here in Cherry Hill, we are meeting in one of our major success stories, the Jewish Federation Apartments, which provide services to those with low income. It is with this experience that we are supporting the “Jobs from Housing and Economic Development Bond Act.”

We believe that an Affordable Housing Development Fund of \$160 million will create 4500 to 8000 new or rehabilitated units through nonprofit and for-profit developers. We support that there be project-based Rental Assistance Programs which will provide rental assistance to make 900 units affordable to very low-income families for the next 30 years.

We support a new initiative to have a Homeownership Fund of \$30 million, which will provide down payment and closing cost assistance to 4300 new home buyers, and we support the Economic Development Fund of \$41 million, which will create additional revenue for local government, permanent jobs for New Jersey residents, and will create a fund and revenue source through the additional jobs which will repay the original loans. And, of course, we support the Non-Profit Financial Assistance Fund, which will help 60 housing and economic development groups to expand their production capacity.

I again thank you very much for this opportunity to meet with you today, and I urge you to give positive consideration to this bond initiative.

Thank you.

ASSEMBLYMAN KELLY: Thank you.

How about Joel B. Silver? I don't want to keep the attorneys here, they will be billing us.

You have the floor.

JOEL B. SILVER, ESQ.: Good morning -- good afternoon. Thank you. It has been that long already?

My name is Joel Silver. I am an associate with Freeman, Zeller and Bryant. I am an attorney who represents nonprofit housing sponsors and developers who build affordable housing throughout the State. Much of my practice concerns sponsors who are building senior citizens' housing, many times in Camden County.

We built a number of projects in Camden County. However, the reason that the Jobs from Housing and Economic Development Bond issue is so crucial right now is that, despite building housing such as the Jewish Federation Apartments project or the projects in Runnemede and Barrington, we are, in Camden County, not addressing the senior citizens who are sitting on the Camden County waiting list looking for affordable housing. We are not addressing, currently, senior citizens who are single and on fixed incomes. Due to their limited incomes based on Social Security or limited pensions, projects such as these have to turn those families away.

As has been stated earlier, a lot of the blame for that lies directly at the feet of the Federal government, which has discontinued programs that provide rental subsidies for the elderly who are on fixed incomes. With the proceeds of the Jobs from Housing and Economic Development Bond issue, we

can subsidize units to the point of providing very, very low-income rentals for senior citizens on fixed incomes.

For that reason, I urge your support of the “Jobs from Housing and Economic Development Bond Act.”

Thank you.

ASSEMBLYMAN KELLY: Thank you.

Charles Lewis, Pennrose Properties.

CHARLES LEWIS: Good afternoon. My name is Charles Lewis. I am a Vice President with Pennrose Properties.

Pennrose is a developer of affordable housing, one of the leading in the nation. In our 25 years of existence, we have developed over 4000 units of rental housing in the northeastern United States, over 400 in New Jersey in the past two years.

We are here to show our support for the “Jobs from Housing and Economic Development Bond Act,” because of its sound social policy and sound economic policy. In the legislation, it mentions that there are over 800,000 people in New Jersey in need of affordable housing. While numbers are helpful, I do not think they give you a true feeling for the nature of the problem. I would like to briefly share with you some of our experience, which I think more genuinely points out the nature of the problem.

In our Livingston Manor development in New Brunswick, we recently met with a senior citizen who is paying over 70 percent of his income for his apartment. The apartment can most charitably be described as fixed rubber. It keeps the rain off his head, keeps him from freezing to death, but not much more.

I learned about an interesting approach to the housing problem from some of our tenants in the Hopes Crossing development in Toms River. Apparently many of them, prior to coming to our development, used to rent vacation houses during the winter. Who wants an apartment or a condo at the shore in the middle of December, so the prices would be very low. Unfortunately, the people would have to vacate by Memorial Day, and basically spent the summer living as nomads, moving from friends to relatives to shelters.

We recently opened up a development, Winding Ridge, in Neptune Township. In the first three weeks of advertising, we received over 600 applications for 96 units. I think that gives you an idea of the depth of the problem.

What I find most disturbing is that these people are not people on welfare, they are not drug abusers, alcohol abusers, or any of the other parts of society which, unfortunately, many people are just all too willing to write off. These are senior citizens who worked all their lives to find that the pension they thought so comfortable when they worked in the 1950s and 1960s does not go very far in the 1990s. They are men and women who work in the retail business, who work in low-level clerical positions, who, despite working a full-time job, working hard and working conscientiously, find that they can't make more than \$6 or \$7 an hour. We find that there are husbands and wives working together, who, with their combined incomes, cannot afford decent and safe housing.

As serious as the problem is, it is only going to get worse. As was mentioned earlier by the Chairman, Federal funds for housing have seriously

diminished. In fact, it is estimated that in real dollars, states and municipalities are getting less than half of what they were getting in 1980.

I support the Governor's initiative with H-Easy 2000. I think it will do a lot to support housing. Unfortunately, it only deals with existing resources. It provides no new resources. Much of the dedicated funding that is available for housing has fallen far short of its projections, so that in the future I don't think we will have even the funds that we thought would be available. The beauty of this bill is that it provides the resources.

Just briefly, in addition to answering many human needs, the bill would also provide a stimulus to the New Jersey economy. With each housing development, there are business opportunities and employment opportunities for Realtors, architects, engineers, contractors, tradespeople, suppliers, insurance companies, title companies, banks, accountants, attorneys, and property managers. All these people pay taxes, and the more they work and the more business they have, the more taxes they pay.

It is estimated that for every million dollars that is spent under this Act, that up to \$400,000 will be returned to the State and local governments in the form of one-time taxes, and up to \$80,000 a year in real estate taxes. I think you have a unique opportunity to answer some very serious human needs and, at the same time, promote economic development in the State.

I would like to urge you to support this bill.

ASSEMBLYMAN KELLY: I would like to ask you a question: You mentioned Neptune, Winding Ridge-- Is that the name of it?

MR. LEWIS: Yes, it is.

ASSEMBLYMAN KELLY: What is the rent that is charged? I am just curious.

MR. LEWIS: It's \$550 for a two-bedroom town house, and \$625 for a three-bedroom town house.

ASSEMBLYMAN KELLY: Is this with utilities?

MR. LEWIS: Some of the utilities, gas and electric are extra.

ASSEMBLYMAN KELLY: Okay. I was just curious.

Thank you.

MR. LEWIS: Thank you.

ASSEMBLYMAN KELLY: How about Sister Peg Hynes?

SISTER PEG HYNES: Mr. Kelly and members of the Committee, thank you for having me.

I am Sister Peg Hynes from the Heart of Camden Housing Corporation, located in South Camden. I don't have to tell you what Camden is like -- you have heard a lot about it -- but I am just grateful that you came down to see us and hear from us.

ASSEMBLYMAN KELLY: I have been to Camden a couple of times.

SISTER PEG HYNES: Good, that's good. Come back again. Come back and see us.

We are attempting to make ours a stable neighborhood by making home ownership available to families who would never qualify for a conventional mortgage. We buy homes, rehab them with the help of volunteers, and sell them to low-income families at cost. The family makes no

interest mortgage payments based on their income. To date, we have helped 80 families to become home owners, but there is so much work to be done.

We have a dream, not a dream merely to renovate houses, but to renovate humanity. Human development through urban renewal. The goal of the Heart of Camden is to continue to expand our efforts until every ugly eyesore of abandonment in our target area has a light in the windows and life within the walls.

It is for this reason that we support the Bond Act. There are two points about it that I would like to highlight:

First, that it will promote family stability by creating safe, affordable places to live and call home.

Second is the appalling statistic that tells us that so many people in our area are forced to pay more than 50 percent of their income on housing costs, or live in substandard or overcrowded conditions.

I think just to support what I said, I would like to just read a few lines from a letter one of our Board members wrote for me just today as a support for an application I am putting in for some funding. This is a young Vietnamese woman, and I think it speaks volumes, much better than I could say it. I have not edited it, so the English isn't always all that great.

“Looking back six years ago, when my mom and I just came to America, we really feel proud of ourselves for all the accomplishments we have made, and very thankful for all of the help from the Heart of Camden Housing.” She calls us Heart of Camden Housing. “The first year of our lives in America were so difficult. We faced many trials and tribulations: culture shock, language barriers, transportation problems. Our income was not

enough to pay rent for an apartment. Therefore, we shared an arctic” -- meaning attic -- “in our friend’s house.

“Wintertime was very cold for us, without heat in the arctic. Summertime was very hot in this room. Henceforth, I almost gave up my studies for my college degree.” She worked full-time. “Many thanks to the Heart of Camden House Program. My mom and I have one beautiful house with two bedrooms. Joyful tears express our happiness, because without a down payment and with low monthly rent, we can manage.

“I attend school full-time and work part-time at night without being totally concerned about financial problems. My mom has a stable job with a better salary. I have since graduated with a B.S. degree in biology from Rowan College” -- she graduated magna cum laude, by the way -- “and currently am a medical technologist at the American Red Cross. I am honored to be a member of the Heart of Camden House, Inc., serving on the Board.”

Those are the kinds of people we are trying to help, and those are the kinds of people who need our help in this State. So thank you, again, for hearing from us and for all the support you have given us in the past.

Let’s go with the Bond Act.

Thank you.

ASSEMBLYMAN KELLY: I would like to introduce our Assemblywoman. I think you know her, she lives down here.

Go right ahead, Assemblywoman. You have the floor, if you want to say something.

ASSEMBLYWOMAN CRUZ-PEREZ: Oh, no. I just want to welcome everybody, and thank you for being here. We are here to hear what you have to say about the bond.

ASSEMBLYMAN KELLY: Sidney Birnbaum.

SIDNEY BIRNBAUM: I am Sidney Birnbaum. I am a tenant here at the Bernard Dubin House. I am speaking on behalf of the Jewish Federation Housing Association.

The Bernard Dubin House, a senior citizens' residence, its location ideal set in the center corner of Cherry Hill, New Jersey, newly built within the last two decades, a haven for people well on in age with a limited income.

Not knowing how long I would live and with circumstances beyond my control, I reached an age when I outlived my cash reserves. Five years ago, after being on a waiting list for three years, I was notified by mail that an apartment was available for me. At that time, I was already paying rent to the extent of my Social Security income, deleting my cash reserves for household necessities.

Though the Bernard Dubin House was a preference, what I didn't know when I did move in was that I was acquiring a new extended family, a joy to behold. As a convenience for the residents, a monthly calendar of events is furnished to each apartment door. Posted on the lobby wall is a bulletin board of large-print reminders of daily events: teacher leader classes in the humanities, current event discussions, choir, aerobic exercise, knitting club, and movie nights; quarterly social club affairs where young 80 year olds dance to their heart's content; monthly Shabbat dinners, a supplement lunch

program, and bimonthly professional entertainment; planned bus trips to Hotel Resorts and Atlantic City casinos and the Catskill Mountains; Broadway shows and sightseeing trips, etc., etc., etc.

Residing now at the Bernard Dubin House for some five years, though I may have grown older in spirit and push, I am much younger. We live in security and mental comfort with a wonderful parenthood office staff under the leadership of Ms. Barbara Finkelman.

Thank you ever so much, Bernard Dubin House. I am 80 years old.

ASSEMBLYMAN KELLY: Good for you. I hope you live to be 100.

MR. BIRNBAUM: Thank you.

ASSEMBLYMAN KELLY: And I hope I am there when you make it, too.

MR. BIRNBAUM: I don't know about that.

ASSEMBLYMAN KELLY: How about Gail P. Elbert? (no response) I will say it one more time, and then I won't again. Gail P. Elbert. (no response)

Bear Atwood.

BEAR ATWOOD: Good afternoon. My name is Bear Atwood, and I am the President of the National Organization for Women in New Jersey. I represent about 12,000 members in this State, in every county, with a large contingency right here in the Cherry Hill area.

I will be very brief. I just have a few comments to make about why this is so important. By the year 2000, the National Advisory Council on

Economic Opportunity predicts that most of the poor in this country will be women and children. So that is a very important issue to us at NOW. Most of those people will face the risk of homelessness. Imagine a child needing to go to school and thriving and succeeding without a safe home to go home to. Imagine a parent trying to fill out an application for a job when he or she cannot write down an address, because they have no address to call their own.

We in New Jersey cannot move forward if our citizens do not have a decent, safe, affordable place to live. I think we have a real opportunity here to do two great things for our State: help people who are in poverty move toward secure, stable living, and create jobs at the same time. What more could we want?

Thank you.

ASSEMBLYMAN KELLY: Thank you.

Edward B. Dougherty.

EDWARD B. DOUGHERTY: Good afternoon. My name is Ed Dougherty. I represent the Fair Housing Council of Camden and Gloucester Counties. I also work part-time in Children and Family Services, representing the mental health field as well. I would just like to speak in support of this bill.

Number one, because in the last several months I have received, probably, about 150 calls from families, parents -- usually single-parent families -- seeking housing. These are families which represent working families. Some of them have two jobs trying to maintain housing, some of them have been on subsidies and have had them reduced, and have been forced, usually because of eviction, to leave their places of residence. Although my primary mission is to fight discrimination, according to the Federal -- State

Fair Housing laws, many of the calls I get are from people who think I can do something on behalf of trying to maintain stable housing. So, rather than tell them I cannot help them, I am a member-- I joined the Affordable Housing Network in order to be able to advocate on behalf of families.

I just want to speak to the fact that, in my experience working in mental health, many families where children are experiencing school problems, mental health problems, substance abuse problems-- When you do a family history, on many of them what you find is that they have had to move around a lot.

I think that is the main point I want to make, that without affordable housing, families cannot be stable. Without family stability, children's academic and emotional development are affected. When they keep moving around, their relationships in the community are broken each time they move because of the lack of affordable housing. This, I think, represents a large number of families which seek help in the mental health and substance abuse fields, because the children and the families are stressed. The children are suffering because they do not have those relationships that are crucial for their development.

I just wanted to highlight the fact that I have had a huge increase in calls, people looking for affordable housing, and state that I support this bill.

Thank you.

ASSEMBLYMAN KELLY: Thank you.

How about William Walker?

W I L L I A M W A L K E R: Good afternoon, Mr. Chairman and Committee members. My name is William Walker. I come here today from

St. Joseph's Carpenter Society in East Camden. We do a lot of rehabilitations to single-family units in that area.

We have a lot of concerns when we deal with affordable housing. We see it every day in our community, definitely the need of many individuals who come through our doors, and we can't always help everyone. We just feel like if we had more affordable housing subsidies out there, we would be able to do more units in a particular area.

This up-and-coming year, we are trying to do 36 units in a concentrated block of maybe six blocks. These are single-family homes. If we are able to complete these 36 units, we are creating 36 new home owners, people who otherwise may not think about becoming home owners. We bring them in, take them to a 12-week course, and allow them to see what it is like to be able to sit down with your planning, your budgeting. These are things that people know, but people don't always have the time to sit down and think about them, and have the money to subsidize and create programs like St. Joe's throughout the area, throughout New Jersey

We are able to take these people, bring them in, show them exactly what they need to do, and they will be able to get the quality housing they need. You can drive through any time and take a look around. You won't see the quality of housing we are able to put up for them and that they need. Camden is unusual in its housing market right now. Our rental properties go for more than a mortgage. So if we are able to get someone to save some money, have a mortgage, and save those few dollars, that is one step they can be ahead. I think that is one reason you should support the bill.

Thank you.

ASSEMBLYMAN KELLY: Thank you.

How about Sean Closkey, St. Joseph's Carpenter Society? (no response) Okay, he's not here.

How about Jonah Cooper? (no response)

How about Larry Cooper? (no response) We are striking out, it appears.

Emanuel Gant? (no response) These are the people who told us they were coming.

How about Peter Gilmartin?

PETER GILMARTIN: Good afternoon. Thank you for allowing me to be here. My name is Peter Gilmartin. I am the Executive Director of Housing and Economic Opportunities. We are based out of Westmont, and work namely in Camden County.

We are dedicated to helping low- and moderate-income families find affordable housing. We also believe very strongly that housing and economic development go hand in hand. We believe that to help a person find a house, while very important, or to find a safe place to live is very important, by itself, it is not enough. We need to help that person find the kind of a job that will allow him to maintain his home and live with dignity.

Everyone, we think, is familiar with housing and the related problems that are facing our large cities, but few people are really responding to the emerging and expanding problems that are now reaching into our suburbs. In the rural areas of South Jersey, there are pockets of poverty situated between upscale new development housing. Abandoned and boarded

up homes are dotting the suburban and rural landscapes, and are becoming more and more commonplace.

We think the housing and jobs initiative is a comprehensive plan which is really addressing New Jersey's housing and economic issues in a way that is a win for everybody. I have read the economic analysis of the housing initiative conducted by the Center for Urban Policy, and I think it demonstrates that there is a real positive -- a very, very positive effect this bond issue would have in that it is very cost effective. It brings back more than it is really going to cost us to do.

You probably know all the statistical numbers and are hearing a lot of them today, but I have to throw a couple more out, too. We are looking at one-third of our households living in substandard housing that is too expensive for them. If we look at our senior population, we have two-thirds of the households headed by people 70 years old or older, who are at 50 percent of the State's median income. Taking that into looking at people, sometimes we forget that the statistics are really based on people. Of the over 100 clients that our organization has dealt with this year, 100 percent of them have been under 80 percent of the county median income, with the vast majority of them at 50 percent.

When you are making 50 percent of the median income, there are very few options left for you with regard to where you can live, especially with the fixed incomes of seniors. We really believe that the housing and jobs initiative will give these people some options.

I thank you very much.

ASSEMBLYMAN KELLY: Thank you for your testimony.

How about Jill Zabowski?

JILL ZABOWSKI: Zabowski. (correcting pronunciation)

ASSEMBLYMAN KELLY: Oh, I'm sorry. Ms. Zabowski is from the Easter Seal Society.

MS. ZABOWSKI: Hi. I am Jill Zabowski, from the Easter Seal Society. I am the Housing Coordinator for the Housing Program in Cumberland County.

The Easter Seal Society of New Jersey has a large residential program in six counties. These programs provide some permanent housing, but mainly provide temporary or transitional housing to consumers.

People come into the Housing Program-- The clients try to save money and stabilize themselves to be able to go out on their own. The only problem now is that they are not allowed to sign up for the Section 8 housing list or the HUD list, and there is really no place for them to go. They cannot afford the \$700- or \$800-a-month housing rents in that county, which is probably the same in a lot of the other counties also.

To house a family temporarily in Hunterdon County, it costs \$40 a night, and that is in the cheapest motel. That comes to \$1200 a month. We really need a program where they can have permanent housing. These people are working, they just cannot afford to get an apartment.

The Easter Seal Society supports this housing and job Bond Act. It is based on the fact that there is a great need for this type of housing in New Jersey.

Thank you very much.

ASSEMBLYMAN KELLY: Thank you for your testimony.

How about John E. Perry? I am having a tough time with the handwriting. (referring to witnesses' sign-in sheets he is using)

How are you doing?

J O H N E. P E R R Y: Good. I would like to thank you for this opportunity to throw you my support for this bill.

My name is John Perry. I am President and Founder of Genesis Housing Corporation. We are a community housing and economic development organization working in Gloucester County, New Jersey. Gloucester County is comprised of 24 towns, 324 square miles. We are in an area that is rural. Many of the houses and properties were built back in the 1600s. Over the years, they have been transformed into-- Older and larger homes have been transformed into five, six, eight, ten apartments, with people living on top of people, homes in disrepair.

We have also, because of the job situation in this State, had a tremendous increase in homeless males in Gloucester County. In Gloucester County, there are no shelters or support services for you if you become homeless.

Genesis, a year ago, won a contract with HUD to erect a SRO -- 20-unit, single-room occupancy -- for homeless males. The estimated figure in Gloucester County for a homeless male is \$218 at this present time. It always ran around \$55 or \$60. The need is definitely there.

Our housing programs: We also go into an area, rehabilitate a property, and sell it to low-income persons. On March 14, we had a meeting in Glassboro, New Jersey. We invited the community out, anyone who was interested in purchasing low-income housing. We expected approximately 50

people; we had 318 people attend. The need in Gloucester County is very much of a need.

I would voice our support for this bill.

Thank you.

ASSEMBLYMAN KELLY: Thank you, Mr. Perry.

How about Wes Kennedy?

WES KENNEDY: Good afternoon. My name is Wes Kennedy. I am the Executive Director and Founder of Homes of Hope, Inc. in Mount Holly, New Jersey. We do affordable and low-income rental housing.

I would like to say at the outset that I subscribe to the belief that affordable housing is a right. It is a right, and there are no options. I think any nation, any country, any state that thinks otherwise is going to have to do some answering to somebody else someday.

So I would like to say that it is a right. I support that; I have always supported that. My belief system tells me that I have to believe that. So I am here to support this Bond Act and any act that will help us bring affordable housing to New Jersey, to my community, to everyone's community.

In Mount Holly, this past year, there were 270 units of affordable housing that were changed into housing that is now only for those who can afford it in the upper scale. We lost 270 units at one fell swoop. I think that is an indication of what is now happening in Mount Holly. It is happening around the State. As the Chairman so well mentioned, the Federal government has not indicated in any of its legislation any kind of help, whether tax help or otherwise, to encourage people to build this kind of housing.

There are no support groups in Burlington County either for single men. Burlington County has no support groups for those kinds of persons.

We have been organized for 16 years. We are a small housing unit. We produced 18 houses -- 18 units in the 15 years. We just had one house that we had advertised for rent-- Just for an example, a young man came with his wife and his infant son to see if they could rent this house. He works in Princeton, New Jersey, for the Marriott Corporation. He brings home \$485 every two weeks in pay. Our apartment rented for \$450 a month. How could he possibly afford that, and travel to Princeton every day from Mount Holly? He is living with his mother-in-law and father-in-law in a two-bedroom apartment. This is, as you have heard today, not a rare occasion either. These are occasions that we hear about on the telephone or in our office every single day.

I urge you to support this bill. I would like to say that we have 135 applications in our file right now for affordable rental housing that we cannot do anything about but say, "We will call you when we have something."

Thank you.

ASSEMBLYMAN KELLY: Thank you.

Carol Lynn Miller? Is she associated with you, Ms. Zabowski, from the Easter Seal Society?

MS. ZABOWSKI: Yes. I am here for her.

ASSEMBLYMAN KELLY: You're for her, okay.

Carlos Peraza, Latin American Economic Development Association?

CARLOS PERAZA: Good afternoon, and thank you for giving me the opportunity to speak.

I would like to express my full support for this initiative. I would like to speak a little bit about specifically one piece, which is the economic development piece. It often gets forgotten among the housing pieces. As you have heard, most of the people here talked about housing. My main interest is economic development.

I am the Executive Director of the Latin American Economic Development Association, a nonprofit economic development group working in Camden County, primarily in Camden City. We have different programs targeted toward low- and moderate-income individuals for helping them to start businesses and create jobs. We have an entrepreneurial training program that has helped to create 100 businesses, primarily in the City of Camden, and they have resulted in over 200 jobs, primarily for low- and moderate-income Camden City residents. The businesses are in the areas of: auto repair, construction trades, retail shops, you name it.

We have a Small Business Training and Technical Assistance Program for established businesses. We do commercial real estate development and redevelopment. We created the Camden Community Credit Union, which is the first State of New Jersey chartered community development credit union and the first financial institution to open in Camden in the last 25 years.

I firmly believe that the only way to bring back our urban areas is to promote job creation and business development. As long as we do not

promote job creation and business development, our urban areas are going to continue being the mess they are.

Over the last couple of weeks, I have had an opportunity to travel to a couple of places. Specifically, I was down in Miami and up in Hartford, Connecticut. I have not found another state that provides so little support for economic development programs than the State of New Jersey. Governor Whitman has used us as a model to create her initiative, and the New Jersey economic development authorities look at ways to try to recreate the same organizations that are in other areas around the State. Yet, we do not get one dollar, not one dollar of support from the State of New Jersey, because the State of New Jersey does not have a vehicle to provide funding for economic development programs, unless it is financing for starting a business or for building some sort of real estate development project. But money to train people to start businesses, etc., is not available.

I am pretty familiar with programs in different states, like the State of Florida and the State of Connecticut. In the State of Pennsylvania they are much more advanced in terms of providing support for job development and business development.

I urge you to support this initiative. It is very important, and it is very important for us specifically because it emphasizes -- it has a substantial amount of money earmarked for economic development, which I believe is essential for the redevelopment of the cities in New Jersey.

Thank you very much.

ASSEMBLYMAN KELLY: Thank you.

Ms. Smarth, do you want to make a comment?

MS. SMARTH: I was just going to ask you-- You said you did some sort of, like, entrepreneurial training, etc. I was just wondering if you coordinate the economic development authorities with your entrepreneurial training institute? Do you get involved with them in any form or fashion, because they were supposed to have some sort of peer group programs where if you successfully complete the training peer group program and you are chosen amongst the peer group that is involved with that training, you can get up to, I think it is, like, \$70,000 or \$75,000 in terms of, like, a business loan -- a small loan, but then you are tested to see if you can pay it back within a period of time, on time, etc.?

MR. PERAZA: Yes.

MS. SMARTH: I am just sort of wondering, are they reaching out to organizations like yours?

MR. PERAZA: I am pretty familiar with that program. That program has done some work, mostly in Atlantic City, and they are expanding to other areas of the State. They have done one or two sessions in Camden, and I have coordinated with them in the past.

We have done some work with the Economic Development -- the EDA -- for financing businesses, as well as for financing development projects. However, they do not have the means to provide funding to local groups to do training programs.

ASSEMBLYMAN KELLY: We will take a look into that.

ASSEMBLYWOMAN CRUZ-PEREZ: Carlos, how does your program get funded?

MR. PERAZA: Primarily with grants from corporations and foundations.

ASSEMBLYWOMAN CRUZ-PEREZ: I can tell they are doing a great job there in the City of Camden, very close to my office. I know of a lot of businesses that have been able to open in the City of Camden and have stayed open with the help of LAEDA.

I congratulate you on that.

MR. PERAZA: Thank you.

ASSEMBLYMAN KELLY: Congratulations.

Jeff Sladon, Sladon Farms Construction? (no response)

Elizabeth Russell, Camden Lutheran Housing Corporation? (no response) We're striking out here.

How about the Reverend Luis Cartes?

REVEREND LUIS CARTES: Good afternoon. I am Reverend Luis Cartes. I am the Executive Director of Nueva Esperanza Community Development Corporation, located at 129 N. 27th Street, in Camden. I want to take the opportunity to thank you for the opportunity to speak to you on behalf of the bills before us.

Nueva Esperanza and its constituency, which includes the Hispanic clergy of Camden, 30 pastors who minister in the City of Camden, are in favor of the two bills and the bond that will help to create affordable housing -- the Affordable Housing Development Fund -- the project-based Rental Assistance Program, the Homeownership Fund, the Economic Development Fund, and the Non-Profit Financial Assistance Fund. We, of

course, are in favor of them as long as we are going to receive some support from these funds in the City of Camden.

The issue of affordable housing is very important. We focus our development activity as a community development corporation in the Kramer Hill community in Camden. The Kramer Hill community currently has 171 vacant homes. A group called CCOP -- Community Churches Organized for People -- has done a study of our community, and has pointed out that there are 171 vacant homes, and over 250 vacant lots in our community. We see this initiative as one that will help us to begin to do some infill and rehabbing of some homes, specifically on blocks where there is just one house that is vacant and we can remediate it quickly.

We also see the Economic Development Fund as something that is very important to Kramer Hill. We have a Kramer Hill Business Association that we work with, which has over 48 businesses. All of those businesses can use and will use this type of support, if it becomes available. Quite a few of those businesses, all of which employ local residents-- These are small neighborhood businesses. Quite a few of them have a need and want to expand, but there is no equity capital available for them.

We are also, obviously, in favor of the Non-Profit Financial Assistance Fund, as public and private dollars are being squeezed. This will be a new Fund that will help nonprofits to continue to develop and do their work in the community.

Thank you.

ASSEMBLYMAN KELLY: Thank you.

Do you have any questions, Nilsa?

ASSEMBLYWOMAN CRUZ-PEREZ: No. I just wanted you to share with them before you leave exactly what you are planning to do in the City of Camden, which is coming up soon. He came into my office and told me, and I am very excited.

REVEREND CARTES: Well, we are looking at one site which is referred to in Camden as the "Toy Factory." It is an abandoned site. It has been abandoned for over 10 years. Our goal is to build a 32,000-square-foot retail facility, with parking for 150 cars. It would bring approximately 60 jobs to the area. It is a \$4.5 million development.

We will be going before the Camden Redevelopment Authority next month for land acquisition to be given a developer agreement for the site. We work with the Business Association and the local churches and residents to plan what will actually go on the site, what types of businesses we want to attract to the site. Because it is a large development, we are going after AAA-rated companies that will be able to finance the project with very little government support -- we hope. The major issue there will be the environmental, and that is being done by City Planning at this moment.

MS. SMARTH: It is good that you are reaching out for the private funds and you are reaching out to the grassroots people in the area, but if you raise private capital and you are working with the Redevelopment Authority, wouldn't you be able to get some matching funds from, like, New Jersey EDA? Have you investigated that route?

REVEREND CARTES: We have not investigated that. That is the next step. Our first step--

MS. SMARTH: Because if you can come up with a certain amount of private funds--

REVEREND CARTES: Correct.

MS. SMARTH: --you may very well, depending on the type of application, be able to match it with the--

REVEREND CARTES: That is correct. We are meeting with the Camden Redevelopment Authority. We are also asking them to do some site remediation on the streets -- access from the streets. There is an issue with transportation. The bus stop is half a block up. It would be better if the bus actually stopped in front of the site.

Those types of details we have not worked-- We have not had a discussion with EDA as of yet, but we will.

Thank you very much.

ASSEMBLYMAN KELLY: Thank you.

Are there any questions, Assemblywoman?

ASSEMBLYWOMAN CRUZ-PEREZ: No, thank you.

ASSEMBLYMAN KELLY: Thank you.

How about Gail P. Elbert? (no response)

That is all I have on the list to testify. Have I missed anyone? Does anyone in the audience want to testify? (no response) Yes? No? Well, you don't have anything to say?

I have just one thing to say: Once this bond issue is on the ballot, please get everyone you know to get out there and vote for it. If we don't get the votes, it will be destroyed, like the last bond issue. We need a lot of help on this.

With that I will make a motion that we adjourn. Do you want to second it?

ASSEMBLYWOMAN CRUZ-PEREZ: Second.

ASSEMBLYMAN KELLY: We are adjourned.

Thank you. You have been an attentive audience.

(HEARING CONCLUDED)