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PUBLIC HEARING
before
ASSEMBLY TASK FORCE ON HOMELESSNESS
on
The Delivery of Social Services
to Homeless Persons

March 7, 1989
Varick Memorial AME Zion Church
Hackensack, New Jersey

MEMBERS OF TASK FORCE PRESENT:

Assemblyman Patrick J. Roma, Chairman
Assemblyman Louis J. Gill
Assemblyman Bernard F. Kenny, Jr.
Mr. Alan McGarry
Ms. Grace Applegate

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ALSO PRESENT:

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

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New Jersey State Legislature

ASSEMBLY TASK FORCE ON HOMELESSNESS

ASSEMBLYMAN PATRICK J. ROMA

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FEBRUARY 14, 1989

NOTICE OF A PUBLIC HEARING

ASSEMBLY TASK FORCE ON HOMELESSNESS
ANNOUNCES A PUBLIC HEARING
ON THE DELIVERY OF SOCIAL SERVICES
TO HOMELESS PERSONS

Tuesday, March 7, 1989

Beginning at 10:30 A.M.

Varick Memorial AME Zion Church

120 Atlantic Street

Hackensack, New Jersey

The Assembly Task Force on Homelessness will hold a public hearing on Tuesday, March 7, 1989 at 10:30 A.M. at the Varick Memorial AME Zion Church, 120 Atlantic Street, Hackensack, New Jersey. The purpose of the hearing is to examine the delivery of social services, such as job training, literacy, day care, counseling and transportation, to homeless persons and the degree to which intergovernmental coordination exists. The meeting will also focus on the interrelationship between State, county and local agencies and the private sector service providers.

Address any questions and requests to testify to Norma Svedosh, (609) 292-1646, State House Annex, Trenton, New Jersey, 08625. Typed copies of testimony are helpful to the committee (12 copies) just prior to the oral presentation, if at all possible. The chairman may find it necessary to limit the number of witnesses or the time available for each witness.

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ASSEMBLYMAN PATRICK J. ROMA (Chairman): I'd like to thank everybody for being here. I realize with the type of weather we've had over the last couple of days, that it's extremely difficult to get about. But perhaps having this sort of weather indicates the type of problem we do have -- namely a homeless situation, cold temperatures, a problem with locating housing, and from that standpoint, perhaps there is a positive focus as to the weather this morning.

I would like to first identify the select Task Force that we have here. My name is Pat Roma. I am an Assemblyman from Bergen County and the Chairman of the Task Force. To my right, I have Assemblyman Gill, who is a member of the Task Force and Assemblyman Kenny. The four members of the select force also includes Maureen Ogden who is not able to be here, as a result of a meeting that was scheduled.

There are three additional members, being Regina Purcell of the New Jersey Catholic Conference, Mr. Alan McGarry of Roselle, the Union County Board of Social Services; and Ms. Grace Applegate, who is a member of the Department of Labor.

Before opening the meeting, perhaps one of the members will have something to say as an introductory statement. Assemblyman Gill?

ASSEMBLYMAN GILL: Listening to the testimony given at the prior meeting was quite enlightening. The problems are very acute. I'm more than happy to see some of you willing to participate and to take time out to come here and express your problems to us so that we can come to a conclusion as to what's best way to serve the homeless in the State.

ASSEMBLYMAN KENNY: Good morning, everyone. My name is Bernard Kenny, Assemblyman from Hudson County. I want to thank Assemblyman Roma for conducting this second panel hearing on the issue of the homelessness. My impression from the first hearing that we had approximately a month ago was that this problem is not isolated nor is it removed from what we

generally view as the critical problem in the State of New Jersey. It can't be looked at in isolation from our budget, from the problems of drugs, from the problems of housing, from the problems of our mental institutions, and from the issue of whether society -- the people in the State of New Jersey -- are willing to deal with the problem; the psychological perception as to who are the homeless. Are they on the fringe of society, or are they people that are representative of all of us?

From the last meeting we had a strong indication that this is a broad problem, one that concerns us all, people from all walks of life, and it's time that we confronted it as such. So I'm looking forward to today's testimony and to future hearings. Thank you.

ASSEMBLYMAN ROMA: Thank you, Assemblyman. Mr. McGarry?

MR. McGARRY: I'd just like to express my appreciation to all of you for coming out today to make us the beneficiaries of your collective knowledge and experience, and hope that together we can begin to deal with some of these problems expeditiously. Thank you very much.

ASSEMBLYMAN ROMA: As was noted, we had our first meeting on January 24 in Trenton. The purpose of the Task Force is to put together information over the course of four or five meetings, and to come back with positive recommendations. No doubt, everyone is familiar with the problems from the standpoint of the Federal government and the State government. We look at the Federal government and we have the McKinney Assistance Act. At present, that is not fully funded, and for the present year we're anticipating approximately some \$398 million as opposed to the levels that should have been reached of \$700 or \$800 million. So, we have a Federal problem in terms of cutbacks.

On the State side, we look at this morning's paper and we see the fact the perhaps the budget is not as rosy as it may

have been, which of course leads us to believe that there'll be other areas of cuts. Hopefully, this will not be one of those areas, although there was a reference to the fact that housing may be affected. It's a multifaceted problem. We have to look at it from a number of standpoints. We have to look at it from the standpoint of identifying the different people. Even that has been a problem. If we look at the State, some 28,000 to 35,000 people may be affected, but we really don't know for sure. That is the information that we have from the Department of Community Affairs.

If we look at the nation as a whole, the Coalition has estimated as many as three million people; and yet if we look the figures from HUD, they say 250,000. So, we don't know exactly who the homeless people are and at what stage they do become homeless. Hopefully, the impact of this panel is to determine specifically who those people are and what types of recommendations we can come out with.

One of the areas being worked on is in the area of tax credits; to allow investors to come in and provide the low-income housing that would be necessary and to allow for tax credits as long as a certain number of units was set aside for that purpose. That appears to be one directions that we are moving in not only on a State level, but also on a Federal level.

Additional areas should be pointed out that somehow we think of homelessness as being in an urban setting as opposed to suburban. In Nassau, there was an extensive study that was done showing that even though Nassau is a very high income county, there's a great deal of homelessness. And certainly Bergen County, while there may be certain areas in Bergen County that are affluent, there is a homeless problem here in Bergen County. We have approximately 2800 people, and of that figure, we have 15% that are veterans. And we look at those 2800 and look at the types of numbers that we're talking about

and we don't even know if that information is entirely correct. What we're trying to do is to focus in and look at it as a statewide problem and what solutions may be available.

So, with that introduction and overview, I think we'll start our program. Ruth Gotfried, Administrative Supervisor of Passaic County Board of Social Services. Good morning.

R U T H G O T F R I E D: Good morning. I just have a very brief statement. The Passaic County Board of Social Services is overwhelmed by the number of homeless persons arriving at the agency on a daily basis. At present, the direct service units are staffed with 17 experienced social workers who are expected to provide services to 7500 families throughout the county. Given the ratio of workers to cases, it is an impossibility for county welfare agencies to provide job training, literacy, day-care, and transportation to homeless persons in need of our services.

The primary function of the social workers is to provide counseling while attempting to place homeless persons into emergency shelters or to locate permanent housing.

Social workers spend a great deal of their time exploring and verifying the homelessness problem, before the ultimate decisions is made to place clients into hotels or shelters. Since Passaic County can only provide shelter beds to six families at one time, most homeless families are placed in the Alexander Hamilton Hotel; hardly a satisfactory solution for clients and their children.

Permanent housing must be obtained for any homeless client before job training, literacy programs, day-care, and transportation can be addressed. Social workers counsel clients to make sure that the children attend school, and emergency placements are made in locations that do not require changing schools. The unsettling problem of being homeless is not conducive to an interest in job training or employment. Permanent housing is the most pressing issue. Day-care and

transportation can be provided for clients actively seeking housing, but there are few requests for these services. The Comprehensive Emergency Assistance System has allocated funds to the Paterson Task Force and their Paterson Coalition for Housing for a staff person to assist clients in finding permanent shelters.

With CEAS approval, the Passaic County Board of Social Services has submitted a proposal to the Department of Human Services for IV-A Case Management monies from the Hardwick/Frank funding. The agency is hoping for a positive response to the request for \$92,992 to create the position of housing resource manager and to provide support services for homeless persons.

The REACH Program recognizes the fact that participation in the program is dependent upon a stable family environment, and homeless clients are not required to participate in the REACH Program until they are established in permanent housing. The need for affordable housing for the homeless must be addressed before we can enroll clients in social service programs to make them self-sufficient and self-supporting.

In addition, social service block grant funding to counties must be increased to allow SWAs to hire more social work staff to serve the service needs of IV-A and income eligible families.

ASSEMBLYMAN ROMA: Thank you. Dr. John Cosby, Atlantic County Department of Social Services. Good morning, Reverend.

D R. J O H N W. C O S B Y: Good morning.

ASSEMBLYMAN ROMA: Thank you for your perseverance in getting here this morning.

DR. COSBY: And it was that, indeed. It's nice being here. And I think that as a representative of our county, our County Executive was very concerned that the weather became

what it became -- that we be able to make it. But I know that his commitment is such that he would have been disappointed if somehow we hadn't used this particular opportunity to share some of our concerns. We, in fact, have tried to use every forum that had some level of responsibility to identify what we think is not only a statewide problem, but a national problem -- that of homelessness.

I'd like to reinforce what you, Assemblyman Roma, said in terms of the homelessness that's starting to exist in relatively affluent areas. It's been our experience in Atlantic County that more and more working people, people who have jobs, are also those people who are among the homeless population. I'm talking about homeless families.

I'd like to take this opportunity to present the remarks that we put together to capture some of the concerns that we have. I feel it's necessary to stress from the very beginning that we in Atlantic County, as do many of our counterparts elsewhere, find homelessness to be the most pressing problem confronting the social service community today.

When discussing this problem, it's important to distinguish between homeless individuals, those people who colloquially we have identified as the bag lady and the hobo and some assorted romantically linked names, and look at the fact that more and more homeless families are the present phenomenon that we're seeing and about which we're mostly concerned. In both cases, their problems have often transcended the need for immediate shelter alone. Counseling and case management are almost certainly going to be needed with this population.

In this regard, we in Atlantic County have found that the coordination of services among agency providers is indispensable to the efficient delivery of services for these populations. The most appropriate vehicle for ensuring coordination is the local CEAS agency -- that's the Coordinated Emergency Assistance System.

CEAS originated throughout New Jersey's counties as a result of Governor Kean's Task Force on the Homeless in 1983 which noted, "There is an urgent need for a comprehensive policy which integrates the responsibilities of State, county, and local governments." Although, we in Atlantic recommend and support the role of the CEAS as the lead agency in coordinating funds and programs of the homeless, we find that it has been more effective in providing coordination among nonprofits than among levels of government. More work is needed in this area, especially in regard to the Federal government.

This point is highly significant for two reasons: Firstly, the problem of homelessness is national in scope and reflects certain social and economic changes in American society that transcend local governments in particular and New Jersey generally. For example, there is the rapid rise in teen-age pregnancy and the corresponding increase in the number of single, female-headed households. Such trends have resulted in a more vulnerable family unit which is often forever struggling and impeded from developing its full economic independence, for a multitude of understandable reasons.

Secondly, the continually rising cost of housing is reaching a level where it is increasing outside the reach of a growing number of people. In Atlantic County, we are at the point where an adult with one child working for less than \$9 an hour may be unable to find and maintain suitable housing at HUD fair prices. The fair market price for a one-bedroom apartment is \$463, that's with utilities included. In Atlantic County, this rate is considered by most of the Realtors as unrealistically low.

The social and economic dimensions of the homeless problem appear to be frustrating and hopelessly tangled in the web of human frailties and marketplace dynamics. Still, a basic starting point needs to be a comprehensive, effective, and practical housing policy at the Federal and State levels of

our government. A meaningful local response to the problems of homelessness can only emanate from such a starting point.

We feel, for reasons to be explained later, much still needs to be done at the State and local level and more importantly at the Federal level. Also, it allows better coordination and delivery of services to homeless individuals.

The major cause of homelessness is clearly and inarguably the lack of affordable housing, not just for welfare families, but also for families making less than \$18,000 a year. You figure out \$9 a hour for a 40-hour week is what it would take for a family to afford to live in a one-bedroom apartment, then you're talking about \$18,000 a year. Thus, our first priority is to ensure the development of a more affordable housing market. We submit the following other recommendations:

- 1) Federal housing policies administered under HUD should be viewed in light of the current emergent situation to make them more responsive to needs. We have had cases where a family was living in a motel room on Emergency Assistance for more than five months who could not move into a subsidized Section-8 unit since it would have required opposite sex children to share the same bedroom -- and we're talking about children at age three, four, and five. Such restrictions are ludicrous in light of the current situation. Federal officials should be pressured to reevaluate some of these antiquated policies.

AFDC -- Aid to Families with Dependent Children -- grants have to be raised to a level that more realistically reflects the cost of living, or rent subsidies have to be made available. Welfare has never been a politically popular cause; we realize that. However, the current levels of AFDC grants make it simply impossible for many families to afford housing at the prevailing market rates.

For example, the maximum AFDC grant for an adult with one child is \$424 a month. We've already identified that that's below the fair market price of a one-bedroom apartment. The lowest available rent advertised in the local paper last week was \$380. We had one of our social workers go about and investigate the place and she came back and said it was "a toilet."

The Emergency Assistance Program should be augmented with a program to provide transitional housing. The EA Program was conceived during the early 1970s to provide emergency shelter to families rendered homeless as the result of some catastrophe. And these catastrophes invariably were the kinds of things that they couldn't plan in advance for; a hurricane, a fire, or something of that nature. The program is rather rigid and does not allow for flexible response or much innovation. The decision rendered by the New Jersey Appellate Court in Maticka v. Atlantic City in 1987 -- and we in Atlantic County were also third party codefendant -- broadens the interpretation of the eligibility criteria in New Jersey and thereby effectively changed the nature of the program.

In the aftermath of the Maticka decision, the State has tried to stretch and twist the EA Program far beyond its original intent. Counties have been instructed by the Department of Human Services to undertake such complicated projects and emergency housing apartments projects, such as EHAP, and transitional apartments -- those apartments that have been rehabilitated for these families.

At one particular time it was the goal of the State that within three years, only shelters would be used if the county itself were not going to bear a portion of the expense -- the 12.5% of the expense -- that the county would put in -- And the goal was that over a three-year period, they would move everybody out of hotels and motels and have them all in shelters. It would be 20% the first, 60% the second year, and

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by the third year it would be 100%. The difficulty of that particular concept is that you have emergencies constantly occurring, as you know, on a Friday afternoon or a Friday evening, even on a Saturday. And you have to have some opportunity to have some flexibility to move people where there is some kind of shelter, no matter what it is.

4) Areas that attract a large transient population such as Atlantic County, should receive funding under a formula that makes this a consideration. There are other communities, I'm sure, some of the shore communities, that have that same phenomenon that occurs during the summer months. We, as a result of the industry that we're now famous for, we have that phenomenon occurring all year long. While the statistics show that our population is at a certain level and we're funded through the block grants at that level, Atlantic County, in effect, has all of its human services oversubscribed because of the large number of people who are transients who come into the community, whether it's mental health or any kind of alcohol or drug abuse programs or just our local hospitals. They are all oversubscribed. We have a feeling that that formula doesn't really serve our interest and in fact, it works in contradistinction to our interest.

A study performed by our CEAS Task Force, for example, noted that 23% of single individuals who received services from our CEAS agencies -- and they are all our nonprofit agencies -- resided in Atlantic County for less than one month. Our State appropriation for the homeless is woefully inadequate in light of demand. We feel this disparity is largely through the population figures used in determining the funding.

5) Much more still needs to be done in the revision of services to the mentally ill homeless. Funding for this highly vulnerable population has been totally inadequate in light of the need. More services ranging from outreach to case management are greatly needed.

I'd like to thank you, Assemblyman Roma and your colleagues, ladies and gentlemen, for this opportunity to express our opinion. Thank you.

ASSEMBLYMAN ROMA: Doctor, if I can, I'm sure we all have a couple of questions. But given the cutbacks that we have with the McKinney Homeless Assistance amendments, and you're familiar with that--

DR. COSBY: Yes.

ASSEMBLYMAN ROMA: --we started out with \$1.3 billion, and now for the Fiscal Year of 1989 we're talking figures of \$378 million. As you are fully aware, the Legislature in the last session approved \$13 million for homeless and that was line item vetoed and brought down to a level of \$6 million. Can you suggest to us that in addition to the fact that obviously we would like the Federal government to give us more of the entitlements, and certainly with the State, some other areas that we may be able to look into?

For example, the tax credits that we had been looking at. From what I understand, the Federal government will be allowing a low-income tax program that will extend for a number of years provided that 20% of the housing is set aside and the amount of the housing would be for a fixed period of time, for a period of 15 years. That seems to be a partial direction that we may head in both on the Federal and State levels. I though you may have some comments concerning that matter.

DR. COSBY: Well, I think that certainly that's the direction in which we need to be moving. Tax abatements for the building of moderate and affordable housing is something that's going to be sorely needed. I think there also needs to be -- and this is maybe something that has to do with part of the morality of the issue-- That is that more communities have to be persuaded, conjoled, sensitized to the need for them to bear their share of the responsibility. Many of the people who, for example, come to Atlantic City for help, people who

come from the surrounding communities, come to Atlantic City because that's where the programs are. That's where there's more opportunities to at least get some kind of services. We have other communities who have abandoned their responsibility to bear their share of the responsibility. Atlantic City, then gets targeted with the image that it's, "Not doing the job it needs to be doing," and the people who abdicated their responsibility aren't seen or known at all. It's part of the phenomenon that you identified that you do have more people in relatively affluent communities who are in need of some sort of subsidy; some type of help. They come to Atlantic City to get that from these other communities.

These other communities ought to be building the apartment complexes and the kinds of housing in that community with the certain set aside of affordable housing for their residents -- for the people who live there, where they can come and get it. So, those things have to work in common to sensitize the people to the idea that they have some responsibility and that NIMBY type of mentality is one that they can no longer afford, because they're talking about their people coming into another community and overloading that community.

ASSEMBLYMAN ROMA: Have you likewise been able to put together statistics? I know we've done this in Bergen County. We have a report that was done that gives an overview of who those people are. For example, if we look at the State, approximately 19% are veterans. And if we look at Bergen County, 15% are veterans. We have what is believed to be a population of 2800 in Bergen County. There again, we have difficulty identifying who the homeless people are. Is the homeless person living with another individual as opposed to someone who is either temporarily out of work or unable to find housing on short-term basis or long-term basis. Do you have certain information that we may find helpful in terms of integrating it as to a 21-county study?

DR. COSBY: About 73% of our homeless families are single mothers; head of the household mothers -- usually young. We find that there's a drastic drop-off in the number of welfare recipients, generally after age 40. So, most of these people are under 40. They, in some instances, are people who even have jobs, part-time jobs or the lower paying jobs, and there's a mother, a sister, a cousin, or a good friend who takes care of the child or the children for these people.

We think that there is something else that needs to be done to help these single mothers, and that is that we need to focus more on the fathers of these children who are grossly irresponsible in many instances -- in doing multiple siring of children with multiple women. They are siring these children and are not bearing any of the responsibility. We think child support ought to be something that ought to be more stringently enforced.

I, in fact, looked at something that was happening in Alabama in which they have the ten most wanted child support offenders. It's like your criminal most wanted. In a sense, I think they are criminals. They don't take care of their families. And they have the pictures of these people and their names are underneath it. They're posted all over the place -- in the post offices and other places. That may be stringent to some people, but I think that's the kind of thing that ought to be done, because I think that anybody who abandons taking care of their children, ought to be publicized and ought to be humiliated until they do that.

ASSEMBLYMAN ROMA: That's an interesting concept. Yes, Mr. McGarry?

MR. MCGARRY: I have a couple of questions for Dr. Cosby. In highlighting, you mentioned that 73% of your homeless families are single parents which one or more children. What impact have you found that substance abuse is

having on homelessness in your county? Do you find that many of the homeless families have a substance abuse problem?

DR. COSBY: One of the interesting things we found, was that after the Maticka decision, we went from an average of about 18 families a month to something in the neighborhood of 190, within a year's time. We found that we were overcrowding the motels. Once the people were in those environments, there seemed to be a deterioration in their behavior, less personal constraints on what they would do. We found a lot of people who would move in there, who hadn't been drug users or involved in alcohol. Once they came into that environment in which it became sort of the recreational thing to do, it increased greatly. I think that that kind of environment is not only stultifying, but I think that it really is destructive to these families.

MR. McGARRY: If someone were to come into your agency seeking help with kicking a habit -- I know some testimony in the last hearing and some things that I'm aware of -- how long would you estimate that it would take for that person to find a treatment center that would be willing to accept them, from the time they came in? Do you have any idea?

DR. COSBY: I don't think it's a problem of them being receptive to helping them. I think it's a matter of the waiting time to get into the program.

MR. McGARRY: That's what I mean. How long?

DR. COSBY: Probably a couple of months.

MR. McGARRY: And then just one other question. You mentioned that a lot of your people were employed homeless people. In your county, who provides the benefits or the homeless assistance for people who are on VA benefits or SSD or SSA or UIB or any of those programs or incomes that makes them ineligible for all the AFDC related programs? Is there any agency, for example, that will assist them financially?

DR. COSBY: The closest to that would be the CEAS. What I did is, I identified the CEAS program as the program that would take care of the "at risk" population. I thought that it was pretty obvious that the homeless were the most vulnerable, but you have others who are the working poor. If they miss one week of work, they could very easily lose their apartment. These are the people that we underwrite the cost of during those emergencies, with the understanding that if you're not going to be able to continue it, we can't even do that for you. But if it's a matter of keeping you in the apartment for one month because of some misfortune, we'll do that. We'll do that for the working poor. We'll do that for the so-called marginal middle-class -- which is considered at \$15,000 to be marginal middle.

MR. McGARRY: Is that your Board of Social Services that does that, or is that some private group with CEAS money?

DR. COSBY: That was a policy that I developed for the CEAS.

MR. McGARRY: I'm sure you're aware in most counties, somebody, who for example, is a family of two, who's getting \$324 in veterans' benefits, is not eligible for anything and ends up out in the streets with no financial assistance.

DR. COSBY: Right, I know that. That's a big gap in our system that there is no recourse for anybody who basically has a low-income job. It's a disincentive for people to work. It certainly isn't rewarding for them to have to be denied so many things even though they work. It doesn't seem to me that it's the way that you want your children to see life. If they see that I work 40-hours a week, 50-hours a week, and I still don't have enough to buy those pair of sneakers or those clothes or pay the rent or do all those things I need to do to just live at one time-- I have to postpone all the time. That's not a big incentive for kids to say, "I want to be like Dad. I want to be like Mom." What they say is, "There's

easier money out there." And I think we have to do better than that.

ASSEMBLYMAN ROMA: Assemblyman Gill?

ASSEMBLYMAN GILL: Fine. Thank you very much.

DR. COSBY: Thank you for this opportunity.

ASSEMBLYMAN GILL: Reverend.

DR. COSBY: I'm not a reverend.

ASSEMBLYMAN GILL: I'm sorry. I thought somebody called you, "Reverend"?

DR. COSBY: No. I'm not a minister. I'm a psychologist.

ASSEMBLYMAN GILL: Okay. You talk about the increase in the rents in your county. What about the availability of rental housing in general? Has it declined in the county? Is it being constructed?

DR. COSBY: I think it's declined. Every time there's a fire, that property that has been destroyed becomes prohibitive in terms of most people being able to build on it again. As you know, land values in Atlantic City, particularly, have gone up astronomically since the advent of the casinos. What it means is that we've had in the past three years something like 240 units go out of the housing stock, because of buildings that have been condemned, buildings that have been on fire, some buildings that have just been abandoned and have been so undermined over the years by the elements that people can't live in them any longer. That's been a very serious concern.

And another reason why it's so important that the communities that surround our large cities just bear some of the weight, some of the reasonability -- we're not saying even the bulk of it -- but if every community took on about 20% of the load, I think we could almost eradicate the homeless problem.

ASSEMBLYMAN GILL: Thank you.

ASSEMBLYMAN ROMA: I'd like to thank you and welcome Grace Applegate from the Department of Labor. I believe she has a couple of questions, if you will, Doctor.

MS. APPLGATE: Just one. Is the REACH Program in Atlantic County?

DR. COSBY: Yes. It started May 2, 1988.

MS. APPLGATE: Okay. So, you haven't had any time to see whether it's been any help, with the-- When you talk about mothers--

DR. COSBY: As you know the homeless families as a category are deferred. They can volunteer. But they're deferred from being mandated to be in the REACH Program. So, what that means is that if they volunteer, that's fine; but if they decide somewhere down the road that they don't want to, then they don't have to.

In many instances, if you have to focus on where you're going to live all the time, you effect that energy toward getting the kind of training and getting out of the training what you need in order to secure a job. That's been a problem. We would like to see more of the people who are homeless involved in the program. Plus, we think that that opens a little bit of a door for them. We've tried to direct those people who volunteer to do that to be the first ones to have an opportunity to be placed in one of the few shelters that we have -- so that at least we can guarantee you'll have a place to stay during your training time.

ASSEMBLYMAN GILL: Dr. Cosby, do you find that rent control has any effect on the housing problem?

DR. COSBY: I think that rent control is probably one of the few ways that we have been able to maintain people in the apartments which do exist. Right now, I don't know if the news has gotten this far up. We have the tendency to think that when things are going on in Atlantic City, that the universe of New Jersey will know about it.

You might not know that one of the councilmen at large has introduced a bill which, in effect, will end rent control in all of the existing buildings, and maintain it only for two-and-a-half years in any of the new buildings. That's being fought by everybody from the Mayor all the way down to local groups. But, there is substantial backing by the business community, some of the Realtors, to end that rent subsidy. So, that's a battle that's going on right now. And it's only going to exacerbate the problem of the homeless in Atlantic County, if that rent control is lost in Atlantic County.

ASSEMBLYMAN GILL: You don't feel there's any banking of apartments to get off rent control so that the developers of these apartments can profit further? I don't know if I'm making myself very clear?

DR. COSBY: I understand, exactly.

ASSEMBLYMAN GILL: You have a lot of apartment banking going on, and these apartments, then, are not open to the public. They are creating a shortage in apartment housing?

DR. COSBY: It's possible that that's going on. I think that Assemblyman Roma's idea is the one that should be encouraged; that is that developers are given a tax abatement. If they build-- It's better to do it that way, because you're not harming the people that need the most, and at the same time, you're saying to the developers, "Come on in. Here's something that we can do for you." There is a quid pro quo there. We realize that they're not going to come in just because they are good guys. They want to make a profit too. And they should. But it shouldn't be at the expense of the people who are the most vulnerable, the homeless. I think there's a better way of doing it. I like the direction of your thinking, Assemblyman.

ASSEMBLYMAN ROMA: Any other questions? (negative response) Thank you, Doctor.

DR. COSBY: Thank you.

ASSEMBLYMAN ROMA: Thad McTigue, Pat O'Connor, Eastern Paralyzed Veterans Association.

T H A D D E U S M c T I G U E: Good morning.

ASSEMBLYMAN ROMA: Good morning.

MR. McTIGUE: Pat apologizes he couldn't make it today.

ASSEMBLYMAN ROMA: Given the conditions, it's with good reason.

MR. McTIGUE: Okay. Good morning, Mr. Chairman and distinguish members of the Assembly Task Force on Homelessness. I would like to thank you for giving the Eastern Paralyzed Veterans Association the opportunity to testify on the challenges faced by spinal cord injured veterans when trying to secure housing. EPVA is a veterans' service organization dedicated to serving spinal cord injured veterans as well as advancing the cause of disability, for all people.

The social problem of homelessness is pervasive in our society today. Current estimates reveal that approximately one-third of the male homeless population is composed of veterans. In addition, stats on homelessness do not accurately account for all those who are homeless. The hidden homeless include disabled individuals who cannot return to their homes because these homes are not accessible, nor can they afford the rents or mortgages they paid prior to becoming disabled. .

Many individuals languish in hospitals and nursing homes because they are unable to find accessible, affordable housing. We have many members in New York and in New Jersey who have remained in hospitals for years simply waiting for appropriate housing opportunities. These individuals often become dependent on institutional living, as a return to community living becomes increasingly remote.

EPVA believes that the primary cause of homelessness is the lack of adequate supply of low-income housing. This crisis has worsened in recent years as the Federal government has dismantled most of its housing programs. In turn, this has

shifted much of the responsibility of providing affordable housing to the states. In the absence of a renewed Federal commitment to housing, New Jersey must devote more of its resources to the development of housing, and to provide subsidies to ensure continued affordability of housing.

Recent State and local building code revisions in New Jersey provide for adaptable housing, but the prospect of a housing market which is predominantly adaptable is years from realization. The concept of adaptable housing is relatively new, and is intended to develop housing which with minimal changes would be usable by mobility impaired individuals. While adaptable housing requires accessibility in all common areas, it allows individual units to be constructed so that maximum accessibility can be installed by a disabled tenant.

The permanent features of an adaptable unit include doorways which accommodate wheelchairs, and bathrooms and kitchens which are large enough to allow wheelchair mobility. The adaptable features include removal of under-the-counter cabinets, and wall supports for grab bars in the bathroom.

If your housing stock becomes primarily adaptable, the mobility impaired tenant will have greater housing opportunities. Unfortunately, it is often difficult to rehabilitate existing buildings to provide accessibility and adaptability, as the structure and design of these units were intended for buildings that did not consider accessibility. Any temporary housing or shelters that are constructed must be also made accessible to accommodate the disabled. State law requires access.

The housing crisis is compounded by the projected loss of low- and moderate-income housing units currently subsidized by the Federal Department of Housing and Urban Development. HUD insured mortgages were made by private lending institutions to developers of rental or cooperative housing for moderate-income families. After 15 to 20 years, the owners

have the opportunity to prepay their mortgages to the lending institutions, thus ending their obligation to HUD to keep the units affordable. In the next few years, many of these mortgages will become eligible for prepayment. Thus, these units will no longer be affordable.

The New Jersey Supreme Court has upheld the right of the New Jersey Mortgage Finance Agency to impose the conditions under which a mortgage can be prepaid. This decision is expected to help preserve moderate-income housing in New Jersey, but Federal court cases pending in other parts of the parts of the country could jeopardize this ruling.

EPVA supports legislative initiatives which would require the government to construct new accessible and affordable housing. Incentives should be provided to private developers and nonprofit organizations to construct and manage these units. Furthermore, efforts must be made to preserve, rehabilitate, and renovate existing housing stock while ensuring accessibility and affordability.

The intent of the New Jersey Fair Housing Act is to provide affordable housing. The majority of the housing units being built under this Act are of a single entry townhouse variety. These units are not covered by the New Jersey Barrier-Free Subcode, which means they are not accessible to the disabled. This oversight must be corrected if disabled citizens are to secure affordable housing in New Jersey.

As your State ages, more people are requiring homes which are accessible. An illness or a disease could prevent a person from living in his or her home. Legislation should be introduced and passed which creates a revolving loan fund for persons to make their homes accessible, enabling them to live at home, and not be institutionalized. Accessible affordable housing gives people with disabilities an opportunity to fully utilize their talents in a manner that contributes to society.

Thank you. if you have any questions, I'll be glad to answer you or try to answer them, anyway.

ASSEMBLYMAN ROMA: Assemblyman Gill or Kenny? (negative response) One of the questions I would have, being uniquely aware of the number of veterans that are affected-- And as we look on the national basis and State basis, we have approximately some 19%. Can you give us some further insight as to those veterans and how they've become part of the overall situation?

MR. McTIGUE: We, in some sense, dispute that 19% number because many of our members are, particularly, what we call the hidden homeless, because they are in institutions because of their injuries and because they do not have -- particularly if they are not service connected individuals -- they do not have the money to go out into the community and purchase the housing because: 1) the price of it, and 2) it is not affordable and accessible. So as they increasingly stay in the institutions longer and longer, the chances of them going out into the community just evaporate because they've become dependent upon the people in the institutions to help them do things that many of us take for granted.

ASSEMBLYMAN ROMA: So, that figure could be more?

MR. McTIGUE: Yeah, it could be a lot more. We could go up to as high as a third, possibly. Nineteen percent might be a little bit low.

ASSEMBLYMAN ROMA: I'm just wondering as a practical matter, a lot of what we're trying to do is to compile a lot of data and whether or not we have to get that information from courts in terms of evictions or different employment agencies. It may be another aspect, because there is a large number of veterans that fall into this category. And perhaps with the organizations that you work with, we may be able to get a better understanding as to the true picture. Perhaps with some

further research, you may be able to give that information to us.

MR. McTIGUE: Sure, I'll be glad to.

ASSEMBLYMAN ROMA: Thank you.

MR. McTIGUE: Thank you.

ASSEMBLYMAN ROMA: We appreciate you being here. Joseph Masciandaro; Judy Goldstein. Good morning, Joe.

J O S E P H A . M A S C I A N D A R O: Good morning. I'd like to thank the members of the Assembly for holding the hearing and particularly Assemblyman Roma for meeting in Bergen County. As a mental health agency director, one of the things we have to contend with is the perception is that Bergen County is the land of the wealthy, and problems such as the homeless or the mentally ill homeless do not occur in Bergen. Certainly that is not the case. And I do appreciate the fact that you had the foresight to meet here and hear from some of us.

Bergen County CAP -- Community Action Program -- and The Inter-Religious Fellowship for the Homeless in Bergen County have done a fine job in really getting to the root causes of the homelessness, and I'm not going to repeat their report. They are scheduled to testify later on today. Those causes are really a growing gap between the rich and the poor, the cost and the availability of affordable housing, the growth and prevalence of single parent households, and as a result of a very short-sighted mental health policy, an estimate of circa 30% of the homeless are chronically mentally ill.

When the problem of homelessness reached national awareness, it was perceived to be primarily the consequence of poorly planned and executed deinstitutionalization of the chronically mentally ill from State hospitals to nonexistent community housing. Considerably more careful analyses have demonstrated that people with mental illness constitute only a portion of the homeless. However, while the affordability and the availability of housing are problems for all who are

homeless, the discontinuity in mental health and social services planning is a particularly aggravating factor for the mentally ill.

As the director of a mental health agency which provides 43 supervised group home beds and another 35 "independent" apartment slots, I wish to offer some comments specific to the mental health planning continuity and some general issues and concerns regarding housing assistance for people with mental illness.

In mental health planning, I think as a major economic factor, I'd like to bring to your attention, individuals with chronic mental illness and the families, are faced with certain economic devastation as a consequence of the cost of treatment for mental illness. While current mental health policies prioritizes treatment in the least restrictive setting, financial payment is overwhelmingly skewed for services provided in the most restrictive setting. In other words, while care is more desirable in outpatient settings, payment is provided for hospital based care. This also reflected in a distribution of the State budget which at this point, we estimate that less than 3000 people living in State institutions and perhaps as many as 50,000 chronically mentally ill are living in community settings. Yet the budget is 70% institution, 30% community.

This year's Governor's budget, estimates that the cost of a State hospital care circa \$55,000 a year is paid for either 50/50 by the State and county, and for a small group of people, by Medicaid. The costs in private psychiatric hospitals can be three to four times that \$55,000, and it's often covered through major medical insurance.

At this time, the New Jersey Department of Insurance does not require mandatory coverage for mental illness. The result is the inclusion of mental illness is included in major medical policies which are geared for reimbursement of

inpatient services. Effective outpatient programs such as partial care, case management, medication monitoring, psychotherapy, and others are not covered usually -- certainly by insurance companies.

In our society, those without medical insurance are then cared for by the public system. If you have a family member with a chronic mental illness, the economics will make certain that at some point in their lifetime, they will become a member of the public system.

We're fond of talking about of deinstitutionalization as the problem, or at least one of the causes. But I'd like to bring to your attention that while there is a problem that was created in the '70s and in the early '80s by deinstitutionalization, the converse situation is a problem now. In effect, we have a policy of non-institutionalization, and the outcome of that is that the great impact is created by the inability for a client to receive hospital care when it's needed. Or, I'll put it this way: As long as the individual has insurance, that care is available. However, our public mental health policy not only defines the mandate to deinstitutionalize, but also makes it extremely difficult to hospitalize in the public system, except in cases of clear and present and documentable dangerousness; someone who has the need to be hospitalized and cannot care for himself is not necessarily easily admitted to a hospital setting.

I think one of the more problematic outcomes of our State mental health policy is that the traditional responsibility of the State in providing long-term hospitalization has really been abandoned. At this point, it's almost impossible get the State to care for someone on a long-term basis, and that capacity is unmet and is shrinking.

Community care: New Jersey provides most community care through contracts with nonprofit organizations such as the one that I'm the director of. Typically, a cost sharing

arrangement is defined during initial contract negotiations. However, in following years New Jersey provides inflationary cost increases only to their portion of the contract. Typically a share is 50/50. My agency has to come up with 50% of the budget from other sources in the State. However, when the State grants its inflationary adjustment, it's only based on the State's share. So, on an overall budget, that effect is exactly half. If you get a five percent increase from the State, at most agency levels, it works out to about two-and-a-half. This year there is nothing. So, half of zero is zero, so we're really doing well.

Over time this creates very serious funding problems which tend to be displayed most visibly in difficulties in staff recruitment and retention. The support of people with chronic mental illness is best provided in the context of stable relationships with staff. Staff turnover impairs this process and the by-product may be client disconnecting from services.

Community care is also victim to yearly service fads. I call it "service fad funding" which abandons promising new programs to inevitable fiscal constraints. For instance, a much publicized effort to cut 300 beds from Greystone Park and to create community beds which just started two years ago, is frozen in this year's budget at two-thirds of the promised allocation. This is exactly how we got into the institutional problem to begin with, and it's being repeated in 1989. The long-term consequences of such decisions will certainly include homeless mentally ill people.

Although, I did not include it in my written testimony, I'd like to make a comment about zoning and the availability of housing. It's one of my responsibilities to site group homes. And although we operate totally within the constraints of the law, which means that before we initiate a project, we know that it meets zoning requirements, that it

meets all of the specifics that the departments require of us, we still run into very strong neighborhood opposition. Often that neighborhood opposition adds as much as a year to the planning process, even though the substance of the arguments are not really there. A typical project without community opposition -- I'm not talking about a renovation-- To purchase a renovation project takes minimally two years; with the community opposition you could add a year to that. So, if we wanted a plan to create a house today, it would probably take three years from now. Six months is usually the amount of time it takes us to get a leased facility. Again, there's also responsibility about community notification. However, with leased facilities, we're really victims to economics as the rent increases. So that down the road has problems for us.

There are a lot more things I could say about the mental policy. I hope that perhaps some of your interest will be reflected in the questions.

I also listed a number of general concerns about the mechanics of our outpatients that are serviced by the various State programs. We've had an excellent experience with the Community Affairs Department -- the Rental Assistance people. They've been most responsive and most helpful, but they are also constrained by their own regulations. I think one of the problems is that the State Rental Assistance Program does not provide reimbursement for single room occupancy or emergency placement. People who could be serviced in already established dwellings and boarding homes in an average cost of about \$90 per week, are not eligible. The State Rental Assistance Program has not increased their payment schedules to keep up with present fair market rents. For example. A one-bedroom apartment in Bergen County presently rents, as an average, for \$675 a month, including utilities.

The present payment schedule followed by the State is based on a maximum housing cost of \$578. The difference in the

amount of payment allowed and the actual cost of housing, creates a financial deficit that is ultimately carried by the client. The present voucher program in the State can work to increase the percentage of rent paid by the client from the expected maximum of 30% to as much as 40% to 50%.

I remember when I was a young man and planning to buy a house it was a figure of circa 20% to 25% that I had to pay for housing costs. We're talking about, essentially, an SSI population who was paying 33%, and now we're asking them to pay 40% to 50%. I have a little budget in the back of this to kind of illustrate the problem. (referring to written material supplementing his testimony)

The obstacles facing those where the housing needs are many, even after a certificate or voucher has been obtained by the client. To begin with, provisions are not in place for assisting the client in securing: 1) Realty agency assistance -- usually a month's rent; security deposit for once a location has been found -- rental assistance will cover one-and-a-half month's security by contract, but the landlord has the right to demand security up-front and often does so; security/start/installation funds are not available to clients -- things such as telephone services, PSE&G, etc.-- These things are not available through normal routes. They are very basic needs that someone has in operating a house or an apartment; furnishings, household goods, and linens need to be supplied to the client. When donations are received for furnishings, clients are left with the dilemma of moving them; and the lack of services available to assist clients in hunting down prospective apartments is also a major problem.

Frequently those people deemed homeless do not possess the needed skills for successful home management: For example, banking and budgeting skills, meal preparation, socialization with neighbors, the ability to network themselves with community supports and essential services, are deficits that

many of these individuals have and need to be cared for.

The lack of a fixed, steady, or adequate income creates major barriers to securing and maintaining housing. However, were it not for the policies in place by the Rental Assistance Program, clients with low- to moderate-income would find it impossible to find housing within not only Bergen County, but New Jersey as well, and hence be among the ranks of homeless.

A typical client's benefits and resulting income: In our group homes we have at this time 39 individuals living there. This budget applies to 32 of them. The other six are slight variations of this. They have \$399.25 in SSI income. Some will get social security disability. SSDI will range between \$100 and \$900, but they lose their Medicaid benefits when they have that. And general assistance is \$210 a month in the county.

And what I've done here is really put together a typical client budget. This is how they spend their money on \$399 -- \$119, assuming the share of the rent is going to be 33%. As I mentioned earlier that's likely to rise to 40% to 50%. Utilities, \$75; phone, \$25; food, \$120 which is supplemented by \$10 a week in food stamps; clothing, \$15; socialization, \$20; medical, \$20 if not covered by Medicaid -- and there are services that Medicaid doesn't cover; and miscellaneous, \$5. That makes up the budget of \$399. I've often reflected that our major effort in the mental centers is training clients to live in poverty. We're not really helping them to a quality of life.

I'm certain that the Task Force will conclude that the problem of homelessness is enormous and growing, and there are many complexities to the particular needs of the chronically mentally ill. While for many, economic subsidies and more enlightened housing policies are surely constructive directions; for the mentally ill, solutions must also

incorporate professional availability and lifelong psychosocial supports. Thank you.

ASSEMBLYMAN ROMA: Questions from the panel? Mr. McGarry?

MR. McGARRY: Since we've started these hearings, I have been hammering away at the same subjects. I'm going to use you, if you don't mind, sort of one more time to reinforce some information. In your testimony you cite what is available in terms of people -- mental health needs for supplemental security income. However, in fact it's true as well that people on SSI are eligible for Emergency Assistance through most regular AFDC programs which would, in fact, pay for their security turn-ons and those fees. But isn't it true that the same person on SSD receiving perhaps the same amount of money is eligible for none of those?

So, you can have someone receiving \$399.25 getting absolutely everything that they need to establish themselves in a home and someone else getting \$384 on SSD who qualifies for absolutely no social assistance programs whatsoever.

MR. MASCIANDARO: That's correct.

MR. McGARRY: Okay, thank you. The other question I have deals with the redefinition of "danger to self and others." Right now it's my understanding that the only way you can be institutionalized is if you pose an immediate danger to yourself -- suicidal -- or to someone else. But that neglect and the fact that you may choose to live out in the streets in sub-zero weather for extended periods of time does not constitute a danger to yourself, and therefore, you couldn't be institutionalized. Is that correct?

MR. MASCIANDARO: One of the other things that I do is operate the Bergen County Screening Program, and I'm entirely familiar with this issue. It's my opinion that the redefinition of "dangerous" has made hospitalization both easier and more difficult, and that's really what I'm trying to

say for your answer. There are provisions within the definition for someone who is gravely disabled. But the factors that go in demonstrating what "gravely disabled" means within the context of dangerousness is really left up to the individual hospital, if you will, the individual agency that's involved in the process.

MR. MCGARRY: Hasn't the Boggs case, for example in New York, had a chilling effect in trying to get people who are clearly in need of help, off the streets?

MR. MASCIANDARO: Well, you see, even Billy Boggs is back out on the streets, as I understand it, and again is facing a lot of problems. We must keep in mind that the regulations that deal with commitment for mental illness are very defined in very short time frames. The basic issue is that commitment means a restraint in civil liberty. And the courts have really made sure that that is very limited. So, you're really juggling periods that start with three days. After three days, you must reassess whether the individual needs to continue to be involuntarily committed. That extends to 15 days and then if the individual is once again at that point viewed to be committable, that can be extended to 30 days, and then throughout another judicial hearing, you can get it up to three months or to six months.

But the bottom line is that the judicial system, the laws, really work against keeping someone hospitalized unless at the moment that the person is being examined and demonstrates those criteria of dangerousness. So, the obligation then is to provide a discharge plan for the individual. Mental illness is no different from any other disease. There are acute phases, which require very specific interventions, there are rehabilitation phases, and there are maintenance phases of mental illness. And what's happening is that I think the biggest problem is when someone with an acute condition is not treated properly and then they become part of

the revolving door situation and really disconnect from the service system.

ASSEMBLYMAN ROMA: Any other questions?

MS. APPLGATE: Just one. You gave some figures that are not in your book, and you talked about the outpatients and hospital based funding. Did you say 3000 were hospitalized?

MR. MASCIANDARO: Thirty percent. The State's budget -- the public budget for mental health services, is roughly 70% for institutional support and 30% for community services. And of that 30% -- let me think, I don't want to give you the wrong number -- about 20% of that is attributed to UMDNJ to two CMHCs that the State operates. So, when you really scrutinized it, it's even less than 30% that's available on a statewide basis on a community care. A large portion of the money is earmarked for the university programs.

ASSEMBLYMAN KENNY: And how many people did you say were in the State institutions -- 3000?

MR. MASCIANDARO: There's less than 3000 at this time. To give you a point of reference, in 1953 there were 2300 people institutionalized. In 1975, there were 8000. Basically, 1975 is viewed as the real beginning of deinstitutionalization. Bergen County, for instance, in 1975 had at 843 people at Greystone Park, there are less than 230 there now. Most of those need long-term care. They don't need acute care.

ASSEMBLYMAN KENNY: And how many people are in the community program?

MR. MASCIANDARO: I think the combination-- Bergen County has six community mental health centers that provide housing. I think together, we're providing about 90 group home beds and perhaps another -- I'm not totally accurate -- I would say another 120 apartment slots. We're doing quite a bit here. But there's still quite a bit of need.

ASSEMBLYMAN ROMA: Joe, thank you.

MR. MASCIANDARO: Thank you. Nice to see you all.

ASSEMBLYMAN ROMA: Michael Gerhardt; Alan Deguilio of Bergen County Community Action Program.

M I C H A E L G E R H A R D T: I can safely say, good afternoon.

ASSEMBLYMAN ROMA: Good afternoon. Welcome.

MR. GERHARDT: Thank you for inviting us. I'm Mike Gerhardt and I represent Bergen County Community Action Program and also The Inter-Religious Fellowship for the Homeless. Last month, we testified in Trenton -- I believe with the same group.

The motivation of shelter providers in developing emergency housing for the homeless was initially the mere provision of shelter. As providers gained experience in operating their shelters, they were confronted with two simple facts: First, the homeless present a myriad of problems that war against successful placement; and second, the funding philosophy most prevalent today, funds systems as opposed to populations. In short, the shelter provider, when confronted by a client with complex problems, must confront a myriad of service providers with differing regulations, service criteria, and organizational mandates.

In June of 1988, Bergen County Community Action published a study of homelessness in Bergen County. It made a conservative estimate that 2800 homeless people were in the county a year. In order to understand the complex, if not overwhelming problems these people face in gaining and maintaining housing, it is helpful to look at two separate populations of homeless -- the individuals and the families.

The single homeless of Bergen County number 1300, or 46% of our population. Studies of the shelter population show that 50% have been diagnosed as mentally ill. One-third of those diagnosed as mentally ill also have a secondary diagnosis of substance abuse. Additionally, approximately 40% are identified solely as drug or alcohol abusers.

These initial diagnoses are further complicated by other problems found in the population. Over 20% of the single homeless are medically needy. The rate of tuberculosis in some shelters across the country is 700 times the national average. Due to poverty and compounded by mental illness, the incidence of AIDS, infestations, peripheral vascular diseases, foot and leg ulcers, and chronic, but untreated diseases such as hypertension and diabetes, is higher than in the normal population.

Compounding these problems is the situation in Bergen County. The development of SROs and boarding homes are outlawed in most municipalities. The cost of between \$320 to \$500 a month is beyond the range of most homeless clients on disability, social security, welfare, or in minimum wage jobs. Apartments are clearly beyond the means of most of the homeless population. If a client is lucky, he must expect to pay 70% to 90% of his discretionary income towards housing. Compare this to the services provided in any county in New Jersey.

Federal funds for low-income housing has dropped from \$32 billion in 1981 to \$8 billion 1988. Section-8 housing vouchers which subsidize housing, may have a waiting list from six months to a year. Thus, they are not a serious alternative for the homeless.

The mental health network in Bergen County has 114 group home beds and 107 supervised apartments for the mentally ill. Its low vacancy rates and the high priority placed on newly discharged clients form the mental health institutions' war against their usage for the mentally ill homeless. The community mental health system, underfunded since deinstitutionalization, cannot provide the resources to adequately serve the resistant homeless mentally ill. No resources are available to meet the homeless on their turf -- the soup kitchens, shelters, bus stations, and street corners.

The Bergen County Health Department through its First

Step Detoxification Program has 13 to 20 beds. Spring House, a halfway house for women, can serve a little over 30 individuals. Homeless male alcoholics have little chance to enter long-term rehabilitation programs and after detox, return to the streets to begin another round of drinking.

The welfare system for individuals is decentralized into municipalities. It is extremely sensitive to town politics, and the levels of professionalism vary from town to town. Residency requirements and extensive documentation delay the process by which clients apply and are approved for welfare grants. Such a decentralized system becomes unwieldy and the process by which organizational mandates such as the Maticka decision are proceduralized, is uneven.

Families comprise 54% of the homeless population in Bergen County. Unlike the single homeless, they do not exhibit the high incidence of mental health, medical, or substance abuse problems, but offer a new set of problems due to the cost of housing and day-care. Children make up two-thirds of the population of homeless families, with 50% being six years old or younger. Half the families are headed by single mothers. These two important facts make the process of placement overwhelming. Day-care is at a premium throughout the county and the State. Low vacancy rates, high cost, poor or nonexistent transportation, half-day sessions, and the lack of infant care make it virtually impossible for single parents to hold full-time jobs.

The high cost of housing and the long waiting for Section-8 vouchers make subsidized housing impractical for homeless families. Add to this the requirements for apartment size and quantity of bedrooms, many landlords' suspicion of vouchers, and the time limitations for the apartment search, many clients with vouchers remain homeless.

The homeless family suffers from the decentralized system of education throughout the State. Residency

requirements and the special needs of homeless children oftentimes delegate homeless students to a limbo in which they belong to no school. Although new laws have strengthened the rights of homeless parents to select the schools their children attend, it has not yet been tested in this county.

In summary, I would like to suggest that the inability to provide services to the homeless is not due to any inherent weakness or insufficiency of individual services styles. Just as shelters were created to provide emergency shelter without provision of the myriad services needed by the homeless, so to were other systems created to provide services to their population as they knew that population. Confronted by a homeless population with complex presenting problems, all systems fall short.

The guiding principle of social services and funding has been to fit the homeless into existing systems -- systems not created with them in mind. It ignores the fact that without a place to sleep, to bathe, to eat, the simple planning needed to negotiate the various government and social system, is virtually impossible. Successful mandates throughout the county suggest that we must fit the services to the clients. Medical, mental health, substance abuse, day-care, and educational and entitlement services will only be used effectively when they go where the client lives; in the shelters, the soup kitchens, and the streets of this State. Thank you.

ASSEMBLYMAN ROMA: Thank you. Any questions?

MR. McGARRY: Just one. In Bergen County -- I'll ask the same question I asked Dr. Cosby -- how fast would placement in a drug rehab program result from the date when someone indicated they'd like to get into an apartment?

MR. GERHARDT: The same answer. The difficulty is if they are homeless, we look for residential facilities for them. Outpatient clinics usually have to wait, until we get

them placement in a permanent housing situation. So, we can go, if we're lucky, to two weeks, and we've done it. But, we're talking about six months -- sometimes.

MR. MCGARRY: And by that time, generally the desire has evaporated.

MR. GERHARDT: The client is usually gone by then.

ASSEMBLYMAN KENNY: You stated that two-thirds of the homeless population are children?

MR. GERHARDT: Two-thirds of the homeless family population are children.

ASSEMBLYMAN KENNY: The family population are children. Now, what percentage of the homeless are families?

MR. GERHARDT: In this county, we guess 56%, which is low compared with a lot of states' and national figures.

ASSEMBLYMAN KENNY: And what do you estimate is the average age of these children?

MR. GERHARDT: We didn't look statistically at the average age. But half of the children are below the age of six. So, predominantly they are infants to toddlers.

ASSEMBLYMAN KENNY: So, where are these children living?

MR. GERHARDT: Where are they living?

ASSEMBLYMAN KENNY: Yeah.

MR. GERHARDT: Welfare motels. They go from family member to family member, from friends to friends, they live in our churches and synagogues that we operate throughout the county. They have lived in vans and station wagons.

ASSEMBLYMAN KENNY: They don't go to school, for the most part?

MR. GERHARDT: We have had difficulty with that. But our population at CAP is the population of the working homeless. We felt that welfare, at least since the Maticka decision, has been very responsive to homeless families who are on welfare. So, we've alternated our programs to pick up those

clients that are working, and therefore are not eligible for welfare.

They, for the most part, have had their kids in school and have maintained housing for long periods of time. The bottom line of most welfare providers, is that they just don't inform the school once the family becomes homeless, and they keep them in the school. It makes things a lot simpler. So, we haven't had that difficulty of kids not being in the schools, although I've heard from welfare clients that that is the case -- that they are not attending.

ASSEMBLYMAN KENNY: So, what would you estimate it to be -- the number of homeless children there are in your county?

MR. GERHARDT: Well over 1000.

D R. A L A N D E G U I L I O: Eleven hundred as of last June.

ASSEMBLYMAN KENNY: Eleven hundred?

DR. DEGUILIO: As of last June. Probably 25% more today.

ASSEMBLYMAN KENNY: Do you know what that number might be statewide? Do you have any idea?

DR. DEGUILIO: My own estimate of the statewide homeless situation is closer to 50,000 in the figure put out by the DCA. And I would estimate that the children among that is easily two-thirds.

ASSEMBLYMAN KENNY: Two-thirds?

DR. DEGUILIO: Two-thirds of 50,000 would be 30,000. Who's the mathematician here? Around 32,500.

MS. APPLGATE: What is the main thing you attribute to the increase?

MR. GERHARDT: Lack of affordable housing. I worked with homeless for six years. I used to think that people were homeless because of mental illness and because of substance abuse. Ten years ago, a single homeless individual could work three days a week, be drunk four days a week, and still

maintain shelter. They would still have enough to afford their room, to afford their studio. Today they can't do that at all; that what has happened is because of the high cost of housing, the dysfunction that our populations suggest make it almost impossible to maintain housing for any length of time. So, I think the bottom line is it's still the lack of affordable housing, and we can ignore a lot of the other problems as the main causes.

ASSEMBLYMAN KENNY: I'd like to ask you the question I asked earlier today and also at the hearing last week. Rental housing in Bergen County: What is the status of that in terms of its availability, its cost?

MR. GERHARDT: I would quote the same statistics that Joe Masciandaro said and other people discussed. A one-bedroom costs, mid-range, \$650 and you don't get a lot for that. And with families, if you're talking about three person, four person, five person families, you can talk about an individual-- We've had clients who have made upwards of \$33,000 a year with eight kids in the family and can't afford housing in this county. The bottom line is that although there are apartments available, they are not within the price range of most our population.

ASSEMBLYMAN KENNY: Have you had any experience with the conversion of rental housing to condominium units?

MR. GERHARDT: We were talking about it, because I remember statistics, and it's probably wrong, but the Bergen County Planning Board has the statistic in their documents. I remember that over the past 16 years, the suggestion was approximately 1200 units went off the market because of condominium and co-op conversion. I'm nervous because that sounds like a tremendously large figure. But, if you look at Bergen County Planning Board's documents, they have it listed there. So yes, co-op and condominium conversions have killed us.

MR. McGARRY: Would you say there's a distinction between the loss of housing and the location of the housing? In other words, you made an interesting statement when you said how you used to view the homeless and what's come to be. It would seem to me that there could be a difference in the reason that someone loses their current housing, as opposed to their inability to find new housing. Do you follow what I'm saying? In other words, I think the contention could be made that once I lose a place to live, my inability to find another place to live may be the fact that there's just not a lot of affordable stuff out there. But the reason that I may have lost the place where I was living, may be a cause that we want to look at as well. Were you saying to me that you think the cause that they are losing that place is probably non-payment due to substance abuse or the other common problems with that?

MR. GERHARDT: No.

DR. DEGUILIO: Gentrification would be far more important reason--

MR. GERHARDT: In places like that.

DR. DEGUILIO: --for removal of that previously affordable housing from the range affordable by the low-and middle-income people.

MR. McGARRY: So, in other words, people are being evicted from their current housing, because their rent is being raised beyond their ability to afford--

DR. DEGUILIO: The apartment houses are being gutted and the high rent district moves in. Sure. A little co-op or condominium activity takes place.

MR. GERHARDT: In most situations, though, apartments have increased to the maximum for our population, and what they could have afforded five years ago is nowhere near what the rent in that apartment is today.

MR. McGARRY: I think part of what I'm concerned about is that I read some of these statistics, basically, because I

do what you do. I see an awful lot of evictions from public housing and from rent subsidized apartments where rentals are \$50, \$70, \$100. And when I hear people stress the need for affordable housing, it strikes me that when someone's rent is \$50 and they're evicted for nonpayment, that affordable housing for them would have to be free, because when other problems come into play, it rendered--

In other words, there's a certain segment and a sizeable segment of our homeless population whose problems could be resolved by affordable housing. But there is also a segment that affordable housing is not going to resolve the problem for it, and that some look has to be given to those people on how we're going to resolve their problems.

MR. GERHARDT: I clearly agree. We have a loan code, or we did have a loan code until we spent all our money, that kind of fit in neatly with homeless prevention. We were able to be a bit creative with how we funded rents. And there is a population of homeless families and homeless single individuals to which low-income housing would not provide any other-- The bottom line is that you will always have a population, regardless of what is available that still cannot pay the rent for a variety of other reasons.

MR. McGARRY: And that's where I think we're missing the boat.

MR. GERHARDT: But, I don't think it's as large as the rest of the population.

MR. McGARRY: Well, maybe not, but the fact is that those people are-- That area is getting no attention. There's not a big stress on drug rehab programs and the availability of that -- to get those people in that. There's no stress whatsoever. It seems to me, to take care of those areas, it's easy to address that affordable housing thing because we can identify that and we can go after that. But I think the other problems are not being addressed, and you have to look at the

New Jersey State Library

entire problem. Many of these families are multiproblem families, and it all has to be addressed.

DR. DEGUILIO: You're making me uncomfortable, Mr. McGarry, because you're taking a quantum leap to the multi-involved, the multiproblem family and skipping over the majority of cases; those people who are falling through the safety net because of temporary economic dysfunction -- because they lost their job. They didn't plan to lose their job, but they lost their job. Most people in this room would be in dire straits if they lost a paycheck for two or three months. Maybe there's a six monther in the bank. I don't know. That's where the homeless family is coming from in the majority. The homeless family is not in any great number consisting of alcohol and drug abuse problems. There are some, certainly, but nowhere near the totality as exists in the single homeless category. The very, very, important-- I'm the author of this, as I know Assemblyman Roma is aware.

And in this I'll go into, in some degree, the economic factors that have lead to that condition of homelessness. I'm not going to read this to you, I promise, today, because there's no time. In fact I have a very brief statement. If you'd like, Assemblyman Roma, I'll go right into to it now. Let me provide this to you. I'm very pleased to see that Assemblyman Roma is so familiar with the figures in that study.

ASSEMBLYMAN ROMA: It was an excellent publication.

DR. DEGUILIO: It please me to no end. I have a statement that I'll provide, too, in a minute, as well. But, if I may, let me introduce myself. I'm not an employee of Bergen County CAP, but I have been a consultant to that organization and to the county government in the area of homelessness and prepared the study, of I guess some of you have read.

My name is Dr. Alan Deguilic I am by trade a sociologist and an educator. I've been active in county

community affairs for most of this decade. As I said, I'm the author of that document, and from the statewide and county perspective, I've had the opportunity to examine firsthand the causes of the individuals and the groups affected by, and the responses to, this tragic social problem.

In the few short minutes allotted to me today, and with the confidence that you have that publication before you, I'm going to focus on only one aspect of the problem, leaving for the other speakers the opportunity and the responsibility to bring to your attention such things as the need for more advanced approaches, to the amelioration of the psychological and medical problems of the homeless for dramatic improvement in the funding levels of homelessness prevention at both the State and county levels, and for better statewide coordination of the war on homelessness; a war that must be fought on a much more intense basis if the swiftly rising tide of homelessness is to be abated.

The problem I'll address is the need for a massive infusion of affordable housing. Not a new concept by any means, there is widespread agreement that all of the recommendations contained in our study, copies of which I provided to you earlier, as well as the suggestions you receive at this and other hearings around the State, will result in little or no net gain if a major effort with respect to affordable housing is not made. We must greatly expand the housing supply for not only today's homeless, but for low-income, even middle-income families in affluent areas such as this county. Make no mistake about it. The safety net is porous with the fastest growing homeless cohort, being the families with children, who are losing their homes and apartments as a result of being ground down, hopefully just temporarily, by economic conditions, as well as through gentrification and other methods designed to deny the most needy fair access to housing.

What are the answers? Of course, a return to at least pre 1980 Federal spending levels for low- and middle-income housing. A set of programs would suffer a decline of more than 80% in this decade. As Mr. Gerhardt indicated, it's crucial. Unfortunately, however, that alone will not be sufficient. Also needed is the development of a nonprofit sector of low-rent housing. Founded on the premise that such housing be held in perpetuity at below market prices, such a nonprofit entity can take advantage of donations and other low cost acquisition strategies, as well as create financial leveraging to implement scattered site conversion of existing housing -- very important for Bergen County -- and other useful techniques.

In conclusion, let me assure you that this county has done much to deal sensitively with the problems associated with homelessness. Its government is making a sincere effort. And various organizations are right behind me, particularly Bergen County CAP -- has done numerous work with and for the homeless since the first comprehensive shelter was erected in 1984.

CAP's partner, representing the churches and the synagogues of this county, The Inter-Religious Fellowship, is deserving of great praise for its tireless volunteer effort as well. Of greatest promise, perhaps, is the newly incorporated Community Housing In Partnership -- CHIP, a nonprofit housing corporation founded by the leadership of CAP and The Inter-Religious Fellowship. Bob Halls (phonetic spelling), CAP's Executive Director, and the prime mover in the new corporation's development, has been installed as its chief executive officer, and its board is comprised of representatives in government, real estate, the banking community, the construction industry, the religious community, the nonprofit sector, and the public at large.

With major increases in government support for affordable housing, coupled with the initiatives of the nonprofit sector and the enthusiastic participation of the

business community, a well coordinated effort has a chance to effect a solution for the '80's most pressing social dysfunction. Without a massive undertaking, however, the '90s will surely see homelessness growing to epidemic and uncontrollable proportions. The choice is ours.

I'll answer any questions any of you may have. Although I hogged Mr. Gerhardt's time a little bit before, I think he was glad, though.

ASSEMBLYMAN ROMA: One of the questions that I have, and I realize that the condo conversion issue have come up in a number of contexts. It's my understanding that the New Jersey Rental Housing Study Commission had a hearing recently, and they did not see the causal connection to the homeless. And basically the thrust of their argument seemed to be that there should be more rental stock, which is pretty much what we're talking about. If we're cutting off the funding levels that we had in the '80s and we're cutting off the governmental amounts that we have here, basically, we're going to have to go out into the public sector and do something to encourage capital input with restrictions.

Obviously, if somebody wants a capital abatement, they will have to put aside a certain number of units with that understanding. And that, perhaps, is an emphasis that we should be pursuing. We see time and time again that people do not do things automatically for altruistic reasons. We have to give them some type of basis for putting capital into certain areas, and perhaps this is the way to go right now.

DR. DEGUILIO: No question about it, except that without the spark provided by government, it's not likely to happen in the proportions necessary to make inroads on the problem. It's got to be a partnership. It's got to be both involved in dealing with the problem. The private sector is not going to do it all by itself, because if it was going to, it would have, and it hasn't. But with some stimulation from

government-- Government over the years has had an important role to play in a variety of programs that brought the private sector, the business sector, and the banking community into it. But it's got to start from government, I think, from committees from task forces such as this, making enough noise to get that kind of cooperation from government.

ASSEMBLYMAN ROMA: Doc Villane has just issued another report, and I'm sure you're either going to receive it over the next couple of days-- But I would commend it to your reading. It certainly covers a lot of areas that we're talking about in terms of--

DR. DEGUILIO: The DCA report.

ASSEMBLYMAN ROMA: --the DCA report and certainly the direction that we're moving in terms of trying to develop that interest in the private sector. I think that will be an area that we will be exploring at length. If you don't have a copy, I'll make one available for you.

DR. DEGUILIO: I would appreciate that. I read an interview of him where he was commenting on it just this weekend, but I haven't seen the report itself. Has it been released yet?

ASSEMBLYMAN ROMA: Yes it has, and what he'd like to see is an aggressive movement within the banking industry, the construction industry, and the same partnership that you're talking about.

MS. SMARTH (Staff Aide): Pat, may I just ask a question?

ASSEMBLYMAN ROMA: Sure.

MS. SMARTH: (speaks with no mike) I staff the Assembly Housing Committee on the Majority side, and in your presentation you seem to suggest we need more financial leveraging and we need more incentives. Can you pinpoint or can you target incentives that can be used i.e., for developers; for not-for-profits, especially for the banking

industry? I mean the banking industry hasn't exactly jumped into the financing -- the construction of low- and moderate-income housing. I'm wondering if besides using the terms of financial leveraging, we've got to get the private sector involved. What are the specific approaches and methodologies that we need to be fostering in order for them to really take a hard core look at these things and to get into it?

DR. DEGUILIO: At the risk of sounding like an author on a talk show, I want to say, "Read the book." But the easiest answer to give you at this point without having the kind of side bar discussion where we can get very serious about it, is the formation of these nonprofit housing corporations that include the banking community, the real estate community, the construction industry-- Put them in charge along with the other interests, of their fate, and I think they'll do well. Come to them hat in hand, they'll act the way they act to us when we go to them for a loan. But put them as part of the solution, and not just as part of the problem, I think we've got a shot, with government providing appropriate incentives such as what Assemblyman Roma mentioned earlier.

ASSEMBLYMAN ROMA: Any further questions?

ASSEMBLYMAN KENNY: I don't mean to dwell on this -- the condominium thing -- and as the Assemblyman pointed out, there was a hearing last week. I assume it's the same hearing on the Rental Housing Study that I testified at. And I don't know if any conclusions were reached. I sat through three or four hours of the hearing. The issues that was being discussed there, one of the issues, was not opposition to condominium conversions, per se, but to eviction on account of condominium conversion, which is a very different issue.

And, hopefully, one of the findings of this Task Force that I would certainly lobby for, so to speak, is that given all of the testimony that we've had here and on the other day that we met in January, is that at this point in time such

evictions are inappropriate. We had 30,000 evictions in the State of New Jersey last year for various reasons. Compare that to only some 10 or 12 years ago when there were only some 3500. So, the eviction rate in the State has gone up 10 times in 10 years.

DR. DEGUILIO: Six thousand a year in this county alone.

ASSEMBLYMAN KENNY: I mean, that speaks for itself. It's obviously symptomatic of many, many issues and problems. But I don't think we can just say that anyone's concluded that condominium conversions and the evictions associated with them are not related to the problem.

DR. DEGUILIO: Oh, I think they absolutely are.

ASSEMBLYMAN KENNY: You can convert a building and not evict people in it. A certain number of people will automatically buy, others will leave in a period of time, and others, you can give and use leverage and they will purchase it at reduced prices. There is all sorts of middle ground, so to speak.

But, what I find sort of critical is the exchange between you and Mr. McGarry and to me, who is a newcomer to this subject, it's important for me to determine whether the problem of the homelessness as it's now being perceived is -- and these are my own words, I don't know the language of the profession -- is structural; that we have a structural problem in our economy and in our society that goes above and beyond the problems of homelessness that may have been traditionally related to various forms of illnesses, and which those illnesses have even increased over time for drug abuse, alcohol abuse, and so on -- assumed that they've increased. But in addition to that, the problem is compounded by the structural problem we have in our society, about providing affordable housing for working people as well as people who are on the lower end of the spectrum. I think this Task Force needs to be

aware of that distinction, because if it is structural, as well as being symptomatic of various problems in our society associated with illness, then what you're recommending has to happen.

I don't know how optimistic I am as to that happening where the State and the United States government is going to make that commitment within the next five years. You know, I see affordable housing projects in Hudson County to take three or four years to take place and they end up producing 25 to 30 units.

DR. DEGUILIO: You're familiar in the same vein with how many units have been produced across the State as a result of the Mount Laurel decisions?

ASSEMBLYMAN KENNY: What are those numbers?

DR. DEGUILIO: About 2000. And that's how long now -- 13 years?

ASSEMBLYMAN KENNY: So, I just don't know how optimistic I can be. But the gentrification issue-- Where are you going to put this housing? Where are you going to locate it? Where is the State going--

DR. DEGUILIO: Well, depending upon the county-- In Bergen County the best answer is the scattered site conversion of existing housing. There isn't a heck of a lot of vacant land; although there's some, there's not a lot here. And there are other counties where there's more vacant land available. There are other counties that are even more urbanized and where the conversion is the only possibility. But, if suitable funding was provided for that, it would solve the problem. There's no question about it.

ASSEMBLYMAN KENNY: Thank you.

ASSEMBLYMAN ROMA: I just want to clarify one thing, and that is that I was not minimizing -- and I think you understood that -- the need for affordable housing that exists. But as you read the papers, as you listen to the

hearings, as everyone comes and testifies, they testified on that aspect of it. What seems to be missing in all of our hearings the apart of maybe the gentleman back there and some of the others who have come forward, but for the most part we hear, "Affordable housing." We don't hear, "Expand drug rehab programs." We don't hear, "Expand those other things that have to take care of those other people." Those people are part of the homeless problem; those single adults, those people who are aren't going to have their problems solved by that. I just want to keep getting that on the record so that when the final white paper comes out of this, it's going to address their problems as well, because as you see the AFDC regs coming back, as you see all the other regulations, it's all tilted in that direction, and somebody has to be watching out for those other people, because they don't seem to have any advocates.

DR. DEGUILIO: Absolutely. I think you'll be more than satisfied with our elevation on the subject and treatment of it when you read the study. Being an old professor, I stayed very close to only one subject so that I wouldn't take too much of your time. But you're absolutely right. It's a multifaceted problem and it's got a multifaceted set of solutions; not just one thing, but the whole potpourri of involvements we suggested and other have suggested are necessary. It's not going to go away. And it's not going to be solved, frankly, by such notions as the homeless are people who want to be homeless, and the homeless are people who are almost entirely mentally ill, or any other cliches that really bear no relevance to the problem. They are real people and they are falling through the net we talked about.

ASSEMBLYMAN ROMA: Thank you for an excellent presentation and an excellent publication.

DR. DEGUILIO: Thanks a lot.

ASSEMBLYMAN ROMA: Deborah Finn, Port Authority of New York and New Jersey. Welcome.

D E B O R A H W A T H E N F I N N: Good morning. I guess I should say good afternoon. Sorry about that. I don't have a written statement at this time, but I'll be happy to submit one at a later date for your record. I'm Deborah Wathen Finn. I manage a special unit at the Port Authority of New York and New Jersey that was specifically established to look at both operational and longer-term policy issues that affect the growing presence of homelessness at many of our transportation facilities.

The unit that I manage was set up approximately a year ago to date. On behalf of the Port Authority, I do appreciate this opportunity to share with the New Jersey State Assembly Task Force on Homelessness our experiences in addressing the presence of the homeless in transportation facilities. Like so many individuals and organizations, we, too are overwhelmed by the numbers and the diversity of the population that are homeless. We see those individuals as we travel and commute to our places of work, to entertainment, etc.

I'm here today, though, representing the Port Authority, not as an expert in understanding the existence of homeless. I think you have those types of experts here in your audience and, I understand, they have testified earlier. As the earlier speakers have indicated, it's certainly a multidimensional problem. The population is diverse, the causes and solutions are complex. The Port Authority is a major transportation agency, not a social service agency. However, the presence of homeless in our facilities has changed the transportation business for us and many transportation operators around the region and around the country.

Today, I'd like to share with you what we've seen as we see the presence of the homeless. The same amenities that our patrons and tenants of our facilities expect are the same basic needs that homeless persons seek. And in fact, I'd like to make a distinction right now as I describe to you what we

see. We're not seeing homeless families in our facilities. And I think that really gets to one of the points that you are pointing out. We see single adults almost totally. When there is a homeless family in a facility, it's pretty easy to link them in very quickly with support systems in all the communities. That's not to say that there are enough programs in that area, but that's our principal concern. And although we say we're not a social service agency, we have joined with others to champion additional facilities and programs for the single adults.

Let me just tell you a little bit about what we see, though. The food, shelter, security, and a sense of community and opportunities for livelihood are exactly the things that draw homeless individuals to our facilities, and if you think about it, I think you see that if you commute through any transportation center in this region. Their presence though, has very real operational consequences for us as a business operator, ranging from everything from customer complaints, which I think some of you see copies of those letters -- they are sent to the Governor or they are sent to us directly -- increased cleaning and maintenance costs-- It certainly has an impact on staff morale as they try to maintain the facilities, and it certainly has an impact on the criminal element that also might seek refuge in the same kinds of facilities, by camouflaging those criminals.

Our Executive Director often says that what happens is it makes it very difficult to distinguish between the desperates and the desperadoes; the desperates being those homeless individuals and the desperadoes being that criminal element. That's really the challenge that we have as an operator.

What do we see? I've already noted to you that we're not seeing families. In fact, when the press called to ask me to describe what we see at our facilities, they want the

stories about the families, because that's really what people seem to be the most interested in, and that's where the resources are. In fact, there's probably a good reason for that, because if you peel away this huge problem, you can start to make a difference, probably sooner with families, because they have a sense of community right there. In fact, again, as I've noted to you, we've seen that as we've talked to our colleagues in the transportation industry around the country.

We also find that the single adults are very resistant to treatment, and they have multiple of presenting problems. Again, I'm not here to tell you as a social service expert what their problems are. I can tell you what the social service experts that we have consulted with tell us. They range everything from mental illness, drug and alcohol abuse, and the combination of those kinds of things. There are some that are just homeless, but generally, those are people who have been on the streets for years, and who have really dropped out of the system and have really had very little sense of connection with anyone or any programs.

Now, how do we respond? One of the things that we noted as my unit was set up, is that there's very limited social service capacity in either state for single adults. In fact, at any of the hearings that I testified for, that's really been the theme in many cases, because there is a concern. And the numbers appear to be growing. I can't begin to tell you what those numbers are, but I know that there are some advocates in New Jersey who are much more aware of what those numbers would be.

We also see a government sector overwhelmed by the magnitude of the problem; and again, those numbers, and the inability to have the links to connect those people with. Now what we know, is the transportation business. Again, the theme I want to say over and over again, we don't begin to know the social service business. So, we've done several things. One

is we've sought assistance from social service professionals, both in the government sector and the not-for-profit sector, to help us understand who is in our facilities, why they are there, and what are the kinds of programs that exist that we can link these people into. What we don't want to do is to ask the staff in those facilities that are trained to operate and manage transportation facilities to be providing counseling, medical assistance, etc., as well as the patients and tenants that are going in there.

One of the models that we've used initially is to contract with a local not-for-profit provider that will provide outreach and referral services to the people who are congregating in the facilities. In Jersey City, it's Catholics, it's community services, the Catholic charity groups in Hudson County. And they actually go and walk around the Journal Square Transportation Center and try to engage the homeless individuals and try to encourage them to seek assistance or go to St. Luke's Shelter that happens to be in Jersey City. In New York there are other operators with similar kinds of credentials that do the same thing. So that again, they're going in, engaging the homeless, attempting to find out what their needs are and link them into adequate programs.

The other thing that we found helps is within the communities that our facilities are located, we're seeking those community based organizations that know that community best, because one of the things that we've also found is most of the individuals are actually from the surrounding communities where the facility is. They are not a very transient population. And they are seeking a sense of community, whether they can articulate that or not.

And so what we are finding is that a good part of my job, and my staff's job, is working with the various government sectors, organizations, the not-for-profit community based

organizations, and the other business interests in that community. I think that's a point that was made earlier by the gentleman from Bergen County, because our position is we are addressing this as a business operator, not as a public agency, because we are a public agency in carrying out transportation services. But in the area of social services, we can be analogous to any business that's concerned about improving the community in which we operate. So, that when we're in that position, we try to support the local government jurisdiction if they have a project or is beginning to think about it; help connect the not-for-profits and begin to be a force in moving projects along that either provide services or facilities for the homeless.

We think that that's probably the answer and, in fact, when we look across the country and also from our own experiences over the last year, those are the more effective models that we've seen. We also believe that if it's a community based response, there are also a number of benefits that are derived. It builds and expands service and facility capacity which is limited, as I mentioned to you before. It limits the impact of the NIMBY syndrome, which I think is particularly important if you've had any experience in siting any facility like this. The best intentions really come up. There's a difficult soul searching that happens even by the well-meaning people when you say that a facility or service is going to be provided in their back yard, because there is a misunderstanding about who are the homeless, and they think of them as generally dangerous. The uninformed think about them as a dangerous type of person.

We've worked with the community groups to offset that. If there is that local leadership that understands the problem, is developing a program or facility that meets that particular need in that area, you tend to decrease the amount of NIMBY. It also again, provides those local connections for

that previously disenfranchised group which I think is very important, and in fact, that's the principle of many of the church programs, etc., because it give the single homeless adult that kind of support as they are then reintegrating at whatever level they can into society.

I think that you might be interested in terms of one of the projects that we've seen that has moved not as fast as most people would like, but in Jersey City most recently there was a fair amount of press on the project that Jersey City has taken the lead to develop; a combination single room occupancy hotel with a drop-in center component that is proposed to be adjacent to the Journal Square Transportation Center. That's a very interesting partnership of interests that's occurred. Jersey City -- which I'm sure you are aware that the City is responsible for providing services for the single adult homeless -- has linked up with several of the State's agencies, DCA and Human Services, the Port Authority is part of that business community, the religious community, the advocacy groups, and the not-for-profits, to develop a program that is small scale, that would provide in the first two levels of the buildings -- of the site that's proposed, it's not purchased yet -- would provide support services for people who are currently in the streets. or in the transportation center, as well as single rooms on the next six floors that could be a transitional shelter for some of those people who are able to have independent lives as well as other people who may be looking for that type of residency.

That's important because as people have noted before, for people that are the working poor that can begin to meet the rentals in the more standard type of apartment, this is probably a good compromise. What we have seen in talking to social service experts and looking across the nation is that single room occupancy type of facilities can be very effective if there are support services in there, particularly for the single adult, which again doesn't have those links.

I'll be happy to answer any questions that you might have for clarification.

MS. SMARTH: I have a question.

ASSEMBLYMAN ROMA: Yes.

MS. SMARTH: I remember last year, I guess, I sat with Deborah Finn and Pat at the Port Authority and there were a lot of other people from Jersey City that came down to speak to us about this proposed -- what is it? -- a transportation drop-in center. And I was just wondering if you can inform the Task Force, as to where you stand with regard to commitment of Port Authority funds, vis-a-vis what the Department of Economic Development in Jersey City is doing, because at that point, they were trying to acquire property. I don't know where that stands, and I'm just wondering for my own information as a staff person.

MS. FINN: Okay. Well, in terms of the project-- That's the project, Debbie, that I was referring to. Okay, we talked about it. The first two floors is a drop-in center. The drop-in, let me just describe to you what that is and then talk to you about the funding issue. It's a 24-hour facility where people can walk in. It's not a shelter. It doesn't have beds, it provides everything from the basic needs -- showers, meals, clothing -- to medical and psychiatric counseling and job training if people are ready. It will be a point where you can then sort out what the present problems are, what those needs are, and start to link those people into appropriate services, because most of the single adults who you see on the streets or in the facilities have no way of knowing where to begin, and start to build a rapport so that you can begin to counsel them to lead a more normal life, whatever that is.

There's really not an issue of funding at this point. The State has made its commitment. The Port Authority, through PATH has provided \$300,000 as its contribution to the drop-in center component of the project, because it does have a

relationship to the transportation facility. The Governor requested that the Port Authority, through the Bank of Regional Development, provide \$1 million towards the drop-in center component. So, in total, that's a 1.3 amount of money that provides money for the renovation of the drop-in center component. The State, through DCA, is providing approximately 1.3 towards the acquisition and renovation of the rest of the buildings for the single room occupancy, and Jersey City, through a number of different funding techniques that the Housing and Economic Development Department has developed, have committed certain monies.

Now, there's a not-for-profit provider now that has joined the picture and has taken the lead on the project, which I think is a significant move. It's a key turning point, I think more so, than the money being earmarked. And they are currently negotiating with the owner of the building at 57 Sip Avenue in Jersey City. So, there is funding; there's a pool of money. But until the deal is cut, you don't know how that plays out. And all those things are estimates, because until you really go in and own the building and are able to do the kind of feasibility study that you need--

MS. SMARTH: Okay, thanks.

ASSEMBLYMAN ROMA: Just an observation. As we're talking about putting up affordable housing and all of the other concepts, there was a recent Roper Poll that indicated that 68% of the Americans were in favor of the affordable housing, that which we're talking about, and yet at the same time, we have a decrease in funding at the Federal level and at the State level. I'm just wondering to what extent -- I know we have two of the reporters here -- that perhaps with additional enhancement of this issue that we're in a position to make more people understand not only the critical nature, but the alternatives that may be available for us, either through the private sector or to dispel some of the notions of

the homeless and who those people are? And perhaps when everybody starts to realize that veterans and children and mothers are affected, there will be a different perception. We're hopeful that that's the direction that we're moving in.

MS. FINN: But I think it's also an interesting contrast that the Roper Poll said that, and then there was the CBS/Gallup Poll that said that Americans would also agree to a tax increase to help the homeless. But when they are faced with the siting of a facility in their community, it does raise a lot of emotional issues, and I think that that is what we say to the press whenever I talk to them. In fact, Steve Berger just recently did a forum on this with the press. We have to depend on them presenting those effective models and describing the population in a way that helps dispel those concerns, because a quality program can be run right in the middle of a residential or a business area, and we've seen it work very well if it's small-scale and well-managed.

ASSEMBLYMAN ROMA: Well, thank you.

MS. FINN: Thank you.

ASSEMBLYMAN ROMA: We appreciate you being here. Ed Purtil, AFL-CIO Community Service. Good afternoon, Ed.

EDWARD PURTILL: My name is Edward Purtil. I'm the Director of the Community Service Program of the Bergen Central Trades and Labor Council, AFL-CIO. One of my responsibilities is to involve myself in the concerns of the affairs of the community, and as such, I am a member of the Bergen County Coalition for the Homeless. This document that you have in front of you was put together by one of its members, Tom McKenna who's a member of the Human Service Department of the County of Bergen. He put this document together with, I'm sure, the help of many other people that are on the Coalition.

The Coalition consists primarily of most if not all of the human service providing agencies in the county, whether

they be private, profit, or nonprofit, governmental -- Federal, State, or local levels. I'd just like to read a couple parts of the document for the record. I'll start with the very first part which is, "Homelessness":

"Five years ago at the prodding of the Bergen County Coalition for the Homeless, county officials hauled a construction trailer to the parking lot behind the courthouse in Hackensack, outfitted it with cots, chairs, and a coffee pot, and opened the county's first temporary emergency shelter for homeless persons. The date was February 15, 1983. That evening, nobody came. Three days later, eight persons spent the night. By the time the shelter closed on May 3, 1983, 117 persons had sought refuge there from the cold."

I'd like to add a little footnote to the paragraph, and that was, that one of the requirements at that time, was that the people who were using the facilities were prohibited from laying down. They were not allowed to lie down. They had to sit up. They couldn't enter the facility until 7:00 at night and they must vacate the facility by 7:00 or 8:00 the next morning. We've come a long way since then, but in any event, only a few short years ago, that's what some of the homeless people had to contend with.

"Today, according to a recent study by the Bergen County Community Action Program, there is an annual census of 1300 homeless single persons and 500 homeless families in Bergen County. On the basis of three individuals per family, the CAP study estimates a total 2800 unduplicated homeless individuals in the county. On the assumption that each single person is homeless for one month and each family is homeless for three months, on any night there are on the average 108 single individuals and 125 families in need of shelter here in Bergen County.

"The human services system presently addressing emergency shelter is far more extensive and sophisticated than

the first effort operating out of a construction trailer. Despite increasing expenditures of dollars and the development of a host of professional and volunteer networks, we cannot claim to be adequately addressing this need. The Coalition continues to advocate for an increase in temporary emergency beds for both individuals and families who are homeless. It also advocates for services in mental health treatment and alcohol and drug rehabilitation that are especially relevant to homeless individuals. In doing so, however, we affirm that the phenomenon of homelessness is symptomatic of a much larger problem" -- one that is only tangentially related to human services -- "and that is the issue of affordable housing.

"It should come as no surprise that the most vulnerable members of a community become the most visible and dramatic expression of that community's plight. As rents and property values rise, one wage-earner families find themselves unable to meet shelter costs and become subject to eviction. Agencies that traditionally established neighborhood residences for groups of vulnerable individuals find that the real estate costs are far beyond what public funding provides in making matters worse, inflated property values intensify, and render almost impregnable community opposition to such residential programs."

Now, I'd just like to read two more parts. I'll read the conclusion first and then skip back to one of the other paragraphs: "In conclusion, a newly released report on the plight of homeless persons by the National Academy of Sciences contains a postscript uncharacteristic of such reports, in which the authors express their anger and dismay, calling contemporary American homelessness 'an outrage, a national scandal.' They write their recommendations are too limited to address the broader issues of homelessness, especially the supply of low-income housing, income maintenance, the availability of support services, and access to health care for the poor and the uninsured.

"The root of their anger may well be their finding that on any given night 100,000 American children are homeless. Here in Bergen County that translates to about 80 children on any given night. Their relatively small and manageable numbers should not diminish but rather enlarge the scandal of homelessness in our county. We would do well to borrow a measure of the anger that moved this body, and to employ it to shatter the complacency that seems to pervade our attempts to respond adequately to the needs of our fellow citizens. That response will approach adequacy when all of us, private and public sectors, take effective action to provide shelter for all of our citizens.

He also, in the document on page four, "Adgenda for Action--" I'll just read the part with regards to leadership: "Addressing the problem of affordable housing is first and foremost, then, the responsibility for those whose oath of office binds them to promote the general welfare. This responsibility demands a stance for leadership that transcends partisan issues and sets squarely before the public the hard choices a commitment to housing for all will entail, as one of our media pundits has said, 'Leadership is the ability to inflict pain, and get away with it.' We suggest that the Mount Laurel decisions and the Fair Housing Act of 1985, for which the State of New Jersey is widely and justly acclaimed, are not substitutes for that leadership without which these judicial and legislative remedies will fail.

"We address this need for leadership to our Governor and to our county executive and to our State legislators. We recommend as a first step that both executives convene working groups of legislators, bankers, builders, business and industry representatives, housing advocates, planners, educators, governmental officials, and other interested parties. These groups should be charged with the developing legislation, resources, advocacy efforts, marketing strategies; in a word,

all that is needed to accomplish the job. We are under no illusion that the creation of another committee will resolve our housing crisis. Rather, we take it as a demonstration of serious concern for the general welfare that our elected officials gather the best minds available not only for their counsel, but also for securing the involvement for those upon whom the success of any plans will rest."

Just briefly, in conclusion, in an expression of a picture worth a thousand words -- I don't have pictures, but maybe I can describe it, or at least, I'll attempt to-- Our office, the United Labor Agency, the AFL-CIO Community Service Program in Bergen County is situated right on the second floor, which is on top of the Community Action Program of Bergen County. We invite you all perhaps to be there tonight at 214 State Street at 7:00 or 8:00 and see the people that are going to the various shelters with children being hustled out of the buildings, onto vans, and taken to the various shelter sites throughout the county; and then repeat that in the opposite direction the following morning, which will be tomorrow morning, and you see them coming back to the Bergen County Community Action Program offices and facilities to spend the day there. I guess, they receive some kind of counseling in various social programs, and it's repeated night after night, and morning after morning.

Also, you have to take the occasion at times to walk up Banta Place, which is adjacent to their building. You'll notice that during the day, you'll see a bunch of workmen carrying day beds and loading them onto vans and taking them to the various sites, and then the next day repeating the same process, because in most cases, they are not able to stay at the same site two or three nights in a row because they change and they alternate.

Also, The Bergen Record had an article about a week or so on a Sunday indicating the number of people homeless in

New Jersey State Library

Bergen County, and it mentioned, four in particular -- one was an employee of The Bergen Record, which I'm told pays pretty good wages -- but they were homeless. Also an employee of Becton-Dickinson, that's a large pharmaceutical company, one of the giant corporations of the country; and two others. One was a county employee and the other was an employee of Bergen Pines Hospital, also a county employee. So, you have county government people, and you also have people in the private sector, big corporations, that are homeless and employed.

I had the occasion to assist one of our members from one of our local unions who had a learning disability but worked for an employer for about 20 years, and for some reason or another, they just tired of having him around, and he was discharged. And he lived in the community for 15 years. I acted as his advocate to the welfare department of that particular community in Bergen County. And the best thing that they could come up with, was that they would be able to put him up in the Y in Paterson. I mean he lived in Hackensack. He lived in this community of Bergen County for 15 years. Why should he have to go to Paterson to now live? They refused to put him up. However, they felt good about the idea because they were able to get him a stipend of whatever it was in terms of welfare, which I essentially considered to be a ticket out of town because they refused to provide any kind of direct services to that individual. He slept all over. Eventually, he ended up going down to Maryland, leaving the community which he had lived in for 15 years and he moved in with his elderly parents who were both in their 80s.

To conclude with two more. At the Center for Food Action I had the privilege of being a board member for about six years. That's a food bank that's located in Englewood. Now, I think it would be very interesting or very important for you people to be on their mailing list for their newsletters, because it's an indication that annually the coming year will

exceed and does exceed the preceding year in the number of food packages that they distribute to the needy.

And we have 70 communities in Bergen County and there's about 55 of them that are listed in their newsletter as citizens being recipients of their services -- incredible -- 55. And lastly, we meet once a month, this Coalition for the Homeless. And last Tuesday, which was our monthly meeting of March -- Thursday, rather -- we had the privilege of having in our presence a woman who was in her 80s who was a resident of Little Ferry. She moved to Little Ferry in 1934 and she bought a home in 1939. Last October, in her 80s, she was evicted from her home and she is now a client of the Community Action Program of Bergen County. She's in her 80s. She's a very delightful lady. She has all her wits about her. And after the meeting, she just left and went downstairs to become again a client of the CAP. And with that I'll conclude and thank you very much for your patience.

ASSEMBLYMAN ROMA: Thank you. According to my list, we have one additional speaker. Phoebe Seham, Esq., the President of the Women's Rights Information Center.

P H O E B E W. S E H A M, E S Q.: Thank you. My name is Phoebe Seham. I'm the President of Women's Rights Information Center. I'm also a member of the Bergen County Commission on the Status of Women and an organization called Women's Round Table.

At Women's Rights Information Center, our main concern is with the population of families and specifically, single parent families, who prefer to be called, "one parent families," I have learned. According to a study done by the League of Women Voters, I think in 1981, this is the group whose housing needs are least met among all those who have great housing needs. Ninety percent of these families are headed by women, and that holds true in our population of clients -- it's about 91%, but that's very, very close.

Since you've asked what other things need to be handled, as well as the shortage of affordable housing, that to me is paramount. But a great help would be greater enforcement of the collection of child support payments. New Jersey has been praised as being one of the states who does the best in collection of child support payments. New Jersey collects 30%: our default is 70%. Only two other states share that default rate and the others have a greater default rate. So, if we can do something about putting some teeth in that enforcement, I think it will do a lot for the income of single parent families, not all single parents, however.

The usual causes -- high cost of housing, low pay, evictions, buildings going condo -- most of these people are fully employed, but their wages do not cover the total cost of supporting a family. In many cases, it would be a matter of not being able to pay the real estate commission, the security, the month's rent in advance. They might be able to squeeze out the monthly rent, but this big chunk of cash at the beginning is beyond them.

I will also tell you where some of the children are. They are in foster homes. Because my information is that more children are put in foster homes because of homelessness than any other reason. And sometimes people have trouble getting them back when they have a home. So, that's something that horrifies me.

We have a project since 1986 called Shared Housing for One Parent Families. It doesn't build housing, but it does take care of people who are waiting for affordable housing to be built, and it takes care of preventing homelessness for the number of families that we're able to help. The people that we deal with, 99% of them would not be able to maintain their mortgage payments or their rental payments alone without some kind of help. They have lost their home, or the loss of their home is imminent.

We interview them very, very thoroughly and we run a matching service. We introduce people to each other. We talk about life styles, geographic needs, family size -- "Do you stay up late, do you play music, do you smoke?" -- every question that you might want to ask somebody. We introduce people to each other and they make their own sharing arrangement. We have a suggested living together agreement that we urge them to enter into and we're available for conflict mediation. People have said to us, "If I'd had gone through all of this preparation before I got married, my marriage perhaps would still be going." Another possibility is that they not have married that person.

This is not a total solution, but the fact is that there are three levels to the housing need. One is long-term permanent affordable housing, one is transitional housing, and one is emergency shelter. The emergency shelter need has alerted all of us to the other needs. But it is the lack of our attention to the other needs that has lead to the need for shelters. What we do, as I said, is to prevent homelessness for the people that we deal with. In the calendar year ending October 1, which is the one I have the best figures for, we were able to match seventy families who then didn't have to go to shelters. We counseled 1200 other people who were not perhaps eligible for matching, but we were able to help them in other ways, because we have become a center for information about all kinds of housing options.

At our center, we also have employment counseling. We have alcoholism counseling. We have a number of other projects that can help people, because if someone has a housing problem, she may also have other problems. But it's hard for her to look for a job if she doesn't have a place to live. I say "she," because 90%, of our clients are women, but we have helped families headed by fathers as well.

That's basically what I have to say. This is

transitional for many people. If they are able to collect together, save up from their salaries the money that's needed for the commission and the month's rent in advance and so on, they may then prefer to go out and be on their own. Most people would prefer to be independent. For some people, it is permanent. They find it congenial, and they stay with it. People who own homes and who needs someone to come in and share the home with them, to help with the mortgage payment will come back to us. If one of their sharers moves out and becomes independent, they will come back to us for someone else. We've had many of those.

One of our difficulties-- We've been nationally honored for our program, which we do with the help and co-sponsorship of the National Council of Jewish Women, the Northern Valley section. We've also received a State demonstration housing grant and at the end of that, we were told, "You're wonderful, you've met all your goals, fantastic. Good-bye." This was a one-year grant. There are grants for building housing, but the trouble with that is it takes a long time to get it built, assuming that you get the grant and you make plans and that you find the site. There's a time lapse. What do the people do while they're waiting for the building?

There are grants for services of the homeless at the other end of the spectrum. We fall into a crack. And I would like to urge that plans for transitional housing such as ours are equally deserving of funding, because you've got people who will be able to manage independently, if our kind of project is around. But without us they will fall into the homeless population and their problems will become greater, because the stress caused by lack of housing can cause mental illness. It's not always caused the other way around.

I thank you very much for your time. I will give you some written testimony, but I also have these little pamphlets to give to you.

ASSEMBLYMAN ROMA: I may suggest that you may want to attend one of the appropriations meeting. We'll be starting our schedule shortly. It would be a good opportunity to present testimony with respect to that particular project. Also, you may be aware of a child support law that was recently signed by the Governor, which was in conjunction with Federal legislation making it a little easier to track the husbands who are not making the payments. As you are aware, as an attorney, it's sometimes very difficult to collect arrearages, but with this new law that was signed, we'll be able to use the parent locator system much more effectively to be able to find those fathers who have left the State.

MR. SEHAM: I'm happy about that, Assemblyman Roma, and I'm also a member of the New Jersey Commission on Sex Discrimination in the Statutes. We drafted and lobbied and got through the State Legislature a law in 1985, putting more teeth into the child support collection process. However, you can have wonderful laws on the books, it then depends on what happens, where the priority is for enforcement. I'm waiting to see the results. Actually, our default rate was 95% prior to the State law that was passed. So, it's going down to 70% which I guess is better.

I also want to say that other people have tried this shared housing and have been less successful. So, I think that you have to be good at-- There's a project in Passaic County that was able to match three families in one year during the year we were matching 70. So, if we get funding, we'd be very happy to do training of other projects, because, I guess we know what we're doing. Thank you, again.

ASSEMBLYMAN ROMA: Thank you. I didn't mean to leave you off the list. Welcome.

S I S. N O R B E R T A H U N N E W I N K E L:
Thank you. Everybody has spoken eloquently on problems on the homeless: And so I don't need at this point of the day to

reiterate them. One thing that I would like to go back and look at is: 1) Why is there not someone from Hudson County speaking on what they are not doing, or needs that they have? I'm not adequate to speak for Hudson County. I'm not part of the governmental agency.

Primarily what I wanted to just encourage you to do-- I think the gentleman who spoke about the bipartisan kind of support-- There's a bill before Congress now that's entitled H.R. 140. I'll give you a copy of it. I did find at least an excerpt on it. And for those who are still left in the room, I would encourage you to write to your Assembly representative and Senators from the State to encourage them to support the bill. It's the Permanent Housing for Americans-- Essentially, it suggests taking \$2 billion to rehabilitate housing -- Federal, State, or local housing -- and put it back on the market for low- and moderate-income.

I think one of the things we can talk about endlessly is about all of the programs that we need-- I think there are three types of homeless people. One, are the people who have no significant problem other than there's no affordable housing. Given the opportunity, though, they'll zip into that housing and you won't hear from them again.

The second level are those people who don't have affordable housing, but also need a support group. They need the affordable housing, but they also need the support group. They need a community base. They need a caring person to talk to when problems become insurmountable. They may have no big significant problems, but they do need a support group. And they will be in and out of temporary housing. Welfare may put them someplace for awhile, and they'll lose that because they still need that support group.

Then you finally have the people who probably are not ready for housing yet. We see those three types of individuals in our shelter all the time, and we feel that it is possible.

But screaming above all of that is the affordable housing. We need mental health programs. We need, need, need. We need housing. You can have all the caseworkers -- and we need all of them. You can have all the mental health programs -- and we need more of them. But if we don't have the housing to put these people in, we're going nowhere. And I think that we need to say, "Yes, we need a whole bunch of things, but primarily, we need the affordable housing." I had this dream that if all the agencies and all the State elected people-- All of you represent a constituency of some sort or another. If you would band together and give to the Federal government the mandate, "We're not going to take this any more! We need the affordable housing!"

I can believe that in 10 years what's almost become something for me, too, is not to think too much when I see a homeless person on the street. Ten years ago, it was the exception to see that. Now, you go into any of your mass transit stations and it is not unusual to see people there needing a whole lot of things, but essentially needing housing. So, I would ask you please, put aside the political things that may come between you in advocating for this and say, "We're not going to take this any longer. We need the housing."

And I think if the Federal government heard this loud and clear, some of the other things that need attention, and certainly, there are multiple things, it would probably take a side seat until we get back on track of building housing. I mean there's no guess of why we need the housing today; because of the budget stipulations over the last eight years. That's not a political statement. The reality is that housing funding has been cut substantially. We're reaping the benefits of it. It's going to take us years, even if we start today and build housing.

So, I'll give this copy to whomever. And I would ask you for H.R. 140 and it's to create more housing. Thank you.

ASSEMBLYMAN ROMA: Thank you.

SISTER HUNNEWINKEL: (speaks with no mike) I'm interested in the not-for-profit coalitions that might help to sponsor some housing, and I would be interested in talking with anybody who is interested in it also. One of the worries that I have is that usually the not-for-profit people are church people whose primary function is of a totally different nature than providing housing -- going into it in a very unskilled or perhaps some unknowing kind of way.

I think perhaps some skilled people in that might prove a very beneficial mix of people. But to depend on church groups to provide housing is, I think, being very unrealistic; and also taking the person out of their area of expertise. But to be a funding source is a very possible thing that I think not only myself, but the Coalition who sponsors the shelter is also interested. So, I just encourage you to contact us or let me know and you contact those people who might be interested in that. Thank you.

ASSEMBLYMAN ROMA: Thank you, Sister. Is there anyone else left to testify? (negative response) I'd like to first thank everybody for being here. Given the weather conditions that we've had, We've had remarkable attendance. I'd also like to thank Rev. Mackey for the use of the Church. Rev. Mackey has been extremely helpful in setting up the program. And I understand this is the 125th anniversary. That's quite an occasion. We'd like to congratulate you. I'd like to thank the staff for setting up all the arrangement that we have here; and in particular, Committee members for being present. Traveling from different areas was kind of difficult. It's a very difficult issue. We'll have a few more meetings, and hopefully as a result of this input we'll be in a position to put forth recommendations that will embody the necessary commitment that we need to have affordable housing. Thank you very much.

(HEARING CONCLUDED)

APPENDIX



New Jersey Association of Health Care Facilities

LEXINGTON SQUARE COMMONS
2131 ROUTE 33
TRENTON, NEW JERSEY 08690-1740

TEL 609-890-8700
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**STATEMENT BEFORE
ASSEMBLY TASK FORCE ON HOMELESSNESS
PUBLIC HEARING ON DELIVERY OF
SOCIAL SERVICES TO HOMELESS PERSONS**

BY

**SAMUEL FIERRA, VICE PRESIDENT
NEW JERSEY ASSOCIATION OF HEALTH CARE FACILITIES**

TUESDAY, MARCH 7, 1989

MY NAME IS SAMUEL FIERRA; I AM VICE PRESIDENT OF THE NEW JERSEY ASSOCIATION OF HEALTH CARE FACILITIES. THE ASSOCIATION REPRESENTS MORE THAN 200 NURSING HOMES AND LICENSED RESIDENTIAL HEALTH CARE FACILITIES ACROSS THE STATE.

I AM PLEASED TO APPEAR TODAY ON BEHALF OF THE RESIDENTIAL HEALTH CARE FACILITIES -- RHCFS -- THAT ARE LICENSED BY THE DEPARTMENT OF HEALTH.

/X

THE RHCFS IN NEW JERSEY ARE FACING A CRISIS WHICH, AT BEST, WILL RESULT IN LOWER LEVELS OF CARE AND, AT WORST, WILL LEAD TO INCREASING HOMELESSNESS.

THERE ARE APPROXIMATELY 11,000 RESIDENTIAL HEALTH CARE BEDS IN 260 DIFFERENT FACILITIES ACROSS THE STATE. MORE THAN 6,000 OF THE RESIDENTS OCCUPYING THESE BEDS ARE CONSIDERED DISABLED AND ARE LIKELY TO BE SUFFERING FROM MENTAL ILLNESS. MOST OF THESE RESIDENTS ARE SSI RECIPIENTS WHO MUST LIVE ON \$17.03 PER DAY. OF THAT, \$15.16 IS PAID TO THE RHCf. FOR \$15.16 THE RHCf MUST PROVIDE SHELTER, FOOD, PERSONAL CARE, HOUSEKEEPING, 24-HOUR SUPERVISION, MANDATORY HEALTH MONITORING BY A REGISTERED NURSE ON A REGULAR BASIS AND SUPERVISION OF MEDICATIONS.

THEREFORE, IT IS NOT SURPRISING THAT AT \$15.16 PER DAY OVER 120 HOMES HAVE CLOSED AND MOST REMAINING FACILITIES CAN NO LONGER AFFORD TO ACCEPT SSI RECIPIENTS. THERE IS A CORRESPONDING INCREASE IN STATE HOSPITAL CLIENTS LANGUISHING IN COUNTY INSTITUTIONS WITH NO PLACE TO GO AND A CORRESPONDING INCREASE IN THE RANKS OF NEW JERSEY'S HOMELESS POPULATION.

IT SHOULD BE NOTED THAT RESIDENTIAL HEALTH CARE FACILITIES HAVE LONG BEEN RELIED ON AS NEW JERSEY'S INITIAL ALTERNATIVE TO HOMELESSNESS FOR THE SINGLE ELDERLY OR DISABLED ADULT ON SSI.

ABOUT TWO YEARS AGO, A SERIES OF STAR-LEDGER ARTICLES EXAMINED CONDITIONS IN RESIDENTIAL HEALTH CARE FACILITIES AND BOARDING HOMES. AT SUBSEQUENT HEARINGS, ONE SINGULAR, CRITICAL STEP WAS

STRONGLY URGED BY ALL RESPONDENTS - AN UPDATING OF THE SUPPLEMENTAL SECURITY INCOME REIMBURSEMENT RATE IN NEW JERSEY.

AS A RESULT OF THIS ISSUE, OUR ASSOCIATION COMMISSIONED A STUDY OF COST AND SSI REIMBURSEMENT IN NEW JERSEY'S RHCFS. THE STUDY WAS PERFORMED BY URBAN HEALTH INSTITUTE OF ROSELAND.

THE STUDY REVEALS NEW JERSEY'S SERIOUS UNDERFUNDING OF SSI FOR MORE THAN 6,000 FRAIL, DISABLED AND MENTALLY ILL LIVING IN RESIDENTIAL HEALTH CARE FACILITIES. THIS POPULATION'S FUTURE ACCESS TO ADEQUATE SHELTER, FOOD AND CARE IS THREATENED BY A DECREASING NUMBER OF BEDS AVAILABLE TO THEM, ACCORDING TO THE STUDY.

THE STUDY ALSO REVEALS THAT:

- * WHILE THE FEDERAL GOVERNMENT'S SSI MONTHLY SHARE HAS INCREASED FROM \$157 TO \$368 SINCE 1976 -- A 134 PERCENT RISE -- THE STATE'S SSI SHARE HAS INCREASED ONLY 13 PERCENT IN 13 YEARS -- \$132 TO \$150.
- * TWENTY-THREE OTHER STATES REIMBURSE AT HIGHER RATES THAN NEW JERSEY.

THE STUDY SHOWED THE COST OF SHELTER, FOOD AND CARE FOR A RESIDENT IN A RESIDENTIAL HEALTH CARE FACILITY IN NEW JERSEY TO BE \$21.05 PER DAY IN NOVEMBER 1987. AT THE CURRENT REIMBURSEMENT RATE OF \$15.16 TO THE FACILITY, A \$6.00 PER DAY INCREASE PER RESIDENT IS NEEDED TO JUST COVER COSTS.

3x

WE URGE THE LEGISLATURE AND THE GOVERNOR TO INCREASE THE STATE PORTION OF THE SSI REIMBURSEMENT. WITH AN APPROPRIATE INCREASE, THE RHCFS WILL BE IN A BETTER POSITION TO DELIVER THE QUALITY RESIDENTIAL CARE WE ALL SEEK.

OUR ASSOCIATION APPLAUDS THE EFFORTS OF THE TASK FORCE BOTH COLLECTIVELY AND INDIVIDUALLY, AND WE STAND READY TO ASSIST YOU IN ANY WAY WE CAN. THANK YOU.

###

4x

TESTIMONY BEFORE THE
ASSEMBLY TASK FORCE ON HOMELESSNESS
ON TUESDAY, MARCH 7, 1989

UNION COUNTY DEPARTMENT OF HUMAN SERVICES

The Union County Department of Human Services welcomes this opportunity to highlight for the Task Force certain issues related to the interrelationship between State, County and local agencies. The Department of Human Services works closely with private nonprofit organizations and State agencies to coordinate services for the over 3,000 homeless persons in Union County.

The most critical factor in the ability of social service providers to serve the homeless is the lack of funds. With 118 shelter beds in Union County currently, at a conservative estimate of an average 2-months stay per shelter bed, we could double our shelter space and still overflow into motels for emergency placement.

Of the four funding streams currently available specifically for homeless services, one has received a 50% cut from last year. A second has been slated for a virtual elimination after this year. Services for the homeless require more than one-time commitment. The commitment must be ongoing.

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In order for the County's planning and coordination efforts to be successful or meaningful, we need State assistance through funding. The State's efforts to develop transitional housing arrangements are to be applauded, but short term emergency response services must not be neglected while other needed services are put in place.

Beyond support through State funding, we at the County level need State support of our locally developed service priorities. Union County has recently completed an extensive community based process to develop local service priorities for the homeless. In this way, the local organizations' priorities are one and the same with County priorities. Each County's response plan to the needs of their homeless population must be individually tailored to local needs. State recognition and support for this fact would further Union County's efforts to deal with homelessness.

We thank the Assembly Task Force on Homelessness for providing this opportunity to relay these needs.

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TESTIMONY TO
THE NEW JERSEY TASK FORCE ON HOMELESSNESS

PUBLIC HEARING - MARCH 7, 1989

SUBMITTED BY:
JOSEPH A. MASCIANDARO M.A.
EXECUTIVE DIRECTOR
Mid-Bergen Community Mental Health Center/
Psychiatric Emergency Screening Program for
Bergen County

Members of the New Jersey Assembly Task Force on Homelessness, I wish to thank you for the opportunity to testify on one of the most worrisome social issues of our time: homelessness. I wish to commend the chairperson of the Task Force, Assemblyman Roma, for holding this hearing in Bergen County, where the reality of homelessness is familiar to all who provide social services; all too real for the families and individuals in need of housing; but often denied in falsely premised perceptions of Bergen County as a wealthy and unneedy community. In fact, the contrasts between poor and wealthy, housing costs, types of housing available (or not available), and the sheer size of the county's population all combine to make the homelessness problems uniquely complex and burdensome.

The major cause of homelessness as has been clearly documented by Bergen County CAP; and the Interreligious Fellowship for the Homeless in Bergen County is the growing gap between the rich and the poor; the cost and availability of affordable housing; the growth and prevalence of single parent households; and the estimate that @ 30% of the homeless are mentally ill.

When the problem of homelessness reached national awareness it was perceived to be primarily the consequence of poorly planned and executed de-institutionalization of the chronically mentally ill from State hospitals to non-existing community housing. Considerable more careful analyses have demonstrated that people with mental illness constitute only a portion of the homeless. However, while the affordability and availability of housing are problems for all who are homeless, the discontinuity in mental health and social services planning is a particular aggravating factor for the mentally ill.

As the Executive Director of a Mental Health Agency which provides 43 supervised group home beds, and @ 35 "independent" slots in apartment settings, I wish to offer comments specific to A) mental health planning continuity; and B) general issues and concerns in regard to housing assistance for people with mental illness

A.- Mental Health Planning -

1) Economic factors.

Individuals with chronic mental illness and their families are faced with certain economic devastation as a consequence of the cost of "treatment" for mental illness.

While current "Mental Health" policy prioritizes treatment in "the least restricting setting", financial payment is overwhelmingly skewed for services provided in the "most restrictive setting". In other words, while care is most desirable in outpatient settings, payment is provided for hospital based care.

This year's Budget estimates the cost of State Hospital care at @ \$55,000 a year which is paid for either 50/50 by the State and County; and for a small number of people by Medicaid. Cost in private Psychiatric Hospitals can be 3 to 4 times that of State Hospitals and is often covered through Major Medical Insurance coverage.

At this time the New Jersey Department of Insurance does not require a mandatory coverage for mental illness. The result is the inclusion of mental illness in Major Medical policies which are geared for reimbursement of in-patient services. Effective outpatient programs such as Partial-Care; Case Management; Medication Monitoring; Psychotherapy; etc. are usually not covered.

In our society, those without medical insurance, are then care for by the "public system": if you have a family member with chronic mental illness, he/she will for sure become part of the public system during their lifetime.

2) De-institutionalization/ Non-institutionalization

While we publicly continue to harangue the ills of de-institutionalization, by far a much larger impact is created by the inability fo the client to receive hospital care when needed... or I should put it this way... as long as the individual has insurance that care is available; however, our public mental health policy not only defines the mandate to de-institutionalize; but also makes it extremely difficult to hospitalize in the public system, except in case of documentable dangerousness. Particularly, the need for long-term care, under state auspices, in hospital settings is glaringly unmet.

3.- Community Care -

New Jersey provides most community care through contracts with non-profit organizations. Typically a cost sharing arrangement is defined during initial contract negotiations. however, in following year N.J. provides inflationary adjustments only to their portion of the contract. This, over time, creates serious funding problems, which tend to be displayed in difficulties in staff recruitment and retention. The support of people with chronic mental illness is best provided in a context of stable relationships with staff... turnover impairs this process, and the by-product may be client disconnecting from services.

Community care is also victim to yearly "service fad" funding, which abandons promising new programs to inevitable fiscal constraints. For instance, a much publicized effort to cut 300 beds at Greystone Park, and creates community beds, to be funded by "money preceding the patient" is frozen in this year's budget at 2/3 of the promised allocation. The long term consequences of such action will certainly include homeless mentally ill people.

B. Homelessness

General Issues/Concerns:

1. Lack of N.J. State Rental Assistance to provide for S.R.O. status. Meaning, people could be serviced in already established dwellings and boarding homes. Average boarding/rooming house costs = \$90 per week (not including food). S.R.O.'s would allow for an increase in the amount of Rental Subsidy Certificates/Vouchers available to a) families b) those with a pre-established support system (Group Home Graduates, etc.).
2. The State Rental Assistance Program has not increased their Payment Schedules to keep up with present Fair Market Rents. For example, a one-bedroom apartment in Bergen County presently rents for (on average) \$675, including utilities. The Present Payment Schedule followed by the State is based

on a maximum housing cost of \$578. The difference in the amount of payment allowed and the actual cost of housing creates a financial deficit that is ultimately carried by the client. The present voucher program in the State can work to increase the percentage of rent paid by the client from the expected maximum of 30% to as much as 40-50%. If the Payment Schedule presently in place by the State is increased to match the Fair Market Rents, this problem would be eased and participants with the program could inevitable pay only 10-20% of their gross montly income towards rent.

3. The obstacles facing those with a housing need are many even after a certificate or voucher has been obtained by the client. To begin with, provisions are not in place for assisting the client in securing:

- a. Realtor Agency assistance (e.g. equivalent to one month's rent.)
- b. Security Deposit once a location has been found. Rental Assistance will cover one and a half month's security (by contract), but Landlord has the right to demand security up front, and often do.
- c. Security/Start/Installation funds are not available to clients (e.g. Telephone service = \$100. P.S.E.G.= \$200 deposit on service.)

d. Furnishings, household goods, linens, etc. need to be supplied to the client. When donations are received for furnishings, clients are left with the dilemma of moving them.

e. Lack of services available to assist clients in "hunting down" prospective apartments (e.g. transportation, advocacy/liaison between client and landlord).

4. Frequently, those people deemed "homeless" do not possess the needed skills for successful home management. For example, banking/budgeting skills, meal preparation, socialization with neighbors, the ability to network themselves with community supports and essential services.

5. Lack of a fixed/steady/ or adequate income creates major barriers to securing and maintaining housing. However, were it not for the policies in place by the Rental Assistance Program, clients with low to moderate income would find it impossible to find housing within not only Bergen county, but New Jersey as well, and hence be among the ranks of the States homeless population

6. Typical client benefits and resulting monthly income:

Supplemental Security Income: (current montly maximum benefit) \$399.25.

Social Security Disability: (varies according to clients individual work history and annual earnings) \$100 - \$900 (per month).

General Assistance: \$210 (per month).

*Average client monthly income does not even equal half of the typical cost of a one-bedroom apartment in Bergen County.

Example: If a client, with a gross monthly income of \$399.25 (SSI max.) is sponsored by the Rental Assistance Program, that client must pay 33% of their gross monthly income towards their rent. This would leave the client \$279.46 with which to meet all other monthly living expenses (utilities, food, transportation, medical, socialization, clothes, etc.)

Typical Client Budget:

Rent	\$	119.46
Utilities		75
Phone		25
Food		120
Clothing		15
Socialization		20
Medical		20 (if not covered by Medicaid)
Misc.		5 (haircuts, toiletries, etc.)
Total:		399.

I am certain that the TAsk Force will conclude that the problem of Homelessness is enourmous, and growing; and, that are many complexities to the particular needs of the chronically mentally ill. While for many homeless economic

subsidies, and a more enlightened housing policy are surely constructive directions, for the mentally ill, solutions must also incorporate professional availability, and lifelong psychosocial supports.

STATEMENT BEFORE
NEW JERSEY ASSEMBLY TASK FORCE ON HOMELESSNESS
DELIVERED BY DEBORAH WATHEN FINN, MANAGER
HOMELESS PROJECT TEAM
GOVERNMENT, COMMUNITY, AND PUBLIC AFFAIRS DEPARTMENT
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
MARCH 7, 1989

MY NAME IS DEBORAH WATHEN FINN, AND I MANAGE A SPECIAL UNIT AT THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY ESTABLISHED SPECIFICALLY TO DEVELOP SHORT-AND-LONG TERM STRATEGIES TO ADDRESS THE CONGREGATING OF HOMELESS PERSONS AT OUR TRANSPORTATION FACILITIES.

THE PORT AUTHORITY, AS PART OF ITS REGIONAL MANDATE, OPERATES SEVEN TRANSPORTATION CENTERS. THE PORT AUTHORITY BUS TERMINAL, THE WORLD TRADE CENTER, THE JOURNAL SQUARE TRANSPORTATION CENTER, THE GEORGE WASHINGTON BRIDGE BUS STATION, AND THE THREE REGIONAL AIRPORTS - NEWARK INTERNATIONAL, LAGUARDIA AND KENNEDY INTERNATIONAL. WE PROVIDE TRANSPORTATION FOR SOME 600,000 PEOPLE DAILY WHO EITHER WORK OR LIVE IN THIS REGION OR WHO ARE HERE FOR BUSINESS OR TOURISM. THESE TRANSPORTATION CENTERS, WHICH ARE CLEAN, SECURE AND PUBLIC SPACES, ARE ALSO NOW SERVING ANOTHER UNINTENDED USE. THEY HAVE PROVIDED SHELTER FOR AS MANY AS 1,000 HOMELESS PEOPLE ON A GIVEN DAY.

THE PORT AUTHORITY HAS A VESTED INTEREST IN ADDRESSING THE NEEDS OF THE GROWING NUMBERS OF HOMELESS PERSONS CONGREGATING AT OUR FACILITIES ON TWO LEVELS: FIRST, WE RESPOND TO OUR BUSINESS CONCERNS DIRECTLY RELATED TO THE EFFICIENT AND SAFE OPERATION OF OUR FACILITIES; AND SECOND, AS A MAJOR REGIONAL PUBLIC AGENCY, WE HAVE A STRONG SENSE OF SOCIAL RESPONSIBILITY TO THE COMMUNITIES IN WHICH WE OPERATE. THE PORT AUTHORITY IS FACED WITH THE CHALLENGE OF BALANCING THESE TWO LEVELS OF RESPONSIBILITY.

THE PORT AUTHORITY IS A MAJOR TRANSPORTATION AGENCY, AND THE PRESENCE OF HOMELESS IN OUR FACILITIES HAS CHANGED OUR BUSINESS OPERATIONS. WE DO BELIEVE THAT TRANSPORTATION CENTERS ARE NOT SUITABLE SUBSTITUTES FOR SHELTERS FOR THE HOMELESS. WE BELIEVE VERY STRONGLY THAT THE HOMELESS NEED A WIDE RANGE OF SERVICES TO EFFECT THEIR REINTEGRATION INTO SOCIETY. THE LIMITED FINANCIAL AND HUMAN RESOURCES AVAILABLE TO ASSIST HOMELESS PERSONS, COUPLED WITH THE FRAGMENTATION ASSOCIATED WITH THE DELIVERY OF SOCIAL SERVICES, CONTINUE TO CHALLENGE TRANSPORTATION AGENCIES WITH A MANDATE TO PROVIDE ESSENTIAL TRANSPORTATION SERVICES AND THEIR ABILITY TO BALANCE THE NEEDS AND RIGHTS OF THE HOMELESS.

TODAY I WOULD LIKE TO SHARE OUR PERSPECTIVE WHICH IS ADMITTEDLY A VERY LIMITED VIEW OF THIS EXTREMELY COMPLEX ISSUE.

THE AMENITIES THAT THE PATRONS AND TENANTS OF OUR FACILITIES EXPECT ARE THE SAME BASIC NEEDS OF HOMELESS PERSONS, I.E., FOOD, SHELTER, SECURITY AND ACCESS TO LIVELIHOOD. THE PRESENCE OF THE HOMELESS HAS VERY REAL OPERATIONAL IMPACTS ON OUR FACILITIES RANGING FROM CUSTOMER COMPLAINTS TO INCREASED CLEANING COSTS TO POOR STAFF MORALE TO CAMOUFLAGE FOR CRIMINALS.

WHAT DO WE SEE?

- o THE VAST MAJORITY OF THE HOMELESS FREQUENTING OUR FACILITIES ARE SINGLE ADULTS. THEY ARE RARELY FAMILIES. THAT IS CONSISTENT WITH THE OBSERVATIONS OF OTHER TRANSPORTATION AGENCIES ACROSS THE COUNTRY.
- o THEY ARE NOT CONNECTED TO SOCIAL SERVICES.
- o THEY HAVE A RANGE OF PROBLEMS AND, AN INDIVIDUAL HOMELESS PERSON MAY HAVE SEVERAL PROBLEMS -- MANY ARE SUBSTANCE ABUSERS AND ARE MENTALLY ILL.
- o WE HAVE OBSERVED LIMITED SOCIAL SERVICE PROGRAMS AND FACILITIES FOR SINGLE HOMELESS ADULTS THROUGHOUT THIS REGION.
- o WE SEE GOVERNMENT OVERWHELMED BY THE LARGE DEMAND FOR SERVICES AND THE LIMITED RESOURCES AVAILABLE TO PROVIDE THEM.

HOW DO WE RESPOND?

WE KNOW THE BUSINESS OF TRANSPORTATION. WE DON'T PRETEND TO BE EXPERTS ON THE INDIVIDUAL NEEDS OF HOMELESS PERSONS. WE HAVE SOUGHT SOCIAL SERVICE PROFESSIONALS TO HELP US BETTER UNDERSTAND THIS PHENOMENON. WE HAVE WORKED WITH LOCAL GOVERNMENT AGENCIES AND/OR COMMUNITY-BASED SERVICE PROVIDERS TO SUPPORT THE DEVELOPMENT AND EXPANSION OF SERVICES AND THE ESTABLISHMENT OF FACILITIES THAT MEET THE NEEDS OF THE HOMELESS. WE BELIEVE HOMELESS PERSONS ARE BETTER SERVED AWAY FROM THE TRANSPORTATION FACILITIES AT CENTERS THAT OFFER A WIDE RANGE OF SERVICES. WE HAVE ALSO FOUND THAT PROGRAMS THAT ARE DEVELOPED BY COMMUNITY GROUPS ARE MOST EFFECTIVE FOR AT LEAST 3 REASONS:

- 1) THEY CREATE AND/OR EXPANDS SERVICE CAPACITY IN THAT JURISDICTION
- 2) THEY LIMIT IMPACT OF THE NOT-IN-MY-BACKYARD SYNDROME (NIMBY)
- 3) THEY PROVIDE LOCAL CONNECTIONS FOR AN OTHERWISE DISENFRANCHISED PORTION OF THE POPULATION. SUCH SUPPORT SYSTEMS ARE NECESSARY AS THEY BEGIN TO INTEGRATE INTO SOCIETY.

WE HAVE FIRST HAND KNOWLEDGE FROM SEVERAL PROJECTS IN WHICH WE'VE BEEN INVOLVED. MOST RECENTLY IN NEW JERSEY THE PORT AUTHORITY HAS BEEN A PARTNER IN DEVELOPING RESPONSES FOR THE NEEDS OF SINGLE HOMELESS ADULTS. TO ADDRESS OUR OPERATIONAL NEEDS, WE HAVE PROVIDED MONEY FOR OUTREACH AND REFERRAL PROGRAMS TO LINK HOMELESS PERSONS THAT CONGREGATE AT THE JOURNAL SQUARE TRANSPORTATION CENTER TO SHELTER AND SOCIAL SERVICES. WE ARE PLAYING A KEY ROLE IN THE DEVELOPMENT OF A COMBINATION SRO/DROP-IN CENTER PROJECT ADJACENT TO THE JOURNAL SQUARE TRANSPORTATION CENTER. THE PROJECT, CONCEIVED OVER A YEAR AGO BY THE JERSEY CITY DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT, WILL ADDRESS BOTH THE SHORT-TERM NEED FOR A MULTI-SERVICES CENTER FOR THE HOMELESS, SUCH AS THOSE AT THE TRANSPORTATION CENTER, AND THE LONG-TERM

NEED OF LOW-COST HOUSING FOR SINGLE ADULTS. PATH IS ALLOCATING ITS OWN FUNDS, PLUS OTHER PORT AUTHORITY MONEY AVAILABLE FOR NEW JERSEY PROJECTS, FOR THE ACQUISITION AND RENOVATION OF THE DROP-IN CENTER. THE STATE DEPARTMENT OF COMMUNITY AFFAIRS WILL CONTRIBUTE A SIMILAR LEVEL OF FUNDS TO THE SRO UNITS. OUR TWO AGENCIES IN PARTNERSHIP WITH JERSEY CITY WILL RESULT IN A FULLY FUNDED PROJECT. RECENTLY, LET'S CELEBRATE, A NON-PROFIT ORGANIZATION PROVIDING FEEDING AND SOCIAL SERVICES FOR THE HOMELESS IN JERSEY CITY, UNDERTOOK RESPONSIBILITY FOR THE MANAGEMENT OF THE PROJECT. THE PORT AUTHORITY IS NOW WORKING WITH LET'S CELEBRATE TO PROVIDE TECHNICAL ASSISTANCE WHERE POSSIBLE, SUCH AS PROVIDING ADVICE ON APPROACHES TO REAL ESTATE NEGOTIATIONS. ALSO, OUR ACTIVITIES IN NEW YORK ENABLE LET'S CELEBRATE TO ACCESS SERVICE PROVIDERS ENGAGED IN SIMILAR PROGRAMS.

THROUGH OUR EFFORTS IN JERSEY CITY AND ELSEWHERE, WE REALIZE THAT THE SOCIAL SERVICE COMMUNITY ALONE IS NOT EQUIPPED TO SOLVE THE HOMELESS CRISIS. THE PORT AUTHORITY, ON THE OTHER HAND, CANNOT PROVIDE SOCIAL SERVICES. HOWEVER, ORGANIZATIONS LIKE OURS AND THE SERVICE PROVIDERS HAVE COMPLEMENTARY ATTRIBUTES. THEREFORE, A SOLUTION TO THIS WIDESPREAD PROBLEM REQUIRES THE COORDINATED EFFORTS OF ALL LEVELS OF GOVERNMENT AS WELL AS THE NOT-FOR-PROFIT AND PRIVATE SECTORS.

WE WANT TO ENCOURAGE THESE GROUPS TO SUPPORT, FINANCIALLY OR THROUGH TECHNICAL ASSISTANCE, THOSE QUALITY PROGRAMS AND SERVICES PROVIDED BY THE NOT-FOR-PROFIT SECTOR. BOTH PUBLIC AND PRIVATE SECTOR ORGANIZATIONS HAVE STAFF THAT ARE EXPERTS IN A RANGE OF DISCIPLINES THAT INCLUDES FINANCIAL MANAGEMENT, CORPORATE PLANNING, ENGINEERING AND ARCHITECTURAL SERVICES, AND PHYSICAL PLANNING. EXISTING EXECUTIVE LOAN PROGRAMS, DESIGNED TO PROMOTE THE TRANSFER OF TECHNICAL AND MANAGERIAL EXPERTISE BY CORPORATIONS TO THE NOT-FOR-PROFIT SECTOR COULD DEVELOP THE MISSING SKILLS THAT CURRENTLY INHIBIT EFFECTIVE SERVICE DELIVERY. A NOT-FOR-PROFIT ORGANIZATION MAY EXCEL AT SERVICE DELIVERY. HOWEVER, WITHOUT SUFFICIENT FINANCIAL MANAGEMENT, IT CANNOT SURVIVE. THROUGH EXECUTIVE LOAN PROGRAMS, A CORPORATE FINANCIAL MANAGER COULD SET UP THE NECESSARY SYSTEMS. THIS IS JUST ONE EXAMPLE OF HOW NOT-FOR-PROFIT ORGANIZATIONS WITH LIMITED BUDGETS AND LIMITED MANAGEMENT CAPACITY CAN SIGNIFICANTLY BENEFIT FROM SUCH EXPERTISE.

IN CONCLUSION, I WANT TO REITERATE THAT WE ARE COMMITTED TO SUPPORTING PROGRAMS FOR THE HOMELESS NOT ONLY AS A PUBLIC TRANSPORTATION AGENCY WITH AN OPERATIONAL NEED, BUT ALSO AS A REGIONAL AGENCY WITH A SENSE OF SOCIAL RESPONSIBILITY.

AGENDA FOR ACTION

A STATEMENT BY

THE BERGEN COUNTY COALITION FOR THE HOMELESS

OCTOBER 7, 1988

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AFFORDABLE HOUSING: THE BASIC ISSUE IN HOMELESSNESS

HOMELESSNESS

Five years ago at the prodding of the Bergen County Coalition for the Homeless, county officials hauled a construction trailer to the parking lot behind the Court House in Hackensack, outfitted it with cots, chairs and a coffee pot, and opened the county's first temporary emergency shelter for homeless persons. The date was February 15, 1983. That evening nobody came. Three days later eight persons spent the night. By the time the shelter closed on May 3, 1983, 117 persons had sought respite there from the cold.

Today, according to a recent study by the Bergen County Community Action Program (CAP), there is an annual census of 1300 homeless single persons and 500 homeless families in Bergen County. On the basis of three individuals per family, the CAP study estimates a total of 2800 - unduplicated - homeless individuals in the county. On the assumption that each single person is homeless for one month and each family is homeless for three months, on any night there are on the average 108 single individuals and 125 families in need of shelter here in Bergen County.

The human services system presently addressing emergency shelter is far more extensive and sophisticated than the first effort operating out of a construction trailer. Despite increasing expenditures of dollars and the development of a host of professional and volunteer networks, we cannot claim to be adequately addressing this need. The Coalition continues to advocate for an increase in temporary emergency beds for both individuals and families who are homeless. It also advocates for services in mental health treatment and alcohol and drug rehabilitation that are especially relevant to homeless individuals. In doing so, however, we affirm that the phenomenon of homelessness is symptomatic of a much larger problem, one that is only tangentially related to human services, and that is the issue of affordable housing.

It should come as no surprise that the most vulnerable members of a community become the most visible and dramatic expression of that community's plight. As rents and property values rise, one wage earner families find themselves unable to meet shelter costs and become subject to eviction. Agencies that traditionally establish neighborhood residences for groups of

vulnerable individuals find that real estate costs are far beyond what public funding provides and, making matters worse, inflated property values intensify and render almost impregnable community opposition to such residential programs.

IMPACT ON FAMILIES

Less apparent but of even broader impact on the vitality of Bergen County is the alarming disincentive housing costs and apartment rentals create for young families. The Record (8/21/88) reported that the average price of a single family home in the previous six months was \$279,325. The New York Times (8/16/88) reported that the average list price of a single family home in Bergen County during the same period was \$409,865. With over 5600 single family homes, condominiums and cooperative apartments listed by the Bergen County Multiple Listing Service, an increase of over 100% in just three years, the veritable glut of housing stock is a convincing indicator of the inaccessibility of ownership for many of the county's families.

How many of Bergen's families can afford the average price cited above? Assuming a mortgage of 80% of that total, or \$223,460, a household will have a monthly payment of \$2,267 including taxes and insurance. (Calculation done on 30 year mortgage @ 10% + \$300 taxes and insurance.) Since bank lending policy stipulates that payment for mortgage, real estate insurance and taxes may not exceed 28% of income, the household income required to carry a \$223,460 mortgage is \$97,157. This effectively eliminates 94% of the households in Bergen County from any possibility of home ownership. In this respect Bergen can be seen as illustrative of national trends according to which home ownership decline from 65.5% in 1980 to 63% in 1985 with special impact on young households where ownership declined from 44% in 1979 to 35% in 1987.

Rental costs provide no relief for young families. Indicative of Bergen's rental situation is the level at which government rental assistance programs have set "fair market rent." A one bedroom apartment, all utilities included, has a fair market rental value of \$614. Administrators of these programs suspect that landlords are reversing their traditional reluctance to accept governmental rental assistance because unsubsidized customers cannot afford these levels of rent. Since 1972 median rentals in the state have quadrupled. Condominium conversions continue to displace families who are unable to purchase their apartments and decrease the number of rental units available.

IMPACT ON BUSINESS AND INDUSTRY

The ripple effect of the lack of affordable shelter is already being felt by business and industry as they confront a disappearing labor pool. In the metropolitan area the flight of Grumman Corporation, Mobil Oil, International Paper and J. C. Penney's to more hospitable areas has taken away almost 5000 jobs. In Bergen, while the growth of jobs has gone from 340,296 in 1980 to 393,118 in 1986, a 16% increase, the housing stock has grown only 3%, from 307,777 units to 315,729 units in 1987. Typical of this housing lag is the implementation of the Meadowlands Development Commission's master plan. While more than 50% of the plan's employment uses already have been constructed, less than 10% of its residential component has been put in place. Recruitment efforts by corporations, of necessity, extend far beyond Bergen with the result that one third of those who work in the county commute from elsewhere.

From the growing numbers of homeless persons, to young families unable to rent or buy, to the hundreds of businesses that search in vain for employees to fill the jobs created by our flourishing economy, the demand for affordable housing presents itself as the most urgent issue our county faces. Continued attempts to dodge this issue will result only in multiplication of such absurdities as our lodging a homeless family in a third rate motel at the going rate of \$55 a night. The monthly cost for that inappropriate shelter would rent a two bedroom apartment at the new Excelsior in Hackensack, complete with doorman, concierge and valet.

AGENDA FOR ACTION

In the first Mount Laurel decision the Supreme Court of New Jersey enunciated a basic principle that can serve as a guide to our response to the critical issue of affordable housing. The Court held that the "home rule" in zoning that municipalities exercise is in truth a delegation by the state of the land use regulation part of the police power, and being so, that power must be exercised for the welfare of the region and the state, not merely that of the municipality. At the time of the first Mount Laurel decision the "general welfare" had particular relevance to poor families whom restrictive zoning had effectively evicted from their homes. Today, with a place to live becoming less and less affordable to a majority of our citizens, the "general welfare" must be understood to embrace not only the homeless, but families struggling to pay the inflated cost of shelter as well as those businesses essential to our economic wellbeing.

LEADERSHIP

Addressing the problem of affordable housing is first and foremost then the responsibility of those whose oath of office binds them to promote the general welfare. This responsibility demands a stance of leadership that transcends partisan issues and sets squarely before the public the hard choices a commitment to housing for all will entail. As one of our media pundits has said, "Leadership is the ability to inflict pain, and get away with it." We suggest that the Mount Laurel decisions and the Fair Housing Act of 1985, for which the state of New Jersey is widely and justly acclaimed, are no substitutes for that leadership without which these judicial and legislative remedies will fail.

We address this need for leadership to our governor and to our county executive. We recommend as a first step that both executives convene working groups of legislators, bankers, builders, business and industry representatives, housing advocates, planners, educators, governmental officials and other interested parties. These groups should be charged with developing legislation, resources, advocacy efforts, marketing strategies, in a word, all that is needed to accomplish the job. We are under no illusion that the creation of another committee will resolve our housing crisis. Rather, we take it as a demonstration of serious concern for the general welfare that our elected officials gather the best minds available not only for their counsel but also for securing the involvement of those upon whom the success of any plans will rest.

CORPORATE INVOLVEMENT

If our leaders are to mobilize the community in confronting the lack of opportunity for suitable and affordable housing, they will need to rely to a large extent on partnership with the business community. Housing has become an economic issue. Industries around the country are beginning to respond to increasingly critical shortages in their most valuable resource, their workers. Programs range from direct employee assistance to joining with government and community groups to build affordable housing, to lobbying efforts at federal and state levels for policies and resources to deal with the problem. We propose that business get involved because it is good business. Long commutes over congested highways and mortgages that consume considerably more than 50% of one's income do not induce longevity in an employee's commitment. We further suggest that our business community recall the recent history of Detroit where manufacturers persisted in creating larger and more expensive autos for fewer and fewer people while overseas competitors took rich advantage through less expensive though high quality products of an overlooked and underestimated market.

The time is ripe for Bergen County to provide a model to its sister counties of what an enlightened private-public partnership can accomplish. Public entities such as the Bergen County Housing Authority, a recognized leader in the construction of affordable housing, the private non-profit sector with a dynamism fired by the involvement of the religious community, and the corporate sector, as evidenced by the awareness and concern of the Meadowlands Chamber of Commerce, - the key players - are in place. We urge these groups to initiate discussions with the purpose of establishing partnerships for housing. Each has much to learn from the other and no one group will deal successfully with the problem by itself.

"INCLUSIONARY" ZONING

The Municipal Land Use Law of 1975, as amended, is the legal foundation for all municipal zoning activity related to the regulation of land. At the head of the various purposes stated in this law is the encouragement of "municipal action to guide the appropriate use or development of all lands in the state in a manner which will promote the public health, safety, morals and general welfare."

A look at how Bergen's residential land is zoned provides ample commentary on how this zoning authority has been utilized. According to 1984 figures, 64% of all residential acreage is

zoned for low density, 33% is zoned for medium density, and 3% is zoned for high density. Low density typically indicates one-family use and a maximum of four units per acre; medium density indicates from one to multi-family use and a maximum of twenty-two units per acre; high density indicates multi-family use and more than twenty-two units per acre.

With almost two thirds of Bergen County's residential land zoned for low density use, it is easy to understand the high desirability of home ownership in the county. It is also easy to understand why affordable housing is so rarely found. It is our contention that the demonstrated need for such housing will never be met until local zoning ordinances are made to face the same test as Mount Laurel's were made to face, namely the general welfare. Exclusionary zoning must give way to "inclusionary" zoning.

In this regard the Coalition recommends the introduction of a regional approach. Specifically, we recommend the creation of a county Office on Affordable Housing. Inasmuch as less than half of the county's municipalities have complied with the mandate of the Fair Housing Act that a master plan housing element be adopted by August 1, 1988, and further, with only one municipal plan certified by the Council on Affordable Housing, (two municipalities have court-ordered plans), we deem it opportune for the county to undertake a voluntary effort on behalf of the general welfare. An Office on Affordable Housing, staffed with knowledgeable experts in planning, housing, transportation, environmental matters, could provide technical assistance to the municipalities. Such an office would also serve as a valuable resource for legislators, advocates, builders and local officials.

HOUSING AS A CIVIL RIGHT

The work begun by the courts in issuing the Mount Laurel decisions must be completed. We refer to the right of every citizen to the opportunity for appropriate shelter. If this seems an unwonted intrusion of the judiciary into the sphere of advocacy, consider the following example.

A developer buys up a block of rented homes and rooming houses, demolishes them, and builds in their place a luxury condominium complex. Does the municipality in which this occurs have any obligation to the families displaced by the developer? Do the families have a corresponding right to shelter? In other times questions like these might not have arisen since the assumption was that affordable alternatives were available to those in similar circumstances. No such assumption holds true today. In the above instance property rights have been given priority over human rights. Does it not seem just at this point in our

history to balance the equation? We insist that the untrammelled exercise of property rights has brought about great harm to the general welfare. We assign to ourselves as a coalition the task of working with other advocates throughout the state for a declaration of the civil right of a citizen to the opportunity for shelter.

CONCLUSION

A newly released report on the plight of homeless persons by the National Academy of Sciences contains a postscript, uncharacteristic of such reports, in which the authors express their anger and dismay, calling contemporary American homelessness "an outrage, a national scandal." They write that their recommendations are too limited to address the broader issues of homelessness - especially the supply of low-income housing, income maintenance, the availability of support services and access to health care for the poor and the uninsured. The root of their anger may well be their finding that on any given night 100,000 American children are homeless. Here in Bergen County that translates to about eighty children on any given night. The relatively small and manageable number should not diminish but rather enlarge the scandal of homelessness in our county. We would do well to borrow a measure of the anger that moved this body and to employ it to shatter the complacency that seems to pervade our attempts to respond adequately to the needs of our fellow citizens. That response will approach adequacy when all of us, private and public sectors, take effective action to provide shelter for all of our citizens.