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STATE OF NEW JERSEY

FINAL REPORT
OF THE
STATE HOUSING AUTHORITY

July 1, 1944

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INTRODUCTION

This annual report of the State Housing Authority is made for the purpose of reviewing the work of the Authority, and to make its final report.

Because of the war, the limitations and controls imposed by the Government of the United States on building materials put an end, during the emergency, to public housing for low-income families. Thereafter, the activities of the State Housing Authority were confined, primarily, to such advice and expert assistance as it could furnish to the various departments of the State and Federal Governments, concerning housing generally in the State of New Jersey.

On July 1, 1944, the State Housing Authority, with its staff, its library, and its functions, was incorporated into the newly created Department of Economic Development.

REPORT

Since the Year 1934 a total of approximately \$75,000,000 has been spent in the State of New Jersey to construct public housing projects. Of that total, \$47,000,000 was used to build 32 housing projects in 14 municipalities to house 8,838 low-income families. The remaining \$28,000,000 was spent in the construction of homes for war workers and various other families vitally needed for the carrying on of the war industry program in New Jersey.

The history of the \$75,000,000 spent in New Jersey to construct public housing projects can be closely aligned with the story of the activities of the New Jersey State Housing Authority since its creation in December 1933 by act of the legislature (Chap. 444, P.L. 1933). The legislative findings, containing an important statement of legislative judgment which explained the reasons for enacting this State law, said that congested and insanitary housing conditions existed in certain municipalities in the State of New Jersey and constituted a menace to the health, safety, morals, welfare and reasonable comfort of the citizens of New Jersey. It also stated the inability of private enterprise to improve these bad housing conditions. New housing at low rentals and clearance of existing slums were needed and the Act attempted to provide for them. The Act was declared to be an emergency measure both because of the extremely bad housing conditions in this State and because the existing law did not provide for a public housing authority as contemplated in the National Industrial Recovery Act, to enable New Jersey to secure federal loans and grants to start a program of public housing and slum clearance.

The membership of the State Housing Authority consisted of five commissioners appointed by the Governor with the consent of the Senate. The original members had terms, respectively, of one, two, three, four and five years, and all later appointments were to be for a five-year term. If a vacancy occurred it was to be filled by the Governor with senatorial approval for the unexpired term only.

Not more than three members of the Authority might be chosen from the same political party. The members were to receive no compensation but were entitled to necessary expenses. The Authority was empowered to employ a Director, a Secretary and necessary assistants.

The powers of the State Housing Authority resemble those of the now familiar local housing authority more than those of a typical state housing board. It could acquire property and construct projects and community facilities, and borrow money secured by bonds or mortgages upon its property. The Authority was to receive grants from federal, state, county, municipal or other sources. It could make surveys of housing conditions throughout the State and develop plans for slum clearance. In order to determine what areas were substandard, it was granted the usual legal powers to hold hearings. The Authority was given the right to acquire property by condemnation under the Eminent Domain Law of the State. Upon completion of a project constructed by the Authority, it had full power to maintain and operate the project, fixing the scale of rentals not to exceed the average rental per room, in cities of the first class, of \$10.00, and in other municipalities, \$8.00. Both the real property and the improvements owned by the Authority were to be subject to all regular taxes which must be paid in any given year from the rentals for the year in which the taxes were assessed. The Authority was restricted to build and operate only slum clearance projects or projects for families of low income. Rules and regulations could be made by the Authority which might require that a housing corporation submit plans for a project conforming to those rules.

On January 9, 1934, Governor A. Harry Moore transmitted to the Senate for approval the following appointments to membership on the Authority and the Senate confirmed them: Dr. Edith Elmer Woods of Cape May Court House, one-year term; Mrs. Isora B. Somers, Atlantic City, two-year term; Walter S. Kellar, Jersey City, three-year term; Stanley S. Holmes, 4-year term; Arthur A. Quinn, Sewaren,

5-year term. The first meeting of the Authority on February 19, 1934 was attended by all these members except Mr. Kellar who died soon after his appointment. Christian A. Ziegler of Jersey City was appointed to fill this vacancy and all members of the Authority were present at the second meeting held on March 19, 1934.

One of the first acts of the newly-created Commission was to conduct a Real Property Inventory in nine major counties and 175 cities and towns, containing more than 90% of the population of the State. Door-to-door enumerators in each city secured information concerning the condition of structures; materials used for construction; sanitary facilities; number of dwelling units; number of occupants; heating apparatus; fuel and lighting; etc. This Real Property Inventory was financed with Emergency Relief Administration funds and the field work for the survey was carried on by local enumerators employed through the relief agencies in the various cities. In the large cities, the area was divided into housing tracts (economically homogeneous units) in order that a more detailed study might be made. The materials collected in the survey were prepared for public distribution in mimeographed form.

The Housing Authority divided the State into districts and set up branch offices to handle the work involved in the Real Property Inventory. The Northern Division, with its main office in Jersey City, included the counties of Hudson, Bergen, Passaic, Sussex, Hunterdon and Warren. There were also offices in Hackensack and Paterson and in two other cities during the progress of the inventory. The Central Division was made up of Union, Morris, Essex, Somerset, Middlesex and Monmouth Counties. The main office for this division and for the State as a whole was located in Newark. The tabulation for the Inventory was handled in a school building in Newark. The Southern Division consisted of Mercer, Ocean, Burlington, Camden, Gloucester, Salem, Cumberland, Atlantic and Cape May Counties. In addition to the main office at Atlantic City, there were offices in Trenton and in Camden and in other cities temporarily.

Following is a list of projects conducted by the Authority through divisional offices:

- ERA Project S-F2-57 - For conducting of a Real Property Inventory - May 1934; a Statewide project; \$198,783.17 of ERA funds.
- ERA Project S-F2-151 - For tabulation of a Real Property Inventory - September 1934 to November 1935; a Statewide project; \$711,253.50 of ERA funds.
- ERA Project S-F2-339 - For Demolition Survey - June 1935 to November 1935; a Statewide project; \$47,500.00 of ERA funds.
- WPA Project ST-5054 - For Special Study - December 1935 to December 1936; a Statewide project; \$485,000.00.

In addition, 35 applications for Public Works Administration projects were submitted by the Authority and two projects were approved by the Federal Agency. The slum clearance housing project in Atlantic City, Stanley S. Holmes Village, which was started in 1935, received \$1,700,000 of federal funds, and the Camden project received \$3,000,000 in 1936. The Authority also worked with the Works Progress Administration in the development of the Old Age Pensioners Colony in Millville, for which the Works Progress Administration appropriated \$25,000.00.

* * * * *

In 1938, important changes were made in the State Housing Law, occasioned by changes in the Federal arrangements for assistance to public housing projects.

The United States Housing Authority, set up in 1937, invariably dealt directly with local housing authorities in arranging for the financial assistance which it furnished. For this reason, on January 31, 1938, Governor A. Harry Moore sent a special message to the legislature containing his recommendation that the housing laws of the State be amended during the 1938 session. He stated that New Jersey was one of the few states in which legislation had not permitted municipalities to participate in the financial aid offered by the USHA and that the neighboring states of New York and Pennsylvania had enacted such legislation and other municipalities had already obtained earmarkings of USHA funds. Many cities in New Jersey had indicated their desire to avail themselves of federal aid. The

Governor feared that unless the necessary legislation was enacted promptly in New Jersey, all federal funds would be exhausted by allotment to other states. The Governor concluded his message with the following statement:

"I therefore strongly recommend the immediate enactment of legislation granting complete local autonomy to municipalities in housing matters and authorizing the creation of local housing authorities, with full powers to undertake slum-clearance and low-rent housing projects with financial assistance from the Federal Government. Such legislation will provide the machinery whereby our cities can proceed to rid themselves of their notorious slum areas and thereby wipe out much of the disease, crime and vice which spring from such areas. Such legislation will also have a bearing on our unemployment situation. The construction of low-rent housing projects on a large scale will give employment to many men in the building trades presently unemployed. This matter deserves your immediate consideration."

Twelve bills were introduced in the 1938 legislative session to provide for local housing authorities, empowered to cooperate with the United States Housing Authority, and to alter the existing State Housing Authority sufficiently to fit into the new set-up. The following acts were passed accomplishing this purpose.

Chapter 19 of the Laws of 1938 added a new Chapter, 14A to Title 55, Public Housing, of the Revised Statutes, under the short title, "Local Housing Authorities Law". It contained a declaration of necessity for this legislation as follows:

"Declaration of necessity of legislation. It is hereby declared:
(a) that there exist in the State insanitary or unsafe dwelling accommodations and that persons of low income are forced to reside in such insanitary or unsafe accommodations; that within the State there is a shortage of safe or sanitary dwelling accommodations available at rents which persons of low income can afford and that such persons are forced to occupy overcrowded and congested dwelling accommodations; that the aforesaid conditions cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals and welfare of the residents of the State and impair economic values; that these conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health and safety, fire and accident protection, and other public services and facilities
(b) that these areas in the State cannot be cleared, nor can the shortage of safe and sanitary dwellings for persons of low income be relieved, through the operation of private enterprise, and that the construction of housing projects for persons of low income (as herein defined) would therefore not be competitive with private

"enterprise; (c) that the clearance, replanning and reconstruction of the areas in which insanitary or unsafe housing conditions exist and the providing of safe and sanitary dwelling accommodations by any public body for persons of low income are public uses and purposes for which public money may be spent and private property acquired and are governmental functions of State concern; (d) that it is in the public interest that work on projects for such purposes be commenced as soon as possible in order to relieve unemployment; and the necessity in the public interest for the provisions hereinafter enacted, is hereby declared as a matter of legislative determination."

It also authorized any governing body in a county or municipality in the State to create a body corporate and politic to be known as the Housing Authority of..... . Such an Authority would constitute an agency and instrumentality of the municipality or county creating it. The Authorities shall consist of five persons appointed as commissioners by the governing body. Provision was also made for the establishment of regional housing authorities by joint action of the governing body of two or more municipalities. The Director of the State Housing Authority was also authorized to appoint a member ex officio of each local housing authority. Such person would not be entitled to vote in the affairs of the Authority but would be entitled to all other privileges of the Commissioners on such authority.

"Powers of authority. An authority shall constitute a public body corporate and politic, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter, including the following powers in addition to others herein granted:

(a) To sue and be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make and from time to time amend and repeal by-laws, rules and regulations, not inconsistent with this chapter, to carry into effect the powers and purposes of the authority.

(b) Within its area of operation; to prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof.

(c) To arrange or contract, in the manner now prescribed by law concerning municipalities, except as otherwise provided by the rules or regulations of the United States Housing Authority, for the furnishing by any person or agency, public

or private, of services, privileges, works or facilities for, or in connection with, a housing project or the occupants thereof; and (notwithstanding anything to the contrary contained in this chapter or in any other provision of law) to include in any contract let in connection with a project, stipulations requiring that the contractor and any subcontractors comply with requirements as to minimum wages and maximum hours of labor, and comply with any conditions which the Federal Government have attached to its financial aid of the project.

(d) To lease or rent any dwellings, houses, accommodations, lands, buildings, structures or facilities embraced in any housing project and (subject to the limitations contained in this chapter) to establish and revise the rents or charges therefor; to own, hold and improve real or personal property; to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal property; or any interest therein; to acquire by the exercise of the power of eminent domain any real property; to sell, lease, exchange, transfer, assign, pledge or dispose of any real or personal property or any interest therein; to insure or provide for the insurance of any real or personal property or operations of the authority against our risks or hazards; to procure or agree to the procurement of insurance or guarantees from the Federal Government of the payment of any bonds or parts thereof issued by an authority, including the power to pay premiums on any such insurance.

(e) To invest any funds held in reserve or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to purchase its bonds at a price not more than the principal amount thereof and accrued interest, all bonds so purchased to be cancelled.

(f) Within its area of operation; to investigate into living, dwelling and housing conditions and into the means and methods of improving such conditions; to determine where slum areas exist or where there is a shortage of decent, safe and sanitary dwelling accommodations for persons of low income; to make studies and recommendations relating to the problem of clearing, replanning and reconstructing of slum areas, and the problem of providing dwelling accommodations for persons of low income, and to cooperate with any public body in action taken in connection with such problems; and to engage in research, studies and experimentation on the subject of housing.

(g) To exercise all or any part or combination of powers herein granted.

Chapter 20 of the Laws of 1938 had the short title, "Housing Co-oper-

ation Law". This law gave power to cities and other local governments to furnish facilities to local housing authorities. It also gave them the power to

aid the State Housing Authority if that body itself were constructing or operating a project within the boundaries of the governmental area furnishing the assistance.

Chapter 21 of Laws of 1938 granted to local housing authorities the right of eminent domain.

Chapter 210 of the Laws of 1938 provided that, if there was no housing authority in any municipality in a county, the county governing body might create a regional housing authority, provided that the Director of the State Housing Authority certified that there was a need for housing in the county. Thereafter, no city in the county could create a municipal housing authority or join in the creation of a regional housing authority without the consent of the county governing body and the county housing authority.

This decentralization of the public housing program transferred direct responsibility for the construction of projects from the State Housing Authority to the municipal housing authorities but at the same time had the effect of multiplying the activities of the State Housing Authority because of the requests for its services made by the municipal authorities. More than sixty municipalities throughout the State manifested an interest in the housing program and considered the establishment of a municipal housing authority. These municipalities called on the State Housing Authority for information about the housing program and about their own housing conditions. If the municipality decided to participate in the public housing program, it was guided by representatives of the United States Housing Authority and of the State Housing Authority in the creation of a municipal housing authority. As a result, 34 municipal housing authorities were created in New Jersey. In most cases, the municipal housing authority had no appropriation for the employment of a staff. The State Housing Authority was the only housing agency in the State with an experienced, paid staff, able to perform the preliminary work necessary to securing housing loans. Conse-

quently, the State Housing Authority handled the requests from the municipalities for the earmarking of federal funds. Of these requests, the United States Housing Authority and its successor, the Federal Public Housing Authority, has thus far granted funds for the construction of thirty-two housing projects in fourteen municipalities, amounting to a total cost of approximately \$47,000,000.

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When the Japanese attacked Pearl Harbor and the country faced the enormous task of converting its peace-time industry to production for war, the State of New Jersey became one of the most important sectors of the home front because of the intense concentration of industrial plants within its borders. The migration of workers to war plants produced acute housing shortages in critical sections of the State and it was evident that these shortages would have to be relieved if maximum industrial production was to be achieved.

All the organized housing agencies in the State responded to the emergency and cooperated with the Federal housing agencies in supplying the needed housing as rapidly as possible. Public housing projects originally planned and constructed by municipal housing authorities to accommodate families of low income were pressed into service to provide shelter for the families of in-migrant war workers.

The function of the State Housing Authority was to anticipate emerging shortages, and to call the need to the attention of the Federal agencies constructing housing, so that remedial action might be started at the earliest possible moment.

An acute strain was placed on the State's available supply of suitable homes, and the construction of additional facilities became imperative in face of the rising tide of workers migrating to our area. From the standpoint of good housing, these homes should be well-built, with a view, perhaps to turning

them into use as low-rent projects after the emergency. Because of the more urgent need of providing immediate housing, however, some temporary projects have been included.

Housing of war workers in New Jersey presented a difficult problem. New Jersey's place in the industrial production of the nation made urgent the necessity of adequately and quickly housing the workers upon whom the productive effort depended.

One of the first steps was the conversion, in critical areas, of low-rent housing projects for use as war housing. As vacancies occurred in projects already occupied, they were filled with war workers and their families. Projects under construction originally intended for low-rent purposes, were converted by the local housing authorities for use in the housing of war workers. When this was done, rent schedules were adjusted to the new use on the basis of income and size of family.

The State Housing Authority recognizing that this is a departure from the original purpose to provide housing for the low-income family, nevertheless realizes that the importance of the emergency warrants the use of the projects for war workers at higher rental levels. This deviation from the intent and purpose of the law governing local housing authorities had the tacit approval of the State Authority.

In the latter part of the year, a new organization was set up to relieve the situation. War housing centers were opened at several places in the State, under the Homes Use Service Program. This enlisted the cooperation of home owners in the plan for remodeling or conversion of their buildings into multi-family dwellings. Another phase of the program was to encourage families to board or lodge war workers in any available rooms. Workers desiring accommodations were asked to register at the War Housing Center, which would then endeavor to find suitable quarters near their place of employment.

Commissioner William T. Vanderlipp is the manager for the War Housing Center in Newark, with jurisdiction over the northern section of the State. In the early stages of this program, the State Housing Authority assisted by providing office space and lending members of its staff to assist in the work.

It might also be noted here that much data was gathered and specialized services rendered to the state during the Emergency. A prime example was the formulation, for the Civilian Defense Director, of a plan of evacuation for the residents of the State. This plan was to be put into operation if and when the necessity arose. It required many hours of labor and careful thinking, on the part of staff members in their assistance to the committee in charge.

In April 1943 the Legislature created the State Commission on Post-War Economic Welfare, consisting of ten members, including six men prominent in the business world and four members of the Legislature. Senator Howard Eastwood, of Burlington County, was selected as Chairman of the group.

The Commission was charged with the duty of devising plans whereby the State of New Jersey may guard against or forestall the economic effects of any depression which may follow the war period of increased industrial and business activity. To this end, the Commission was to study the feasibility of construction of useful and self-liquidating public works, methods of stimulating industrial and business activity and employment, emergency provisions governing the State banking system, measures for the financing of relief and the most economical, efficient and equitable administration thereof and all other appropriate phases of the subject, including the economical and efficient administration of the State departments which would administer any such plans which might be adopted.

The Commission then held a series of meetings at which representatives of various state departments were invited to attend to expound their views on the topics to be studied. Chairman E. E. Agger, of the State Housing Authority, cooperated with this Commission by appearing before them, and presenting the views

of the Authority on post-war housing in New Jersey. The Authority also submitted estimates of housing need which were incorporated in the First Report issued by the Post-War Economic Welfare Commission. As a further evidence of cooperation, the services of a member of the Authority staff was loaned to the Commission. Office space in the Authority offices in Newark were also given for the use of the Commission.

Following is a list of the recommendations made for the State Housing Authority by Chairman E. E. Agger.

1. That adequate appropriations be made to enable the Authority to engage in an effective housing program.
2. That the Authority give special consideration to housing needs in rural areas and in villages and small towns where there are no local authorities.
3. That special thought be given to the problem of housing for migrant farm workers.
4. That the Authority be given power to regulate auto and labor camps in the public interest.
5. That shack areas and squatter camps be eradicated.
6. That housing cooperatives be encouraged.
7. That the Authority establish a relationship with the Tenement House Supervision Board, with the end in view to prepare standard building codes, model zoning ordinances and similar legislation.
8. That the Authority cooperate with local housing authorities to co-ordinate their work, prepare standards for the management of projects, etc.
9. That the Authority serve as central agency for plans, information, etc., for urban redevelopment and private large-scale housing.

* * * * *

In March 1944, as part of the reorganization plan for State Departments, suggested by Governor Edge, the Legislature passed Assembly Bill #1, submitted by Assemblyman Cavicchia of Essex County, who is also a member of the Post-War Economic Welfare Commission. An abstract of the bill is as follows:

"Assembly #1, (Chap. 85, P.L. 1944) signed by Governor Edge on April 6, 1944, establishes a Department of Economic Development, and transfers to the Department the functions, powers, duties, staff and equipment of the State Housing Authority, the State Planning Board, and five other agencies. The Department is to be headed by a Commissioner, assisted by an Economic Council of ten members. Among the divisions in the Department there is to be a division of planning and engineering; and the Department is required to prepare a State master plan for the physical development of the State; make studies of rural land utilization; investigate living, dwelling, and housing conditions and into means of improving them; determine where slum areas exist and where there is a housing shortage for families of low income; make studies and recommendations relating to the problem of replanning slum areas; and engage in research and experimentation on the subject of housing; it shall enforce compliance with the laws relating to local housing authorities. The Commissioner is constituted the State's Public Housing and Development Authority, 'a body corporate and politic'. As the Authority, the Commissioner will have full power to undertake and operate any slum clearance or housing project for slum dwellers and low-income families; he may acquire land by eminent domain; he may borrow money and secure it by bonds or mortgages, without pledging the State's credit; he may receive money from the Federal Government, or the State, or any other source. Rents in projects may not exceed \$10 per room per month in cities of the first class and \$8 in other municipalities. Its property shall not be tax exempt. This law is effective as of July 1, 1944."

The Legislature also passed in March 1944, Assembly Bill #143 (Chap. 169, P.L. 1944) submitted by Assemblyman Preiser of Essex County, which was signed into law on April 19, 1944 by Governor Edge. This law provides for urban redevelopment, and redevelopment companies and investments therein by insurance companies, savings banks, fiduciaries, etc.

Commissioner Vanderlipp, of the State Housing Authority, was actively

interested and instrumental in the passage of this law, as Chairman of a Committee on Urban Rehabilitation appointed by John E. Sloane for the New Jersey Division of the National Committee on Housing, Inc. The report of this committee as submitted by them to Governor Edison, contained practically the same provisions as were enacted into law.

In the ten years of its existence, the State Housing Authority has held 154 meetings. During that time eleven different persons have served as Commissioners, and they represented various sections of the State as well as diverse business and professional interests. Following is a listing of the Commissioners who served and their terms of office, arranged in order of appointment:

Dr. Edith Elmer Wood - Cape May County

Appointed 1934-1935
Reappointed 1935-1935
Resigned 1935

Isora B. Somers - Atlantic County

Appointed 1934-1936
Reappointed 1936-1941
Ad Interim 1941-1943

Walter S. Kellar - Hudson County

Appointed 1934-1937
Died 1934

Stanley S. Holmes - Essex County

Appointed 1934-1938
Died 1935
Served as First Chairman of the S.H.A.

Arthur A. Quinn - Middlesex County

Appointed 1934-1939
Reappointed 1939-1944

Christian H. Ziegler - Hudson County

Appointed for unexpired term 1934-1937
Reappointed 1937-1942

Eugene E. Agger - Middlesex County

Appointed for unexpired term 1935-1940
Reappointed 1940-1945

Fred W. Ehrlich * - Essex County

Appointed for unexpired term 1935-1938
Ad Interim 1938-1940

William T. Vanderlipp - Essex County

Appointed for unexpired term 1940-1943
Reappointed 1943-1948

Irving Abramson - Passaic County

Appointed 1942-1947

Claiborn M. Cain - Atlantic County

Appointed for unexpired term 1943-1946

* Never confirmed by the Senate

* * * * *

No report of the activities of the various local housing authorities will be made in this summary. They have been presented in previous annual reports, and the statistical data would be repetitious, inasmuch as they would show only slight changes.

However, the local housing authorities are all fully aware of their responsibilities, and within their scope of operation have done much to alleviate the strain of the critical war housing shortage. Commendation for their efforts, must be freely given to them.

Except as made necessary by the war emergency it should also be recorded that all local housing authorities are operating their respective housing projects in the interest of the low-income family, for which they were built, and are managing this worthwhile and long term program in an efficient, praiseworthy manner.

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We conclude this, the final report of the State Housing Authority, with the statement that future activities on housing in New Jersey will be presented in Annual Reports of the Department of Economic Development.