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PUBLIC HEARING

before

ASSEMBLY SENIOR CITIZENS COMMITTEE

on

Housing and Residential Care

February 24, 1986
Room 341
State House Annex
Trenton, New Jersey

MEMBERS OF COMMISSION PRESENT:

- Assemblyman John Rooney, Chairman
- Assemblyman Robert W. Singer, Vice Chairman
- Assemblyman Jeffrey Moran
- Assemblywoman Dolores Cooper
- Assemblyman Walter M.D. Kern, Jr.
- Assemblyman Thomas H. Paterniti
- Assemblyman John Paul Doyle

ALSO PRESENT:

- Norma Svedosh
- Office of Legislative Services
- Aide, Assembly Economic Development and Agriculture Committee

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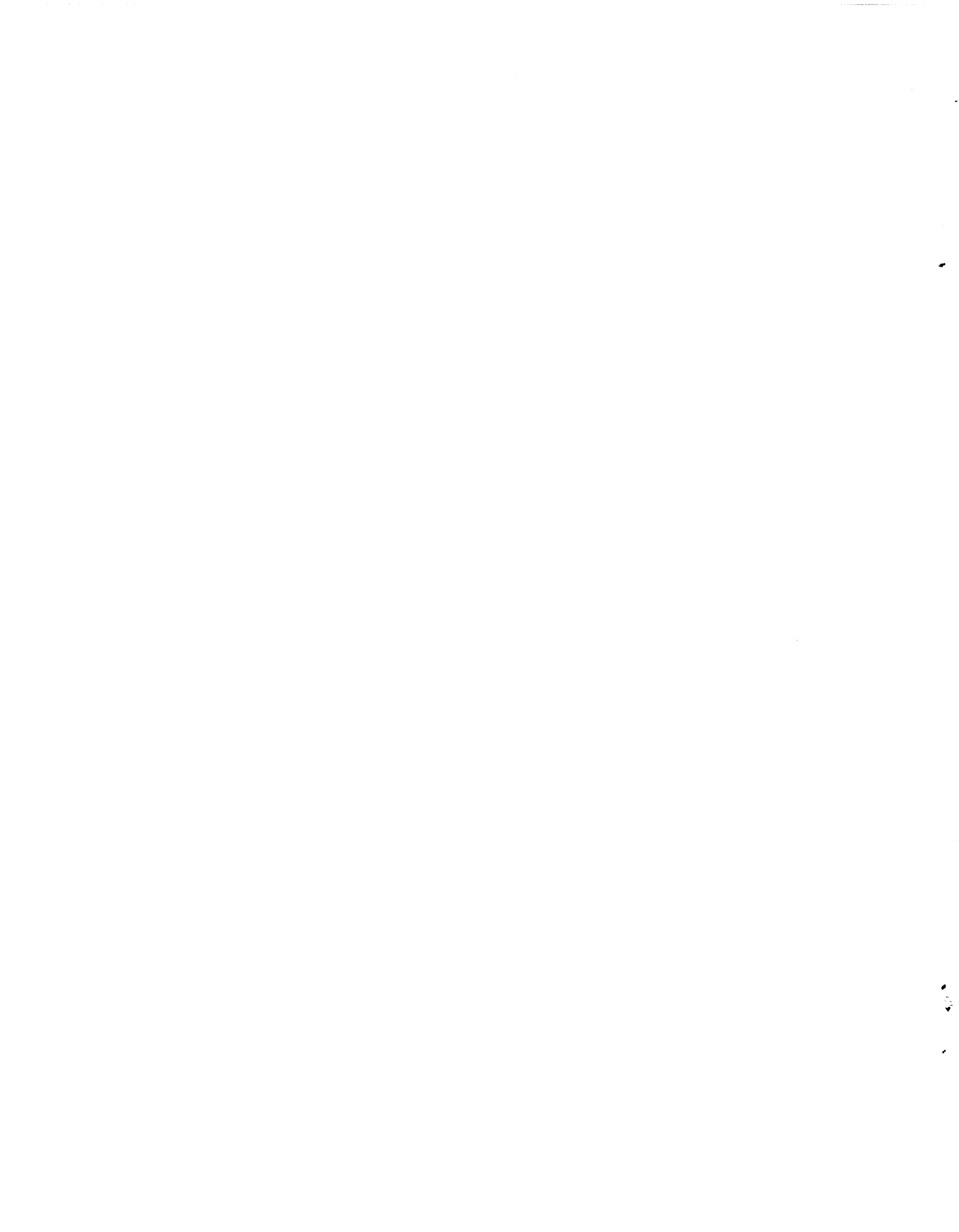


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ASSEMBLYMAN JOHN ROONEY (Chairman): I would like to call this hearing to order.

This is a public hearing for housing and residential care for senior citizens. Unfortunately, there might have been a wrong message relayed to the rest of our Committee -- but we don't require a quorum for public hearings, so I'm going to start.

I want to say good morning to you all. I'm pleased to welcome you to this public hearing before the Assembly Senior Citizens Committee. My name is John Rooney: I am the Chairman. To my right is Dr. Paterniti, and to my left is Dolores Cooper.

I would also mention, if you have any written testimony, or wish to be placed on our witness list, please contact our staff aide. There's a list to sign in on for any statements you'd like to make.

We have a published agenda. We'll start with that. Prior to getting to that, let's-- Presently, there are more than one million senior citizens living in New Jersey. Only about 5%, age 65 or older, live in institutions -- primarily nursing homes. While 95% of our seniors reside in the community, senior citizens also reside in many different living arrangements in New Jersey. In 1980, almost two-thirds of senior households were owned -- 64% -- while about one-third of these households were rented.

Although we don't know the extent to which seniors in New Jersey reside in subsidized or public housing -- since many units are for low-income persons regardless of age -- we do know that there are more than 45,000 specially designed subsidized housing units for senior citizens, with waiting lists of more than 50,000 applicants.

Currently, there are 41 retirement communities registered by the New Jersey Division of Housing and Development, containing approximately 31,000 units of occupied housing, with another 32,000 either under construction or

planned. In addition, New Jersey has several life care or continuing care retirement communities which are designed to provide housing services and medical care to its residents. Our State does not regulate these communities at the present time.

Congregate housing is another housing alternative found in our State. Other housing options include: accessory apartments, shared living programs such as group homes, "granny flats," and matching programs.

Finally, it appears that our older households spend a greater percentage of fixed income on housing than do under-65 households with fixed incomes -- excuse me. With fixed incomes, these expenses can be extraordinary for many senior citizens. Several approaches can be taken to help alleviate these financial problems. Rental assistance and home equity conversion programs are two ways of dealing with the problem.

I'm sure that our hearing today will elaborate on these as well as other issues that the Legislature can address in helping the seniors of our State. So, at this time, what I'll do is take our published agenda and just -- we will go with the people who are working for the State. We want to get as much as possible for our dollars, so we will get them out of here as quickly as possible.

First, representing the Division on Aging -- Barbara Parkoff? Thank you, Barbara. (Assemblyman Rooney introduces Committee members) Mr. Singer, Vice Chairman, and Mr. Moran have arrived at this time.

B A R B A R A P A R K O F F: I brought along with me -- for your information -- a copy of "Housing Options for Older Americans." It's something that's provided by the ARP, and I think it covers very adequately the topics that you named, plus some others that are available to seniors. We consider it to be an excellent outline of some of the concepts that can be developed in New Jersey. There is a need for affordable

housing options for New Jersey's elderly. The need is a result of significant increases in the number of elderly in New Jersey.

The growth in the number of elderly and in the configuration of households indicates that elderly housing consumers will grow both in absolute numbers and as a percentage of all households. There are several key characteristics of these new elderly households that should affect the housing policy presently and in the future. Males and females have different mortality rates and life expectancy rates. This trend will increase and will produce major increases in the number of women. One set of projections indicates that by 1995 nearly one-half of the elderly headed households may have female heads. This is an significant increase in the already large number of women living along. People living along are at greater risk. They are frequently poorer, socially isolated, and in need of health care and transportation.

Another characteristic is the increase in those 75 and older. Estimates of how many people in the community need help and the types of help they need have been developed by the U.S. Department of Health and Human Services in the National Health Interview Survey. These estimates show that fewer than 1 in 10 persons aged 65 to 74 need help, as compared to 4 and 10 who are 85 and over. The physical activities that people need help in included in the report were walking, going outside, bathing, dressing, toileting, getting in or out of bed, or a chair, and eating. The rate of needing help in at least one basic activity was substantially higher as persons moved into the older-aged categories. The number of women aged 75 and older needing help was twice that of men the same age.

There are several Federal and State programs that have attempted to respond to this need in the past. Included in the category are federally subsidized, specially designed senior citizen housing and both the Federal and State-funded

Congregate Housing Services Programs. In 1981, the Division conducted a survey of the federally subsidized senior housing in New Jersey. At the time, there were 37,000 specially designed units occupied by seniors and handicapped persons. This was an increase of 150% in the number of housing units since 1972, when the survey was first conducted. There were 55,000 people on waiting lists.

In 1984, the survey was conducted again. To date however, we've not done a formal analysis. But the new survey shows that there are approximately 45,000 units. However, the large increase between 1981 and 1984 was due to projects committed prior to 1981 tied up in litigation or HUD procedures, rather than in increases in funding. In fact, since 1981, the number of reservations has decreased drastically. The decrease is due to the demise of the Section 8 Housing Program, the reduced funding under Section 202, and the 18-month time limit for building start-up. Section 202 has declined at least 40% from production levels in the 1970's. Gramm-Rudman will rescind all reservations not in the building stages; stop all future production of Section 202 housing; and reduce the present operating budgets. Thus, the continuation of high standards within subsidized senior citizen housing is likely to be a thing of the past.

Many waiting lists continue to grow. Many have become so large, the projects are no longer taking applications. The approximately 350 senior citizen buildings exist in only 154 of the 567 municipalities in New Jersey. Although the waiting lists in some large cities with multiple buildings contain some duplication, those municipalities without senior housing have no waiting lists to demonstrate the urgent need.

The State Congregate Housing Services Program was created to provide meals, housekeeping, and/or personal assistance to persons residing in federally subsidized housing in 1981. Many of these persons have each been placed and now

need some services to maintain independent life-styles. The CHSP began in the late 70s as a demonstration project which showed, among other results, that 25% of those participating during the first year would have required nursing home or some other health care placements if the program had not been available. And an independent survey conducted in the summer of 1983 pointed to increased numbers of Medicaid-eligible tenants, and a pre-nursing home population of approximately 50% of the tenants in Congregate Housing Services Projects. Most of these surveyed tenants would not be able to remain in their familiar home environments without the assistance of the program.

In Fiscal Year '85, Congregate Housing Services Programs were available in 23 projects in 15 counties at a cost to the State of \$625,000, and that's casino revenue funds. Over 525 persons participated in the 23 projects in the course of the year. Program costs are dependent on income levels of participants and the range of services each person elects. Services' subsidies range from a low \$8 per month to a high of \$143 per month per person. The average number of subsidized participants ranges from 8 to 40 in any given project. The number changes weekly through both the services provided and the participants in the program. An average of 40 participants do not qualify for the subsidy. They have been assessed as in need of the program; however, their income is sufficiently high so that they can pay the full cost.

Currently only 7% of the specially designed buildings in New Jersey have a Congregate Services Program. Within these projects, the percentage of persons participating varies. Most of them are not running at capacity. Capacity is about 25% of the building. However, several projects are maintaining waiting lists and many buildings have indicated a desperate need for the introduction of this program. There are people who are aging who are placed in market rate apartment buildings

within the community. They don't want to move but they are experiencing difficulty in living independently, both financially, and from a service-delivery perspective.

In-home services to older, more frail elderly persons are socially isolating, expensive, and insufficient to meet the growing need. New methods must be explored in which congregate services are delivered to clusters of elderly people living in apartment building and/or in homes in close proximity to each other in order, to provide more cost-effective service. The Division would like to explore this concept through a program which we are calling, "Cluster Care Congregate Services." The goal is to increase accessibility to home care as a cost-effective alternative to institutionalization for the frail and socially isolated elderly, while enhancing their independence and quality of life. This is a new concept which, to our knowledge, has never been explored anywhere in the country. The Division would like to undertake a pilot project of this nature. We've given it a tremendous amount of consideration; and I have a lot of details on what we would like to do, if you would like to explore that.

There are other persons who don't need service. Yet, they need assistance in order to age in place. Therefore, the Division has been working in the areas of shared housings and match programs, and in the field of home equity conversion to assist in the creation of affordable housing options. The Division has assisted persons working in shared living, matched housing programs, development phases, and networking. We have assisted in bringing this group together initially within the tri-state area; New York, Connecticut, and New Jersey; to share ideas, methods of operation, problems, and concepts.

Since 1984, the New Jersey group has been meeting semiannually; and since 1985, the group has been incorporated as the Shared Housing Association of New Jersey. And I believe somebody will be talking from that group later on. The goals

of the organization are to inform providers and consumers about the appropriateness, function, and purpose of shared housing; to encourage the development of public policies supportive to the development of shared housing; and to participate in planning activities in order to enhance the effective promotion of quality shared housing. The next meeting of the Association is scheduled for Wednesday, March 12. The format provides for a business meeting in the morning, followed by lunch and a program. The program on March 12 will cover an explanation of domiciliary care and a film on housing options. If any of you are interested in more information and details on that particular program, I'll be more than happy to have somebody get that information to you.

The Division became interested in -- knowledgeable about equity conversion prior to the creation of the first for-profit reverse mortgage in the State. As that program got under way, the Division and the AARP began to work on the creation of a network of volunteers, trained through the AARP with Division assistance, and qualified to inform older homeowners of the options available within their county. Training has occurred in several New Jersey counties as part of a pilot program. AARP has received an Administration on Aging grant to develop a manual for volunteers and to train in four other states.

Training and statewide meetings are planned for various counties in New Jersey this year, and that program is called, "CHISFS," -- The Consumer Housing Information Service for Seniors. In addition to this networking for dissemination of housing information, we need to explore regulatory changes that may be required to encourage, yet control, the expansion of home equity conversion plans. To accomplish this, the Division envisions a task force that would be comprised of the Division on Aging, the Department of Banking, the Department of Insurance, and the New Jersey Housing Mortgage Finance Agency.

We would like a consultant who would be utilized to assist the task force in accomplishing the above-stated objective. Many banks are exploring the use of home equity loans for older persons. The loans could provide older homeowners with income to remain in their homes, and pay for goods and services they need for either a fix period of time or for as long as they wish to remain in the home.

At present, regulations require interest payments to begin immediately after the first loan payment. Thus, making this loan inaccessible to older persons. Other banking or insurance regulations may inhibit the development of other types of equity loans or annuity mortgages, and prevent the development of a viable short- or long-term equity conversion alternative. We would like to see a review of present or pending legislation so that New Jersey could develop legislation to meet the objections and make appropriate recommendations. We would consider a task force working at three- to four-week intervals for a period of 1 year to 15 months to be appropriate. The task force would recommend changes in regulations, provide a timetable for the changes in areas that should be addressed through legislation, and points that should be included in the legislation.

Another area in need of attention is tax deferrals. A program which could assist older persons remaining in their homes, which has not been explored all in-depth to date, is property tax deferral. This is a concept that we are really only now beginning to look at as a possibility in an area to explore. Tax deferral programs permit older persons to delay paying some or all of their property taxes for a certain length of time. The postponed taxes must be paid either at the death of the property owner or when the property is sold. Usually, below market interest rates are charged on the amount of the deferral. Property tax deferral programs can provide relief to older persons at a fairly low cost since the State is

eventually reimbursed for the deferred taxes. Property tax deferral programs can be particularly beneficial to elderly homeowners with limited incomes since property taxes can be so burdensome. Many old people have property assets. Eighty percent of older homeowners own their homes free and clear. Yet, these people face a significant reduction in income when they leave the work force. Their ability to pay property taxes is greatly reduced. Despite the advantage of property tax deferrals, participation of older people in the 17 programs now in existence is limited. There are 17 states that have property tax deferral programs, but there are not very many people who take advantage of them.

Apparently, the decision to place a lien on one's home is often difficult and frightening to older people, but the idea is that if you can have some people who might be interested in this, it might permit them to stay in the home or to enhance their environment. This is something that we need to look at to determine whether or not it is a wise option for the State. Another area we really need to spend some more time looking at than has been spent in the recent, past is the continuing care retirement in communities. This is a long-term care alternative providing a package of services including housing, health care, and social services to the elderly. CCRC provide independent units, either apartment rooms or cottages; guarantees arranged health care and social care which may include intermediate or skilled nursing care, usually available on the premises; requires some type of prepayment, generally an entrance or a monthly fee; an official contract that lasts for more than one year or for life; and, describes the service obligations of the community and the financial obligations of the residents.

A crucial problem facing policymakers today is the escalating cost of long-term care for elderly persons. However, there is a recognition that adequate long term care is

more than nursing home care. It involves a coordinated system of health care, social services, and housing. An approach gaining in popularity is the CCRC. It is attractive because it guarantees lifetime care as well as housing and other services. Proponents of the concept envision life care as affordable for a large proportion of the aging population, despite the widespread view that it is a viable option only for the well-to-do. A comprehensive study of CCRC prepared for the Wharton School of the University of Pennsylvania concludes that the majority of elderly citizens have the financial means to pay for life care. This is based on a average entrance fee in 1981 of \$35,000, with 80% in the range of \$13,000 to \$65,000. The monthly fee averaged \$550, with communities charging between \$300 and \$900. CCRCs usually vary their monthly fees and their entrance fees on the basis of the type of housing selected, and the number of occupants in each unit.

The advance funding for future services provides the financial foundation of the CCRC. The community pulls the reserves it collects from residents, including entrance fees, monthly fees, Medicare, Medicaid, and private insurance payments. Residents selecting similar units will pay similar fees, but the cost of providing services to them will vary since some of them will live longer than others and some will require more nursing home care. In principle, the excess cost incurred by these residents will be covered by the reserved pool of funds received from those who need fewer services. Unfortunately, New Jersey does not reflect the average for entrance or monthly fees stated above. Entrance fees for one CCRC are still in the planning stages. The range is from \$50,000 for a studio to \$121,000 for a two-bedroom, two-bath unit. Monthly service fees extend from \$925 for the studio to \$1475 for a single person in the two bedroom.

Another facility presently being built with similar fee structures suggests that minimum income for persons under

age 79 be ranged from \$26,000 for a studio to \$52,000 for two persons in a two-bedroom unit in 1986. That's the amount of money a person would need in order to sustain that unit. For persons over 80, the range is \$19,000 to \$44,000. Persons over age 80 need less money for the obvious reason that this co-bought has a shorter actuarial life. Several states have legislation to regulate CCRC; New Jersey does not. Recently, the Department of Health regulations regarding nursing home beds built in conjunction with housing were changed, making it possible for the expansion of CCRC in New Jersey. With the large affluent population living in retirement communities, New Jersey has become an interest with every major CCRC developer in the country. The Division has been fielding questions from planners working for developers looking for the best possible place to build. We are of additional interest to developers because New York prohibits the development of CCRCs. Under regulations adopted in 1969 in New York, no nursing home operator can enter into a life care contract or prepayment for basic services for more than three months. So, we're faced with a lot of New Yorkers who are looking for, and are interested in, this type of housing and who are willing to relocate to New Jersey.

Legislation to regulate this new industry has been introduced in New Jersey. It is needed. However, the legislation must not be so onerous that it will thwart the development of CCRCs. There is a place for them within the State. We need legislation that will provide for regulation within the appropriate department, and will permit the department to change regulations as the industry changes and we have a better understanding of the appropriate regulations. What I'm saying is, it is easier to change regulations than it is to change legislation, but we definitely need the legislation. There are other demonstrations that are going on in New Jersey presently, that have potential throughout the

State in the next several years. There's a housing demonstration grant presently, which is looking at eco-housing or granny flats up in Warren County. The County will be purchasing three units. These are small module units, one or two bedrooms, that can be moved from place to place as needed. What they are anticipating is placing these units next to an existing house for the parent who has a short-term need, and then removing it when that need is no longer there. We feel that this is a viable option to the many older people who would like to live closer to their children and can't, as well as to the children who are doing a lot of running around the State trying to assist an older parent and finding it extremely difficult. It is a short-term option because the unit is not owned by the individual; therefore, it does not become difficult to get rid of when the need is no longer there.

We are also seeing in the development of some accessory apartments, ordinances and changes in the concepts of acceptance of accessory apartments in several municipalities, particularly in Essex County, where we presently have a project underway to try and develop good accessory apartment ordinances. In that instance, you have the ability for older persons -- generally it's an older person-- to make a smaller unit within their home that they will either rent out or they will move into, and then rent out the large portion of the house.

In Connecticut, approximately 25% to 33% of the communities have some form of accessory apartment ordinance. In New Jersey, we have perhaps a handful of communities that have begun to make these changes and again, the perceived notion here is that zoning will change the nature of the community. In fact, most communities that try it find that very few people are interested in this, and that it really doesn't change what the community looks like or who's living in it. It permits older people to remain in that community;

provides for a social support system for some income for them; and really enhances their lives. The point that the Division has been pursuing for some time now is the concept that there are lots of choices and that the choices have to be close to the individual. We do have a large number of seniors. We have some options in various places. We don't have enough options throughout the State for people to stay where they want to be, and we are, of necessity, forcing people to move; not because of choice, but because there's no other way for them to go.

ASSEMBLYMAN MORAN: John, may I ask a question? I didn't want to interrupt you, but I have three questions. First of all, do you have copies of that report for us? If not, would you be so kind--

ASSEMBLYMAN ROONEY : We all have copies because it's all being taped.

MS. PARKOFF: You have pieces of it. I--

ASSEMBLYMAN MORAN: Yeah, I know. I read all the pieces and I was losing you and thought maybe I was missing some of it, but it was-- I appreciated listening to it, but I would have enjoyed even more working along with you when you were presenting it. The three questions that I have here are: the reverse profit mortgage -- are there some banks that are presently going into that now?

MS. PARKOFF: There is a plan in New Jersey, yes. In New Jersey, we have one for-profit mortgage banker that provides a reverse mortgage. He is the only one. It's the long-term reverse mortgage and you take it or you don't take anything.

ASSEMBLYMAN MORAN: Excellent.

MS. PARKOFF: Okay. There are other communities in other states that have two or three choices, and that is essentially what we're trying to establish -- some choice for the older consumer.

ASSEMBLYMAN MORAN: Thank you. On the property tax deferral system, is that really working?

MS. PARKOFF: There is a whole book on it.

ASSEMBLYMAN MORAN: Okay. I've read quite a bit on it already. As a matter of fact, it came up -- its got to be about a month ago -- at one of our meetings. Somebody brought it up and I had some information on it. The more I read about it, the more I realized that the people are-- You made one point to say that the people don't want liens on their homes, but it was more than that. It was that the spouses of the people didn't want them to be committed to something.

MS. PARKOFF: Well, I think that to a great, a very great extent, it's also the fact that the children don't want to. But in fact, it does work. I mean, we get letters and we get phone calls from people who are in imminent danger of losing their houses because they can't afford to pay the taxes.

ASSEMBLYMAN MORAN: And they have a \$150,000 investment there, I know.

MS. PARKOFF: Exactly. We also have people who are living in poverty in order to pay the taxes, or who are not -- certainly, they are not living at a quality of life that would be in keeping with the value of that house. Then you have people who are literally being forced out because the house is being reevaluated. And the value of the house jumps so extraordinarily that they can't handle the increase in property taxes. When you say working, we look at a program that works for a small percentage of the seniors as working. You only have 5% of senior citizens living in senior citizen housings today. You have fewer than that living in retirement communities. So, if it worked for 1% of the population, it would be good. That's the message that we are trying to get across that you need lots of options, and that very few people are interested in shared housing. But for those people who are interested in it, and where it is a viable alternative generally to a nursing home, it makes a whole lot of sense.

ASSEMBLYMAN MORAN: Okay. And my last question is about the CCRC. Why is it that the New Yorkers -- we know why they are coming here -- but why is it that-- What is the reason that New York doesn't have that?

MS. PARKOFF: New York responded to the failure of the Pacific homes in California, when that occurred, by introducing this kind of legislation. We have had a very successful record with CCRCs in New Jersey. The ones who are here are not for-profits. There are about six to eight, depending on how you define them, and they seem to be doing a very, very good job of providing the services and managing fiscally to maintain their viability. There have been some throughout the United States that have not done as well; hence, the need for legislation. There's no question that that's needed, but they have responded and I think that at this point they are looking to change that. There has been a conference on that point and I believe New York will turn around and begin to undo that.

ASSEMBLYMAN MORAN: Is the Office on Aging working themselves on proposed legislation? Are they waiting for directions from us in this particular--

MS. PARKOFF: The legislation was proposed and it was passed and it was vetoed by the Governor, and I think that--

ASSEMBLYMAN PATERNITI: It was my legislation.

MS. PARKOFF: Yes. Some changes need to be made in it and I think that, you know, if that occurs, okay. There were some questions raised to the Public Advocate by us, and I think that essentially, it was a very good piece of legislation. It just needed some fine tuning, and I'm looking forward to it, I mean, we are really, I think, developing a problem in New Jersey if we don't address this very quickly, because we are beginning to see so many developers looking at us eagerly, and I think we need control over that.

ASSEMBLYMAN SINGER: I have two points. One is, I'm quite disturbed with what's happening with the Section 8 certificates in the State, and I was hoping that the Division would be doing a little bit more on it. What we're starting to see, as you know, is HUD has changed the lease concept. Prior to this, there was a yearly renewal lease. Now, it's a lifetime lease that the landlord must sign. We are starting to see landlords refusing to sign the leases. This affects one of the communities in my district directly because it's a rent control community. And what's happening is, the landlord, since he cannot get his-- If he receives a rent increase by the Rent Control Board, he cannot get an increase until the next year through HUD, or refusing to sign new Section 8 certificates. What that does is, for example, a normal senior development there, that has Section 8 certificates in it-- A rental-- You might see 10 to 15 new ones coming up each year. They're refusing to sign. Is the Division doing anything at all about trying to work with HUD in either readjusting the regulations or working for some type of adjustment, certainly in rent control communities, so that we're not faced with a situation where someone is eligible for Section 8 but they're not going to be able to find a place to live with it?

MS. PARKOFF: I think it would be the Division of Housing Rental Assistance Unit, which controls and issues the HUD Section 8, which would be most appropriate to be responding to that. I am aware of what you're saying is happening and, to some extent, we can respond to it. We're finding that fair market rents are way below what New Jersey rents are and people can't find units. We're also-- I understand that we've heard that fair market rents will be reduced in 1986-1987, rather than increased which is really backwards since all rents in New Jersey are moving up. This is moving into a position again where HUD is saying, "We'll take Section 8 off the market by

creating a situation in which nobody can, in fact find, an apartment." HUD is working to reduce the Section 8 Program in any way that it can, and we have very little power to respond to that.

ASSEMBLYMAN SINGER: Well, I hope though, even though I realize it's not totally under your domain, that you would at least go on record as formally objecting to the handling of the new certificates this way, because what it is doing is virtually cutting out new people from coming on; for example, in the shore areas, where you are talking about zero vacancy. People cannot find a place at all to move to. They're trapped and that is forcing one of two things to happen: One, the person remains in the home, not using the Section 8 certificate and, therefore, causing a situation where he really is taking his food money to pay the rent. Or, you see the rest of the family desperately chipping in to keep the person there. And I think we all realize that having a senior move out at that stage of life is a very traumatic type of thing.

MS. PARKOFF: Absolutely.

ASSEMBLYMAN SINGER: They leave their friends and everything else. The other point I would like to make is, we have seen in surges of many buildings many forms of life care centers. Both rentals and, of course, the type where you put money in and you don't get money back -- a variety of things. There's no question about it that the fear of many senior citizens is that, number one, you put money in. " If I go bankrupt, where do I stand?" The concern of many of the families is that some require as much as \$100,000 up-front money. If that sum were non-returnable, there would be some concern in that direction. And we're seeing some new ones that are coming up that are strictly rentals. We have three under construction in my town.

MS. PARKOFF: What town?

ASSEMBLYMAN SINGER: Lakewood. So, I can only tell you that we're anxiously looking to see how they're going to flourish. There's certainly a great need for them. I've visited a number of the homes throughout New Jersey. The ones that are here that I've seen are quite well-kept and certainly are quite an asset. And, the senior citizen population -- as you know, Ocean County is the leading senior citizen county -- is starting to become older because a lot of these developments were started 20 years ago, or 25 years ago, and people who moved in at 55 or 60 are now in their mid 80s and they are going to require this type of situation. We are anxiously waiting to see that certainly these are done properly and there aren't problems with them because people want to remain in the same area. They don't want to be forced to move out of the area. They want to be able to keep their real close friends.

MS. PARKOFF: Absolutely.

ASSEMBLYMAN SINGER: They're certainly a benefit and we're anxiously hoping to see them develop in the right way.

MS. PARKOFF: Yes, by the way, some have them strictly as rentals, and you know, to me this at least provides some choice amount people in terms of what they are looking for. I could consider that in the totality of things. It might be a problem somewhere down the road, when they can't get services that they're looking for because they no longer have the funds available. But again, they are providing contract choices for people, and I think what we're looking for is choice.

ASSEMBLYMAN PATERNITI: Mr. Chairmen?

ASSEMBLYMAN ROONEY: Yes.

ASSEMBLYMAN PATERNITI: Just one point that I'd like to address to Barbara Parkoff. In fact, Barbara Parkoff comes from my home town, and I know her very well. Her first appointment to government came when I was mayor. I made the recommendation -- I think it was the next recommendation -- because she's done a fantastic job in Trenton especially for the elderly people in need.

She brought up the point about Section 8 housing, and I have been addressing that problem. I started addressing it the latter part of the last session and, in fact, three weeks ago, my legislation was released from the Assembly Housing Committee. What has happened under Section 8 housing in specific areas the Federal government -- it only allows you "x" number of dollars as far as what you can get as a rental subsidy. For example, in Middlesex, in Somerset, and in Union Counties, it's about \$400 and the rental rates for a single bedroom are between \$550 and \$600. In fact, I tried to find one for an elderly person. The cheapest I could find in the basement was for \$465.

So, I introduced legislation with the Department of Community Affairs to undertake a study of rent levels. They would make these recommendations to the Federal government and this, in turn, if it was within 5%, would bring up the level so that the Section 8 housing money would be made available to people of this State. Right now we're losing, probably, hundreds of thousands. Probably millions of dollars are going into other states. So, right now, we have addressed that, and I hope that our Speaker will put that up for a vote out of committee.

Another point that she pointed out was the importance of people having some kind of help. I have two bills that at least partially address the problem. One has to do with the shared housing concept, which last year was released from committee. I know my in own county, in Perth Amboy, we do have one through the Episcopal Church, and hopefully, we would like to extend this program to other areas.

Another one had to do with group homes, where the State would provide money through the interest from the casino revenue money. The interest-- That money was in place with this particular program, where the money would go to group homes where people -- where the State would provide someone, more or less like a den mother concept, either part-time or full-time, to help them with their medication, to take

them to the doctors, and so on and so forth -- or if they had to go shopping. They would pool their money for food, lodging, heat, and so on and so forth through their Social Sec -- I guess through their Social Security checks, and you'd have as many as eight living together. If they weren't living under this concept, they'd end up actually in an institution. This way, they can live with their peers.

Another point Barbara pointed out had to do with the affordability of them staying in their homes where they couldn't afford it because of the increase in taxes.

I have another piece of legislation that was released from committee in the last session that reintroduced-- It had to do with them to being able to rent a room under the boarding house concept.

ASSEMBLYMAN ROONEY: Doctor Paterniti, if I may interrupt, I think these people are here for a public hearing, and we'd like to hear from the Committee after we get all of the witnesses up because we don't have the time to spend -- okay?

ASSEMBLYMAN PATERNITI: May I make one more point though? Okay? The other thing has to do with continuing the life of your communities. It's like that point-- The Governor did veto that. Today, I'm going to introduce legislation that was already introduced in the old concept, with some recommended changes, because what had happened was that the bill we had put in was stronger than the one in this county. And yet, the Department of Community Affairs came in at the last minute with a recommendation that the bill will be going in with those changes. I believe that the Governor this time might sign it into law.

ASSEMBLYMAN ROONEY: Thank you, Doctor. Anything else?

ASSEMBLYMAN PATERNITI: No.

ASSEMBLYMAN ROONEY: Thank you very much for your attendance. We really appreciate it. Let's see, I was

going to call Jack Ambrosio because he told me that he's bouncing back and forth between committees. (Comment from audience.) Before the Senate? Okay. We'll skip over him this time, and we'll take Mr. Dennis Hett, Executive Director of the New Jersey Association of Non-Profit Homes for the Aging.

MR. DENNIS R. HETT: Thank you Mr. Chairman. Good morning. Again, my name is Dennis Hett, Executive Director of the New Jersey Association of Non-Profit Homes for the Aging. That long title means that we are the representatives of 110 facilities for older people in the State of New Jersey and we are caring for about 14,000 people currently. And all of these facilities are not-for-profit in one way or another. The majority of our facilities are operated by church-related organizations, fraternal organizations, county governments, municipal governments, and community nonprofit organizations. We ourselves, have been around as an organization since 1931. We also represent a spectrum of facilities; in fact, everything in the elderly services spectrum from independent housing for older persons through skilled nursing facilities. We represent the State's continuing care retirement communities, all of which are nonprofit. We represent county nursing homes. We represent other types of retirement communities.

ASSEMBLYMAN MORAN: Excuse me. Could we turn this up a little. The gentleman in the back can't hear.

Mr. Hett: Sure. I'll speak more--

ASSEMBLYMAN ROONEY: This is not a microphone; it's only for recording purposes. So, just--

Mr. Hett: Okay, I'll speak louder. Okay, thank you. So, we represent the spectrum of facilities, and we have come prepared today to give some recommendations on each level. I've provided you with some testimony that we have prepared. However, we are-- I'm going to -- in the light of Barbara Parkoff's excellent presentation and the Chairman's

apparent grasp of the matter -- going to speak a little more broadly than that, and here it goes.

First of all, you've correctly identified New Jersey as an aging State. In addition to what has been said, there is another phenomenon going on, which is that we have reverse migration into the Northeast -- the whole Northeast. People are actually returning from Florida and the Sunbelt states now, which adds to the elderly population. They want to be near family and friends and their connections. They want to live in a familiar environment and avoid the boredom of no seasonal changes. So, we see that going on.

I'm going to divide this into several points. The first is the problem of living in one's own home. The expense of maintaining a home has been eluded to. An older person is likely to live in an older house. In addition to that-- You will see in my testimony that 40% of the houses own by seniors in the U.S. are houses that were built before 1939. This means that the facility -- that the house is going to be more costly to maintain. We need to recognize that one of the answers there, of course, is tax relief. We are not making a presentation on how -- or a recommendation on how that should be done. But, that is one answer. Reverse annuity mortgages are another. Anything that allows the person to exploit the equity that has been built up in that house will be helpful.

However, there are some problems, additional problems when one lives in one's own home. One is isolation. As it becomes more difficult to maintain a home, it takes a lot of energy. The person has less time, less energy to devote to maintaining social relations and so forth. So, we need to have programs to overcome that isolation. We need a way to overcome our architectural barriers. The old style of home was to put the bathroom on the second floor. This is clearly unexceptable to a disabled person. We need funds to renovate houses to make

them accessible to their occupants. In addition to that, the family supports are eroding. The days of the "Waltons," you know, where granny and grandpa lived in the same house with the kids, maybe never was, and certainly is less possible today. As you drive around our State, you see the proliferation of these storage areas, you know, where you can rent space, and this is a symptom of the increasing expense of housing. There is no longer money to put into attics and basements and storage areas. So, you have to go out and rent them. This means that there's not going to be enough room for another person in newer housings as well. So, that will be difficult.

Therefore, we also need senior housing. You've heard the statistics -- 45,000 units, 55,000 people waiting. One of our facilities recently added a Section 202 project behind their existing long-term care facility. During the rent-up period for the facility, three people on their waiting list died. However, on the waiting list for the nursing home, no one died. It shows that there is a frail population waiting for senior housing. Once we have it, even though we have it, aging in place is a problem. The people live there for longer periods. When their problems are allivated, they're going to live somewhat longer, but this will create a new problem. So, we need services such as the Congregate Services Program. We need to continue that. We need to expand that so that people can be maintained in place without penalty, and without running into the problem of having to evict a person prematurely because you can no longer serve them. This is one of the major problems that housing managers talk about when they get together. Frailty is becoming a problem.

Also, New Jersey has been very successful in diverting people from nursing homes, and it's restraining the growth of our nursing home bed supply because it is so very expensive. This creates pressure in housing. With

Gramm-Rudman, and with the cut off of the 202 Program-- And anyhow, that was the last housing construction program for senior citizens. That's going down the tubes now. In addition to that, the Tax Reform Act that's now before Congress is threatening tax exempt bonding, which bears on the capacity of the New Jersey Housing and Mortgage Finance Agency to produce more senior housing.

Over the years, the Housing and Mortgage Finance Agency has had a sterling record of housing production for senior citizens -- well over 100 projects in this State -- and that is being treated by the current climate. The Tax Reform Act will also make syndication of facilities difficult. Syndication is a device in which the nonprofit sponsors sell the depreciation to investors, and thereby gain a pool of money with which they can provide some additional services. Something needs to be done, perhaps in the area of rental subsidies; perhaps some innovative financing. We need to work together to develop such a program.

Another aspect of the spectrum is the residential health care facility, which has not yet been mentioned. The State in the Department of Health, at least, in its wisdom, has begun to realize that this is an alternative to the nursing home -- a very low-cost alternative. You don't have to institutionalize a person when you can help by providing some basics, you know, by providing the food, the shelter, the social care, and a little health care. A little health monitoring and maintenance can keep a person healthy and well. The problem with this is that it's under-funded at the moment. Currently, the SSI Program, which is the prime funder, the prime public funder for residential health care, only pays \$13 a day. Our facilities-- We'll have a representative here of the United Methodist Homes of New Jersey, who will probably address that at some length.. He will tell you that it costs anywhere from \$600 to \$900 a month to provide this type of care

and our consumers, at least those who are residents, are very happy with this alternative. We need to do something to beef that up. I think it's consistent with the new federalism. Also, as more burdens are put on the State, and there are even threats of cutbacks in Medicaid, we'll see an increased need for funding for residential health care. And it all has to be State dollars. But again, this will be consistent with what's going on in Medicaid, because the Feds are cutting back on their share of the matching there. We're going to have to make that up somewhere. Residential health care is one of the answers.

A final area I'd like to address is that of the continuing care retirement community, which has been addressed at some length previously. And, I'm glad to see a good understanding of that topic. We are faced with a rapid expansion in the State of New Jersey. I know of at least 15 such communities on the drawing boards. I believe that two of them have broken ground. To date, we have four existing; all of them are not-for-profit -- church-related in some way. Our association has, for some years, supported regulations of these communities. We think we need to develop them in an orderly fashion to assure that those people who are entering them are going to have a safe investment there, and that they are, indeed, going to be given the care and the services that they were promised.

So, this is very important, and we are continuing to work for that legislation. We are carefully evaluating all of the options -- the objects to the original bill that were raised. At the same time, we think it's important to search for a low-cost alternative -- a low-cost model of the continuing care retirement community. And this is moving along very rapidly now, because the Robert Wood Johnson Foundation has made a sizable grant to our National Association -- The American Association of Homes for the Aging -- to develop a

model for the low-cost CCRC. I'm not sure what the time frame is on this, but I think we will see some action there in the very near future and we'll be sharing that as the results come down.

If I might address the New York State situation for awhile, I think the previous statement was correct. The prime source of the problem was the Attorney General, who would not even allow a New Jersey CCRC to advertise in the State of New York. He regards the arrangement as fraudulent. However, the New York Association of Homes and Services for the Aging is working with the State to develop an acceptable law. And that, to my understanding, is progressing quite well.

There are probably some continuing facilities in New York State. In fact, they just don't build themselves that way and they don't quite operate that way. There will probably be an entrance fee, and there's a promise of care over a longer period. But, it needs to be recognized in name as well.

One final thing, I will take a little issue with the -- on the entrance fee trends in New Jersey. We have a very small pool of developing facilities. You know, the State of Pennsylvania has over 30 existing facilities right now, but I don't think we can draw any conclusions. We do see experimentation. We see facilities trying to develop fully refundable entrance fees for a CCRC. I don't understand how they work, but up on the death of a person, they get everything. They get all the entry fee back. My understanding, also, is that these fees are higher than the usual entrance fees. I have seen some plans where they range up to \$200,000. We are seeing some experimentation here. We are looking for something that is affordable to a broad range of people and hope that that is something we can come up with. That's it, and I'll be happy to take questions now.

ASSEMBLYMAN ROONEY: Okay. Just one thing before we continue on the questions. Could we have the questions directed to individual presentations, not going into anything additional at this time because it is getting late and we want

to hear everyone that's here today. So, ask specific questions to the speaker. Mrs. Cooper.

ASSEMBLYWOMAN COOPER: Where are you based?

Mr. Hett: We're based at the Center for Health Affairs in Princeton.

ASSEMBLYWOMAN DELORES COOPER: Do you have, or have you had, any relationship with Atlantic County?

Mr. Hett: The County of Atlantic? We are a membership organization, so we generally deal with state agencies not with county governments.

ASSEMBLYWOMAN COOPER: Because, I know-- About two years ago, our synagogue wanted to go into a project just like this, and we ran into total obstacles -- problems in every direction with the New Jersey Economical Development Authority. And I was wondering what your relationship is with them on a project like this, for where we own the land and want to go into a project like this.

Mr. Hett: Our function is more to provide technical assistance to the sponsor. So, you know, if you'd like further information, the handout has our -- is our letterhead.

ASSEMBLYWOMAN COOPER: Thank you.

ASSEMBLYMAN ROONEY: Anyone else have any questions? (No response) Thank you very much, Mr. Hett.

Mr. Hett: Thank you.

ASSEMBLYMAN ROONEY: Next I'll call Mr. Taylor and Mr. Bullock from United Methodist Homes.

Mr. Hett: They appear to have not arrived yet, but I believe Mr. Taylor is coming.

ASSEMBLYMAN ROONEY: Okay. Next is Mr. Lape from Residential Services, Division of Mental Health, Department of Human Services.

JIM LAPE: Good morning, Assemblyman Rooney, Committee Members. I think from what you heard-- I'm Jim Lape, Department of Human Services. I work specifically for the

Division of Mental Health and Hospitals. I think you heard some real fine testimony this morning already from Barbara Parkoff of the Division on Aging, and Dennis Hett, and I'm not going to duplicate a number of fine points that they have already made. However, I would like to offer our support for some of the points and initiatives that they already mentioned.

One is the importance of expanding support services in congregate housing settings. From what we're told, many of the folks in those congregate housing settings have really essentially aged in place. So, they have been increasingly growing older in those settings and they need more support services. We feel that, that would certainly be a viable alternative, to provide more support services in those settings, than to the more costly nursing home settings. Currently, the Division of Medical Assistance and Health Services within the Department of Human Services spends 48% of its \$1 billion for long-term care. And, with an increasingly older population surfacing in New Jersey, we certainly see the need to come up with alternatives, housing based and services alternatives to that expensive long-term care.

We're also very concerned about -- and it's been mentioned here and also in the discussion -- the proposed FY87 budget for HUD. There's talk of suspension of the 202 Congregate Housing Program. There are also severe cutbacks in terms of rental assistance. And I think you're probably well aware in New Jersey that the market for rental housing is severely stretched. There's been a number of condominium conversions over the last number of years, and there's a very small number of rental units available at very high cost. And from our perspective, that leads into the Department's perspective in terms of frail elderly persons. One of the major alternatives for them is the residential health care facilities that Dennis mentioned. What we see in that area is really that we have not raised the State SSI share in eight years to support those alternatives.

During the past few years with the DRG program, the demand on those facilities increased as we saw more rapid discharges from the general inpatient units. We know that the DRG waiver that the Department of Health and the health care system are really currently operating under is probably not going to last that much longer. The implications there are -- there's approximately \$240 million in uncompensated care. That's currently what the DRG waiver addresses by spreading the payment to various payers in the health care system. Unless there's a mechanism to address how that uncompensated care is going to be taken care of, I would suspect that we'll see more demands on these residential health care facilities to meet the health care needs of some of our frail elderly persons coming out of the general inpatient units.

We've also seen-- Certainly, the Rooming and Boarding House Act was a positive step forward in addressing some of the life safety and fire safety issues associated with residential health care facilities and boarding homes. However, that has added to the cost, the operating cost of these facilities and, as I said, there hasn't really been a State increase in the SSI share for about eight years. So, we are currently working with a group that mandated the Rooming and Boarding House Act -- the Interdepartmental Boarding Home Committee -- in conjunction with industry representation, to take a look at the issues in terms of SSI and how to better provide care in those facilities. As I said, we feel they are a viable alternative for some of our population.

ASSEMBLYMAN ROONEY: Thank you, Mr. Lape. Any questions?

ASSEMBLYMAN PATERNITI: One question. You mentioned about rentals and housing and that we need more. Now, with the Gramm-Rudman and the elimination of the 202 housing, do you think the State should become more involved and come up with

programs, more or less, not only for rental subsidies, but some kind of subsidized housing?

MR. LAPE: Yes, I think the State has to look at, yeah, subsidized housing, perhaps a State rental assistance program. And, I also liked some of the things I was heard from Barbara Parkoff about of trying to bring in private investors in terms of developing some affordable housing alternatives for elderly populations. I think that the revisions that were originally proposed to the tax code on the Federal level apparently will still be some fairly positive incentives for investment in low-income housing alternatives, and will accelerate a depreciation. And I think we need to look at some ways to bring together those private investors. Ohio, the State of Ohio, was able to syndicate projects with private investors and also have nonprofit agencies in the community provide some fairly inexpensive support services.

So, there's a variety of mechanisms, I think. I don't want to say we should put it all on State government, but I think there are a number of ways to do it.

ASSEMBLYMAN PATERNITI: Another question, Mr. Chairman. Are you talking about private developers coming in where they have huge write-offs and they'd be able to give you subsidized housing? What happens when they finish? It'll be a short period, and what happens when they finish up the write-off? Would they convert them to co-op condominiums where, all of a sudden, these people would find themselves in a situation where they got rents that were very low in amount and they were going to be bounced off, because once the guy made his profit, he would walk away and he convert to condominiums and they'd be in trouble. That could happen.

ASSEMBLYMAN ROONEY: Right.

ASSEMBLYMAN PATERNITI: That obviously has to be looked at and we've already seen that in New Jersey. So, we have to look at getting them to be involved for a certain

period of time, in terms of a long-term commitment, but then we'd have to make some provisions that when they milked the project and wanted to sell it off, that those people were not displaced.

ASSEMBLYMAN SINGER: Yeah. I'd just like to discuss one thing. My concern is certainly that, we want to see residential care. Unfortunately, I'm not happy with the type of residential care I see operating. I resent that these residential cares become dumping grounds that support services by your Divisions that are not there. I do not see social workers on staff. I do not see counseling on staff. I do not see the type of facility to make a senior citizen feel like a person. I've been in six or seven of these residential cares. I know that your Division is trying to turn a number of nursing homes into residential cares. I'll be specific if you want to know where.

But, I'm what saying to you is, "there is a purpose to residential care. It is not a dumping ground." I think if the support services are not there, you are kidding the public, and you are kidding everybody else. There are no activities available. And, if you'd like a tour of them, I'd gladly give you a tour of them. Having people sit in lobbies all day long and having no activities for them, having people not having, really, the kinds of meals you like served in your home, served to them, is really a disgrace to our senior citizens. And I'm not happy with it. I hope your Division will start to understand that they just cannot put people in residential homes and not provide support services both in municipalities and to these residential cares that do the kind of things we'd like to see done. That means counseling, and that means sometimes, entertainment and everything that goes along with it, because it's not there right now. They are holding areas. Too many of them are holding areas.

MR. LAPE: I think your points are very well taken. In a number of areas, we have attempted to provide some of

the support services, but it's really -- it's only in a very few areas with the State. That's something that we're very concerned about, and we want to expand our support services. The other piece of it, in terms of not really providing the financial support to the industry is, we're concerned that the industry-- They will have to really, because of in-depth service, build larger facilities; essentially many institutions, will have to be able to meet their in-depth service and to also, essentially, attract a higher private pay market to subsidize, in effect, the SSI clientele. I think what tends to happen there is that we end up with a lot of criticism, and probably rightly so, in the community, that we've really created many institutions.

So, we're trying to develop programs that will support small facilities to stay in business and also build those support services in.

ASSEMBLYMAN SINGER: Just to follow up on one thing. They've developed the largest residential care facility in the State of New Jersey in Lakewood now. It's 265 or 270 beds -- Lexington Rest Home. It is becoming a mini institution because of that.

MR. LAPE: Is this a new facility that--

ASSEMBLYMAN SINGER: No. They just expanded it in the last number of years to go to another 100 beds. And unfortunately, with -- and John is with me on the bill -- without no notification to the local municipality because of the Certificate of Need situation, we never knew about it until it was approved and already being done. Unfortunately, because of the older hotels in the area, they made ready areas convertible to residential cares. But it's a problem. It's a growing problem, and certainly these facilities-- I'm not knocking them. The places are clean and they're warm and everything else like that, but I'm concerned about the fact that there are no support services available to these people. It's a disgrace on all of us that this is what's happening.

MR. LAPE: Yeah, I think there are two points I'd just like to respond to there. In terms of the notification process, the Division of Mental Health and Hospitals does not establish those facilities. They come through the Department of Health, a Certificate of Need process. But, I think your point that is well taken, in that there are number of processes to establish facilities with State government by different departments, and there hasn't been really good coordination, something that we're committed to seeing happen. And so, the municipalities at times, see different departments establishing certain kinds of facilities in their areas, and they're really not clear in terms of who's licensing, and who has follow-up responsibilities.

ASSEMBLYMAN DOYLE: I just want to follow up because I don't think I could say it with the heatedness that Assemblyman Singer did, but I think that heat deserves to be there. What impediments do you think the Division has to providing the kind of services Bob brightly points out as needed? You can see they aren't provided as fully as you would want them to be, and I say that as someone who sponsored a bill several years ago to provide money so that these intermediate care facilities would not be dumping grounds, would not be institutions, or even "mini institutions," but would rather be large congregate housings facilities providing the kind of social care that evidently you see a need for.

What impediments, in terms of money, regulations, cooperations, or other, do you think there are to providing what needs to be done?

MR. LAPE: Well, I think probably in three areas. One is the SSI. The low SSI rate for these facilities is one. Certainly, more financial support for support services, but

thirdly -- and this is probably regulatory -- is, I think what we've seen in terms of the classy boarding home in a residential health care facility is really kind of a mix of different populations. And we need to start to make it clear, to find some clear rows for classy boarding homes, residential health care facilities, and then probably within residential health care facilities, start to talk about smaller facilities that focus on specific populations that have needs that really surpass the mainstream kinds of individuals in the residential health care facilities. I often hear from operators that there's a mix of psychiatric clients in residential health care facilities. It's not a good mix with a elderly population. And really, there's nothing right now. It's really the free market in terms of the industry having a vacancy rate, and it's free market conditions that determines who goes in those facilities. And I think on a regulatory basis, I need to start to differentiate and target people for specific kinds of facilities.

ASSEMBLYMAN DOYLE: If I may follow it up, through the Certificate of Need process, the Department of Health does that with hospitals. So, you can't have this kind of machine because it's available-- You're a Type One natal care center, so you can't do-- Why can't that be done in terms of senior care, because there's no sense in providing social services to a facility where the population has a limited number of people who needs that service. But if you could -- and I realize there are certain constraints, such as trying to keep them near family and whatever -- but why can't you, in-house, take care of that sorting out process that you think needs to be done?

MR. LAPE: I think we can, Assemblyman, and I think that's part of the function of the Center Departmental Policy Committee on Boarding Homes, which the Health Department is involved with. And that's one of the very things that we're

looking at right now, because I don't think there's really a system in terms of housing alternatives for the frail, elderly population. Some need low income housing with some support. Some need more special kinds of services, and then some need special services in a very structured environment, like a residential health care facility. And I don't see it as really being more of a systems approach right now, so that people can be targeted in the areas where they need to be. It's really different departments operating different pieces. And our job is to really pull that together. So, it's really responsive to the people that need that particular kind of housing and support services.

ASSEMBLYMAN ROONEY: Thank you, Mr. Lake. If there are no further questions, we'll continue with the the next speaker. Next I'd like to call Judy Matthews, from the Shared Housing Association. Is Judy Matthews here? (negative response) Not here? Mr. D'Ambrosio hasn't returned to testify.

(MEMBER OF AUDIENCE): And Mr. Taylor has not arrived.

ASSEMBLYMAN ROONEY: And Mr. Taylor hasn't arrived. So we'll go onto our alternate list. We have two people from A Country Place, George Hayden and William Feirstein.

G E O R G E H A Y D E N: Mr. George Hayden, A Country Place Condominium Association, Lakewood, N.J. I wish to address the panel this morning on a correction of a bill which is harassing the condominium situation. This bill, number A-1226, was established in 1969, and again changed on May 13th, 1982. This was an act to augment and supplement the hotels and multiple-dwelling law of May 31, 1967. As it said, in short title, it was amended by the PL1970C138. The time-accessory building shall mean a building that is used in conjunction with a main building, which is a motel, hotel or in that category -- separate, therefore, adjoining a different type of building. The board shall mean that the hotel and multiple dwelling-- This place is the multiple hotel dwelling status as the Act put

the building structure in the Lansom Act of the National Housing Defense.

In this definition of multiple dwellings, contained in Paragraph K of Section 3, PL1967C76, the types of condominiums have changed. We now have four different types of condominiums, which are being hooked into this present law. It is penalizing the senior citizens that live on a fixed income in the regular condominiums. The types of condominiums I refer to are, number one, the condominium of the Horizontal Property Act, in it is housing for seniors on a fixed income, and therefore, purchased by real estate as any home in the township in the State of New Jersey.

This building, and other buildings, were certified and passed by the inspection of all building codes. The C.O. was certified at closing, and shall be final for the living in or any residence in this State, for the personal living only, and not as multiple building, hotel-motel, of the rental basis. As per a taxpayer, the community of the family residents, there shall be, in no way, an inspection of homes other than what the township or county so desires, namely, fire, health buildings.

The condominiums of the Association have maintenance and regulations by their own Association workers. A maintenance department taking care of all needs -- self-inspection, on-call, 24 hours a day every day. This type of service is by all means better than the Multiple Housing Act. Our homes are all private, and have a main entrance to each and every home. Our home is under the Horizontal Property Act. The Condominium Association is protected by contracts with termite and rodent inspections. There are no needs for the pressure and charges from any department or bureau to place a fee as in the multiple housing dwelling law. We pay our taxes, per house, and do not receive street repair, snow removal etc., when any home in the same township gets all the benefits of their tax dollar.

The State must remove the Horizontal Property Act from the multiple housing. The Vertical Housing Act is a different property act, but it has not been inaugurated in a bill. As in the property -- the Vertical Housing Property Act -- the condominiums have to be over one story and have one entrance to classify as an apartment residence.

This is multiple housing; namely, you go into a building with one entrance, you branch off into different rooms, hotels, apartments or sublets. That is a vertical-type, Horizontal Property Act. When Hendrickson hooked in this condominium act into the bill, he did not foresee this. Number three condominium type is for commercial and new business and offices. There again, the condominium is forced onto the Horizontal Property Act.

Number four: the apartments sold to residents and converted into condominiums is a new type, and must have a prospectus to certify that. These four types of condominium structures are to be in a new bill and Regulation Four condominium law. Now, as it is set up in the bill, the--

ASSEMBLYMAN ROONEY: Excuse me. That bill is not before this Committee, I believe. I believe it's before the Housing Committee.

MR. HAYDEN: It is before the establishment, with correction.

ASSEMBLYMAN ROONEY: It's really not before this Committee.

MR. HAYDEN: No, the correction is before this Committee.

ASSEMBLYMAN ROONEY: The correction is before this Committee?

MR. HAYDEN: Yes.

ASSEMBLYMAN ROONEY: What is the bill number of the--

MR. HAYDEN: The bill number that I'm referring to is 1226.

ASSEMBLYMAN ROONEY: Now we don't have it on our bill list. I've checked the most current one, which is February 18th.

MR. HAYDEN: Well, I have a copy here.

ASSEMBLYMAN JEFFREY MORAN: That might be the old member draft, prefiled bill

ASSEMBLYWOMAN DOLORES COOPER: Who initiated that bill?

MR. HAYDEN: Hendrickson. The was also an alternative bill, 3152, by Russo.

ASSEMBLYMAN ROONEY: Yes, that's last year's.

MR. HAYDEN: But the Department of Community Affairs will force a condominium to pay \$20 per unit and register every five years. And then, when they come into the inspection, certain buildings will be charged at the fee of \$8. Now, in the condominium as a Horizontal Property Act (sic), we do not foresee an expense on our maintenance. We do our own inspection, as I mentioned. It is not a necessary thing to have happened, so I feel that we have to revise 1226 and its alternate bill, 3152, to bring it up to date.

ASSEMBLYMAN ROONEY: The new bill number on that is A1297.

MR. HAYDEN: What date?

ASSEMBLYMAN JOHN PAUL DOYLE: Mr. Chairman, I don't see that the bill has been reintroduced. I realize that Mr. Hayden's point is perhaps a little bit past the thrust of the hearing, which is in terms of broadening, widening, and opening housing opportunities for senior citizens. But, given that, he and Mr. Feirstein have made the trek up from Lakewood, and maybe to bring a problem to a point. Maybe we could, at least, commission somebody to look at it.

Simply put, if I may, John, the problem is this. We've got people who live in what they consider their homes. They have private access from the outside to those homes. Yet, because their homes are, by present statute, under the Hotel

and Motel Act, maybe that, as it applies to them -- and that's the bone of contention -- is inappropriate. They have to have their homes, unlike your's or mine, inspected on a periodic, every two or--

MR. HAYDEN: Five.

ASSEMBLYMAN DOYLE: I thought it was downrated to three. What that means is basically two things. One, is to them, it seems like an invasion of privacy because it holds them up to a different standard than most individual homeowners, merely because their housing is attached. Secondly, they've got to pay for it. Now the countering argument is that they may well take care of their homes, but if in a less caring community, or an association which is less responsive and responsible, they may not do as well.

There ought to be some way of sorting out, though, those facilities, like A Country Place, which is known to both Assemblyman Singer and I as housing where there are caring, considerate, able people, from those where inspections are needed. Maybe through a certification process, that they can show that they do a self-inspection on an adequate basis, and the division can say "Well, we don't need to look at you." We free up public monies, and not invade these people's privacies, and I think make it a little bit happier for all concerned.

Maybe as a result of this testimony, so we could go back to what is concededly the major thrust, in the name of the Committee, Mr. Chairman, we could send a letter to the Department of Housing, and have them look at the possibility of that kind of certification program, or a two-tiered inspection program, and bring Mr. Hayden's testimony to their attention for their comments.

ASSEMBLYMAN ROONEY: I think that's a good idea, Mr. Doyle.

ASSEMBLYMAN SINGER: One quick thing. Certainly, in talking on the municipal level on that, the municipality has no

advantage of doing the inspection. It becomes a drain on us. As a matter of fact, with all the senior developments in our area, we had to put on additional inspectors to do it. I have certainly no problem going along with John. As long as the Condominium Association certifies that they are going to take responsibility, and they're doing the inspections, that's fine, as far as I'm concerned. That's something that's certainly, on a local level, we don't look forward to.

But I just want to correct one thing you did say in your statement, just for the record. As you know, in Lakewood, we do reimbursals (sic) for all condominiums for both garbage collection and lighting. We do not do street repairs or snow removals, because they are private streets. If any condominium wishes to turn their streets over to the public, we will do their street repairs and their snow removals.

MR. HAYDEN: We have put that in a prospectus.

ASSEMBLYMAN SINGER: Right, but, you know, we said that before. If you wish to do that; we'll do that for you. So, there's no problem in that, if we own the streets. That's just for the record.

MR. HAYDEN: Well, Mr. Singer -- Township of Lakewood -- I have a letter here from your housing inspector. He has charged our condominium, 350 units, at \$775, 250 units at \$6 -- \$1056 (sic). The total for the 350 units is \$2,281. Well, now, we are a fixed income, Horizontal Property Act, and we feel that is out of order for a community to come in. Now these figures are low. The Department of Community Affairs has a higher figure.

ASSEMBLYMAN SINGER: I know that.

MR. HAYDEN: We feel that the Horizontal Property Act, each home individually owned, should not come under the Lansom Act of the National Housing. But that was done in 1967 or 1969. That's why I say that there being four types of condominiums in this day and age, we should correct each

horizontal, vertical, commercial, and so on down the line. That will have to come soon, because, as you go along the avenue today, every building going up is a condominium for offices, condominium for doctors, condominium for any kind of commercial business.

This is what our condominium cannot stand, and Leisure Village likewise. They are fighting it too, but we are not getting anyplace because the bill is outdated and it's not brought up to date. So I will type up copies and present them to the Committee, if you wish, and I would like to address the problem further when you have the time.

ASSEMBLYMAN ROONEY: Thank you, Mr. Hayden.

ASSEMBLYMAN DOYLE: Thank you for coming.

ASSEMBLYMAN ROONEY: We will send a letter off to the proper committee, to indicate that you have testified here. If you have a copy of that available, we can--

MR. HAYDEN: Well, on short notice I didn't have anything typed, but I will address it to you, Mr. Rooney?

ASSEMBLYMAN ROONEY: Yes, to the Committee.

MR. HAYDEN: All right, we'll do that, and then you can get further. We did contact the Community Affairs, but now they have a new Commissioner, so it'll probably take a different act. But they are completely off on hotels and motels and so forth, where they're putting liens on property and so forth. I can see that. It's a rental situation. The Horizontal Property Act is separate from that.

ASSEMBLYMAN ROONEY: You've educated us on the difference between the two acts, and we appreciate that.

MR. HAYDEN: Thank you.

ASSEMBLYMAN ROONEY: Thank you. We have--

W I L L I A M F E I R S T E I N: Can I have just a word. Mr. Hayden. I represent the same from A Country Place. My name is Feirstein.

ASSEMBLYMAN ROONEY: Mr. Feirstein. William Feirstein?

MR. FEIRSTEIN: Yes.

ASSEMBLYMAN ROONEY: If this is the exact same testimony, really it doesn't belong--

MR. FEIRSTEIN: Well, I just wanted to add just another word or two. It wouldn't take long. It would take perhaps, two to five minutes.

ASSEMBLYMAN ROONEY: I would prefer to get back to our agenda. This really didn't belong before here. We really went out of our way to accommodate you. If it has been said, we don't think that anything has to be added. Thank you for coming, though.

MR. FEIRSTEIN: Truthfully, I felt that this was going to be a health affair -- hearing, and I was well prepared for the health hearing.

ASSEMBLYMAN ROONEY: This is a housing hearing.

MR. FEIRSTEIN: However, it is a housing hearing? Under the circumstances I will put my things away.

ASSEMBLYMAN ROONEY: Thank you.

MR. FEIRSTEIN: The only thing I did want to add, if I may be granted that word in, is that Mr. Hayden did forget to say that our maintenance men, instead of where the bill reads that they'll make an inspection every five years -- which would be a stupid, foolish thing -- we would make our own inspection, by our own maintenance men, every month, to find out so that there would not be any fire hazards, nor would there be anything that would impair any of our homes. Thank you.

ASSEMBLYMAN ROONEY: Thank you very much. Let's see, have any of the people that we passed over-- Mr. Galante, who is one of our employees here in the State House, has requested time to be heard. Mr. Galante, from Toms River Community Affairs.

J O S E P H G A L A N T E: Gentlemen, I have been involved in public relations and community affairs for more than 50 years. I have been the originator of a center in Toms River,

and still active in community affairs. Hi, John. Please bear with me in what I have to say. A former governor of California, and now President of North America (sic), dumped thousands of mentally ill from state institutions into the streets. Many were older Americans, among them.

We now have over 40 million Americans dumped into the streets of our states. Excuse me a second. Many with needs and wants on welfare, were dumped too. Only half were returned to the roads, to the poverty roads, poorer than before. Those in Washington have a knack for causing problems. Few try to resolve them. Too many ignore them, as the three proverbial monkeys, see no evil, hear no evil, and speak no evil, with their fingers crossed. These problems have grown into crises. They have become a catastrophe, especially among our older Americans.

Washington has created their own monsters, among which they call one Gramm-Rudman. Instead of trying to tame it, it should be shot down. Every letter of the law. Our only solution in our country is to create more jobs, than there are workers for the jobs. It takes guts to suggest that taxes must go up, starting with those that always try to keep all their profits. Next, the gasoline tax at the pumps--

Representatives are elected to make the right choices, for the good of the people. We cannot keep on taking from those who can least afford it, from the low-paid workers, the homeowners, and our old folks in their declining years. What's proposed now in Washington, in taking away general revenue sharing, is chasing, closing -- excuse me -- closing the barn door after the horse has run away. It is up to you, as our State Representatives, to protest to Washington, that we the seniors are hanging on now by the skin of our teeth, with no safety nets under us. How much further much we swim, to reach the shore? Or must we drown? Thank you for hearing me.

ASSEMBLYMAN ROONEY: Thank you, Mr. Galante. We

appreciate your testimony. Anyone from Mr. D'Ambrosio's office? Did he come back? (negative response) Still before the Senate? (affirmative response) Joe? Mr. Galante. I have a copy of his letter. Okay, anyone here from United Methodist Homes yet? Okay, Judy Matthews, Shared Housing Association? (affirmative response) Anyone else? Mr. D'Ambrosio hasn't returned. Any members of the Committee here? I would like to hear their testimony at this time.

ASSEMBLYMAN DOYLE: I can only say, Mr. Chairman, I know after over twelve years of running a legislative office, I don't think there is any problem greater than -- people like yourself and Bob and Tom, who've been mayors of municipalities -- there's no greater, no more difficult problem than housing. I'll just give you the latest horror stories because with all of the discussions and names and agencies, it's hard to explain to the person to the person who comes into our office and says "I sold my house. I was going to move in with the child; I can't now. The money is being dissipated. I've lived in this municipality for almost all of my life, which is now 60-plus years. I wanted to move into the local housing authority senior citizen project, and the waiting list is thirteen years long."

You can say all you want, but the answer simply is money, and building that kind of housing, and not the kind of regression we're having from Gramm-Rudman. That's not a political stand, because it came from both sides. I know the Governor is out fighting it, these few days, with the other governors. I think, whatever we can say in influence to get more money, that's got to be the answer. The problem is not only a growing aging population, but that the aging are lasting longer, and thankfully so. But, without housing, everything else falls.

ASSEMBLYMAN PATERNITI: Mr. Chairman, we're speaking about housing, especially rental assistance. I have several

pieces of legislation. One of them I thought would address the problem would be where we'd have what we call a elevated disabled assistance housing loan fund. What would happen is the State, either through bonds or through general revenue appropriated, about \$60 million. This money would be loaned to municipalities, where they would pay it back at 2 percent interest, for a period of 30 years. First of all, the municipality by doing this, with this money they can either buy existing apartment complexes and convert them for senior citizens or disabled. Secondly, they can take buildings and covert them, or they can build them from scratch.

The first thing they would do, by doing this they would be able to borrow money 10 to 12 percent cheaper than the private sector, which could be passed onto the savings. Secondly, they do this their own Housing Authority, where they would eliminate the profit margin, which would be maybe 8 or 10 percent. Thirdly, they would pay no property tax. Right off the bat, you could actually save them 20 to 25 percent by rentals. This could be passed on to individuals. This would be for any senior citizen, regardless of income.

Secondly, the people who have a problem with income, if they qualify either under the 10,000 -- if they make less than 10,000 or under the poverty line, they would get \$100 per month rental assistance from the casino revenues. If they are in the higher bracket range, they would come under either the P.A. Department of Consumer Assistance, then they would only get \$50 per month. So, in many instances, you could draw rents from 20, 30 or 40 percent.

I think this would be a revolving fund, because the money will be coming back to the State, and this money can be disseminated to all municipalities. It would be an ongoing thing, and I think that, like I said, you would be able to have rentals 20 to 40 percent cheaper for our elderly. It may not be as competitive with some of the Section Eight housing, some

of the other federal programs, but at least we'd be able to deliver rentals that would be much cheaper to our people. That legislation is in place, and it's just waiting to be heard in Committee.

ASSEMBLYMAN ROONEY: Thank you, Dr. Paterniti. Anything else? (negative response) From my own standpoint, I am a local mayor still. This is the last year of my term, and I've faced the problem many times, when we tried to increase the housing share in our community. In fact, several years ago, our community suggested joining the Bergen County Housing Authority, and just to join it so some of our seniors would be actually able to get the subsidies that are available through the Housing Authority. Well, it was used against me in the campaign, and against the candidates, and we came out very, very badly. We were compared to Union City and South Plainfield, I believe, at that time in some of the scurrilous literature.

ASSEMBLYMAN PATERNITI: Plainfield, not South Plainfield.

ASSEMBLYMAN ROONEY: Plainfield, excuse me. Then another time, when my fellow members of the council proposed the Granny Flats, and that was taken as Granny shacks. Again, it was another rash of scurrilous literature.

The big problem we have is getting across to the local people, as far as the zoning aspects of it. We have to convince people that these things are not unacceptable-type housing. My senior director from our center, who is also my aide, informed me that when we found out that we had 87 illegal apartments in our community, based on the new re-valuation and we were going to go and just let these people know that these are illegal apartments. We wanted them brought to the attention of the zoning office -- to the zoning board -- to get the proper variances to make sure that they all comply with the proper plumbing -- and all the codes; that they should be up to

code and should be safe for the people that are there. We haven't said that we're not going to approve them, but we'd just go up before the board.

Well, I've been informed that some of the seniors that are living in these have been informed that if the owners have to go through this, there will be substantial rent increases. So, it's a serious problem that we have in all of our communities. I think I represent a cross-section because we have about a 5,000 population, and we have about 14,000 units in there, and we have a lot of these illegal apartments that are there. What do we do with them as local officials? We have to work together hand in hand. My predecessor, Joan Wright, has actually introduced a bill to allow the senior conversions in the State, and it was never heard.

It is still a problem to get that into the local communities. The local communities are the biggest problem right now. It's the political pressure on the individuals there. We've got to do something to change that, to make it more acceptable to have these additional units. That's what I'm finding as a local official, and I know it's tough, it's very tough.

ASSEMBLYMAN PATERNITI: I have legislation that would get the local officials off the hook, and this would be of someone who doesn't own a home. Actually, under the boardinghouse law you can rent, I guess, up to-- You could actually have a couple of people come into your home and rent, but a lot of local ordinances preclude this. My legislation would supersede local ordinances, where a person who is a senior citizen can rent up to one room in their home, which would bring them as much as, sometimes as much as \$3,000 income, which would help them with their taxes, or their utilities and so on, and so forth.

The nice thing about this is that it doesn't change the character of the neighborhood; it doesn't change the house,

because at one time there might have been four of five or six people living in that dwelling; now it's down to maybe one or two. Having an extra person would give them probably some companionship, and it wouldn't change the nature of the neighborhood. I don't think most people would be against something like that.

ASSEMBLYMAN ROONEY: Well, I'm not sure that that's not already available. I know that in my own community--

ASSEMBLYMAN PATERNITI: Yes, but a lot of towns have ordinances that preclude this. By having this throughout the State, which would supersede local ordinances--

ASSEMBLYMAN ROONEY: Case law-- I think Mr. Doyle will bandy the case law which says you can have up to five unrelated living together, not related by blood or marriage.

ASSEMBLYMAN PATERNITI: That's right, under the boarding house law.

ASSEMBLYMAN ROONEY: One of the most famous cases was there were five nuns living in one family house, and the local zoning board tried to take them to court, and the court--

ASSEMBLYMAN DOYLE: That goes to the definition of family, but that was a noncharging situation. I think the doctor is talking about where you charge somebody to live in a room.

ASSEMBLYMAN SINGER: John, just one response to what the doctor is saying. My only concern is this. You heard right **now** there is no differentiation between mental patients and seniors. That's the whole key, and I think that's the key with **the** local level. If what you're saying is that you have a senior citizen who is not a releasee from Marlboro or Trenton State, **that** is going to move to the house next door, the people don't **object** to that. It's uncontrolled, right now, because of the big fear that they have at the local level. It starts out that **way**, but all of a sudden they can't rent the second room to **someone** and they take in a former mental patient.

Those are the type of things that are happening. I think that if they clearly defined what we're talking about, I think those type of things on the local level, the local barriers would easily be lifted. It is that fear of what happens, and the residential care concept is something that no one is against. Yes?

MS. PARKOFF: I think also that-- One thing that's being lost here is the benefit of demonstrating things. If you go back 15 to 20 years ago, there were lots of communities that did not want, and did not understand the federally subsidized senior housing. Nobody wanted those high-rise buildings, and, in fact, if they were rented up, they were locked to vacant apartments. Today, everybody knows, the minute somebody has even suggested talking about a Section 202, the waiting list begins. We've changed attitudes, and I think that that's a very important comment.

We've been successful working with local municipal task forces on senior citizen housing. A cross-section, a small cross-section of a community, that is appointed by a mayor or another authority to look into viable options for any community. No community in New Jersey is like any other, and the kinds of things that are appropriate for it are unique to that community. But it is the community itself that has to determine what those choices are by looking around at what are in other parts of the State.

The concept of developing demonstrations, like the Granny Flat demonstration, and more of them is that other communities will see what's happening up there, will see that it is not a shack, that it is removable, that there is a way to provide for the concerns of the community as well as the needs of the senior citizens. Hopefully, that will be introduced in other communities. It doesn't always have to be the county that owns the Granny Flats; it could be a non-profit, it could be a church-oriented group, but it obviously can't be

individuals. I think that the important thing is that we really do have to show what's available to communities, to try and inhibit what you say is happening, or what we know is happening also. We would provide technical assistance to groups that are interested.

ASSEMBLYMAN SINGER: John, there is just one point that I would like to come back with. My only concern is, and I think you just summed it up very well. Every community and every county in the State has different needs. For example, in our municipality, which has a Federal Housing Authority, we do not have a long waiting list for seniors. We do not have a long waiting list. I'm talking about maybe a waiting list of five or six people to come into our housing.

Yet, our Section Eight certificates, where people can remain where they would like to remain, the waiting list is two and three years. So in our particular area, the seniors would rather remain where they are and be subsidized from Section Eight, as opposed to moving into Housing Authority-type of development. So in our particular area, there is no waiting list for the Housing Authority-type of apartment, but there is a long waiting list for Section Eight. Then again, I'm sure, in every area of the State, you're going to see a different type of situation happening.

(FROM AUDIENCE): Exactly.

ASSEMBLYMAN ROONEY: I've been informed that Ms. Matthews has arrived. She was on the agenda. We're just about out of time, but I will give you a few minutes to be heard.

J U D Y M A T T H E W S: My name is Judy Matthews. I'm one of the co-chairs of the Shared Housing Association of New Jersey. I'm sure Barbara has filled you in a little bit on exactly how the Association came into being, and perhaps some of the objectives that we would like to try and reach. I'm from Essex County, which is a very densely-populated area, with a tremendous housing need for seniors. I have been, in fact,

running a Shared House for the past two-and-a-half years in South Orange.

We find that in the older communities, that have the proper housing stock, this is an ideal solution for many of the housing needs that we are coming up against in Essex. We feel as though there is a lot of opposition in individual towns, which, I think, through education can be overcome. We feel it's vitally necessary to provide some type of funding to get some of these situations started.

I can tell you from a personal experience, mine hasn't been nothing but a very, very uplifting, positive-type of experience as far as housing goes for seniors. I find that the community has received it exceptionally well. We have a lot of input from our local community. It is, I think, something that could be used as an example for a large number of other towns.

Of course, one of the large problems that everybody encounters, attempting to open one of these houses, is local zoning regulations and what-have-you. We have developed a couple of models through different committees I've been on, and what-have-you. One of them has actually having the house being cooperatively owned. In other words, having everybody's name on the deed, or have it a corporation where the elder persons can actually own shares in the house. That is one way of circumventing some of your local problems.

Another way of circumventing the local problems is having the residents rent the entire piece of property from you. In other words, everybody's name would be on a lease. That is another way you could possibly get around it. I feel as though there is some definite need for legislation in these areas. There is some definite need to look at this very carefully.

You realize, you are providing -- you are talking about Section Eight. I really just walked in, so I'm really far behind on what happened here. Granted, I know there are

tremendous waiting lists for Section Eight subsidy. I find, in a house of this kind, if the house can be purchased outright-- What we did with our renovation is we involved local community groups that came in and helped us to do exactly what we wanted to accomplish.

We received some help from our local Community Development office along the way, as far as repairs that had to be done to this house. I'll tell you, in good conscience, you could probably provide housing for between \$400 and \$600 per person, including all of their meals, and everything. I think that this is something that you have got to address seriously.

It is a very -- how can I put it -- rewarding situation, because basically what you are doing is taking people who are totally isolated, who really may not have any touch at all with the outside world, and putting them together in a family situation. As I say, I can only speak from personal experience. It has been a very, very uplifting situation to put older people in this situation. They have responded well, they are very protective of one another, they are very cooperative with one another. I have found it to be extremely positive.

I don't know that the answer is on a statewide level. I know you've all got budgetary problems, and what-have-you. But, I feel as though if you have got to put your money in housing, I feel this is where you are going to get the most for your money.

ASSEMBLYMAN ROONEY: Thank you.

MS. MATTHEWS: Do you have any questions.

ASSEMBLYWOMAN COOPER: Are you a social worker or an entrepreneur, or what.?

MS. MATTHEWS: No, I'm not a social worker I'm a volunteer. We're non-profit.

ASSEMBLYWOMAN COOPER: All right, a volunteer. I was responsible for a shared housing program in Atlantic County.

Do you have any supervision over the people for their problems, counseling, personality-adjustment problems? How do you cope with that as a volunteer in a project like you just described?

MS. MATTHEWS: Basically, I really haven't had any big problems in that direction. I do have a screening process, as far as health and sociability, that they have to go through. In other words, if somebody wants to live in our house, we make them spend some time there before they are actually accepted into the house. I feel that it is a two-way street. You know, these people have to take a new person on as a family member, and they've got to be comfortable with that person.

ASSEMBLYMAN ROONEY: Any other questions?

ASSEMBLYMAN DOYLE: We're talking about just converting single family houses -- let's say a four-bedroom house -- and why can't that take care of maybe four seniors.

MS. MATTHEWS: Okay, that's a good thought. I think that where I live, you could do it on a much larger scale. The particular house that I own happens to have thirteen bedrooms, some of which were created out of common living areas. There are also things you can address, like there are an awful lot of empty convents around. I think if there could really be some cooperation between your local archdiocese and some possible non-profit corporations, I think you have a gold mine of housing if you attempted to take that route. These are houses that, in most cases, could be a 15-or-20-room -- bedroom, building that has kitchen facilities to handle that type of situation. Usually they are located in the center of a town.

ASSEMBLYMAN PATERNITI: I've got a shared housing vote. I've had it since last year, but once you're over six occupants, don't you have the problem of the boardinghouse laws; you have to have sprinkling systems and fire escapes and entrances, and so on.

MS. MATTHEWS: This particular house that I purchased was grandfathered in in my local town as an existing

boardinghouse. It came with all the proper equipment We have been in touch with the rooming and boarding house people. Their way of attempting to take us out of the system was to lease the house to our residents as a group, and they, in turn, provide any services that they need to themselves.

ASSEMBLYMAN ROONEY: As an aside, we've already seen our convent in our community change to apartments. We're talking to our local church about the school building itself. We've been trying to work something through community development. It is very, very worthwhile effort to try that.

MS. MATTHEWS: Sure, because in most cases what you are facing now is situations where not only do you have an empty convent; you also have a declining population in the school. You really have a good situation of creating an independent and a semi-independent living, probably right next door to one another. I think that maybe some legislation perhaps just dealing with that one particular area might help the entire situation. In my town, and the two towns surrounding us, there are empty convents in every single town.

ASSEMBLYMAN ROONEY: Before we adjourn, I'd like to do one thing I didn't. I failed to introduce Norma Svedosh, our Aide from Legislative Services. We also have two new aides on both sides of the partisan staff. From the Republican staff we have Kathleen M. Poole, on this side, and over here, Lori Rankin, from the Democrat staff. Just so you know that there are people, a lot of people, working here and putting this all together. We really appreciate all of the testimony that we have had today, and we're going to get quorum call at 12. I want to make sure everyone has an opportunity to get there on time.

MS. MATTHEWS: Could I just introduce one thing. I do have to tell you that a fellow Assemblyman is on the board of our non-profit corporation, and has been very instrumental in helping with many things, and this is Assemblyman Harry

McEnroe. So if you have any questions, you know, feel free to feel them to him too. Thank you very much.

ASSEMBLYMAN ROONEY: We appreciate it. Thank you very much, and thank you for coming.

HEARING CONCLUDED

