

COMMUNITY

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HUD To Help N.J. Provide Housing Via 2 New Plans

The federal government has agreed to help New Jersey provide housing for thousands of low and moderate income families through two new programs announced last month.

Both programs involve the close cooperation of the New Jersey Department of Community Affairs and the U.S. Department of Housing and Urban Development (HUD).

One plan, hailed as the first of its kind in the nation, permits the state and federal housing programs to join forces in building 5,000 new housing units for rental or cooperative purchase by low and moderate income families now forced to live in substandard structures. This would be financed largely with funds from the \$12.5 million Housing Assistance Bond Issue, approved by New Jersey voters in the Nov. 5 election.

The second plan enables the state to lease dwellings in privately owned single or multi-family buildings for rental to 500 low-income families who are eligible for public housing assistance. The families would pay rents at regular public housing rates, with the Federal government making up the difference between public housing rent schedules and the agreed upon fair market rent.

The first plan is the result of an agreement signed October 21 by Community Affairs Commissioner Paul N. Ylvisaker and Philip N. Brownstein, commissioner of the Federal Housing Administration (FHA). Under the plan, the state will use bond issue funds to make long-term loans of up to \$2,000 per housing unit to private housing sponsors, which then could qualify for FHA-guaranteed mortgage loans.

The state loans will make possible projects which would not otherwise be feasible under federal cost limits.

(CONTINUED on page 6)

AT GROUNDBREAKING—Mayor John R. Armellino of West New York turns first spadeful of earth at groundbreaking ceremonies for the Overlook Terrace apartments, the community's first middle-income housing project. Looking on are Peter A. Corbisiero (left), executive director, Urban Renewal Agency, and Deputy Community Affairs Commissioner Joel H. Sterns. The apartments will be built with a \$12.75 million loan from the Department's Housing Finance Agency. See story on page 2.

Ylvisaker Will Be Panelist On Urban Ills

Community Affairs Commissioner Paul N. Ylvisaker will participate in an afternoon panel discussion on urban problems at the annual Congress of the National Association of Manufacturers on December 4.

The one-day congress will be held at the Waldorf-Astoria Hotel in New York. The panel discussion follows the keynote address on "Creative Leadership in our Cities," to be delivered by John W. Gardner, chairman of The Urban Coalition and former

U.S. Secretary of Health, Education and Welfare.

Other panelists are the Rev. Leon H. Sullivan, board chairman, Opportunities Industrialization Centers of Philadelphia, Walter E. Washington, mayor-commissioner of the District of Columbia and A. Wright Elliott, vice president, National Association of Manufacturers. Alexander B. Trowbridge, president of the American Management Association, will serve as moderator.

State Housing Unit Sells Bond Notes Worth \$18 Million

The New Jersey Housing Finance Agency (HFA) sold \$18,275,000 worth of one-year bond anticipation notes on November 13 to finance construction of two moderate-income housing developments in West New York and Newark.

It was the second note sale for the 16-month-old agency, which has approved mortgage loan commitments for six other projects in New Jersey. The notes, which are free from federal income taxes, will be paid off sometime next year when the HFA expects to sell its first long-term bonds.

The HFA also will provide permanent financing for the developments out of revenues derived from the long-term bond sale.

One bond anticipation note, for \$12,750,000, will finance the construction of twin 26-story towers containing 600 apartment units in West New York. This project, known as Overlook Terrace, will sit atop the Palisades on John F. Kennedy Boulevard, overlooking the Hudson River.

It was sponsored by the Overlook Terrace Corp., New York City, a limited-dividend corporation. Ground-breaking was held on October 29.

The other anticipation note, totaling \$5,525,000, will finance Zion Towers, a 28-story building containing 264 apartments at 515 Elizabeth Avenue in Newark's South Ward. It is sponsored by a non-profit group, Congregation B'nai Zion, of Newark. Ground will be broken later this year.

In related action, the housing agency authorized a mortgage loan commitment of \$4 million to finance the rehabilitation of 346 apartments in Newark's West Ward for co-op purchase by moderate-income families. The loan, approved at the agency's October meeting, will facilitate a major expansion of the 94-apartment Amity Village project, which is currently being financed with a \$1.2 million HFA loan.

The 346 apartments to be rehabilitated with the new mortgage loan

Communities Spent More Money In '67

New Jersey's 567 local governments spent one-eighth more money in 1967 than they did in the previous year, according to the 30th annual report of the State Division of Local Finance released earlier this month.

Municipal spending in New Jersey rose \$80 million, or 12.9 per cent from \$621 million in 1966 to \$701 million in 1967, the report states. Other statistics contained in the report include:

▶ An increase of 16.4 per cent in county spending, up \$51 million, from \$311 million in 1966 to \$362 million in 1967.

▶ A corresponding 14.8 per cent rise in county, local school district, and special district taxes, up \$130 million, from \$880 million in 1966 to \$1.01 billion in 1967.

▶ A much smaller increase of 2.8 per cent in debt service costs, up \$1.6 million, from \$56.7 million in 1966 to \$58.3 million in 1967.

James A. Alloway, director of the division, located within the Department of Community Affairs, said that the report revealed the state's municipalities and counties generally to be in sound financial condition.

A new feature of the current report is a table of state equalized tax rates. Alloway said that the table makes comparisons of tax rates possible among all municipalities in the state. In the past, such comparisons could not be made readily because the rates reported for different municipalities were based on different assessed valuations.

The division, under state law, requires every municipality and every county to submit its annual budget for approval and for placing on file. Copies of the annual report are available from the Department of Community Affairs, Division of Local Finance, Box 1969, Trenton, N.J. 08625.

surround the current units, which are located on South 19th and South 20th Streets. The new units, along with the 94 units previously committed, represent about 25 per cent of the apartments in the 15 square-block area.

Nearly half of the 346 new units will have three bedrooms, and thus be suitable for large families. The breakdown of apartments is as follows: 36 efficiencies; 54 one-bedroom; 105 two-bedrooms; 149 three-bedrooms; and two four-bedrooms.

The rehabilitation on the second phase is scheduled to begin in January with the first apartments due for completion in March, and the entire project slated for completion by January, 1970.

The apartments will be co-op purchase, with a down payment and monthly carrying charge as follows: efficiencies, \$250 down and \$95 monthly carrying charge; one-bedroom, \$250 and \$110 monthly; two-bedrooms, \$300 and \$115 monthly; three-bedrooms, \$400 and \$135

monthly, and four-bedrooms, \$500 and \$150 monthly. All carrying charges include heat and hot water.

Rehabilitation of the apartments includes wall-to-wall carpeting in the living room; a complete kitchen with wall oven and range, dish washer and freezer-refrigerator; and a bathroom with ceramic tile. Air-conditioning is available as an option.

Tri-City Citizens' Economic Union, a non-profit group of community leaders and clergy with headquarters in Newark, is sponsoring the project. The group also sponsored the 94-unit first phase.

Since many of the 346 apartments to be rehabilitated are currently occupied, relocation efforts will give these families first priority in renting some 70 apartments from the first stage of Amity Village as well as the new apartments of the second stage. Families which have been made homeless by urban renewal projects or other reasons will also be given high priority in renting the rehabilitated units.

Results Of State Fair Survey: Most Favor Shared Services Among Neighboring Localities

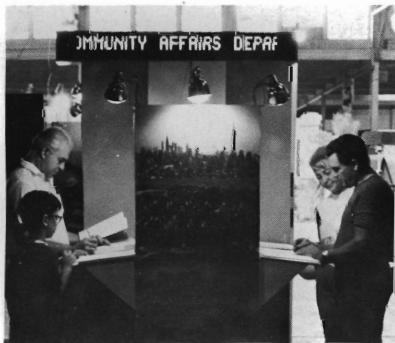
A poll taken by the Community Affairs Department at the New Jersey State Fair this year showed that a strong majority of those voting favored combining municipal services, or even merging municipalities, if it would mean improvements in the quality of services.

The 757 fairgoers who cast ballots in the Community Affairs poll supported this opinion by majorities of more than 3 to 1. The fairgoers also expressed the following opinions:

▶ New Jersey needs stronger laws to ensure orderly land development—a view backed by four out of five who voted.

▶ Greater state and county control over land development would not violate the “home rule” concept as they understand it.

▶ The government should act as “employer of last resort” by guaranteeing a job to anyone unable to find work, but should not guarantee a basic annual income above the poverty level to every poor family. This result is similar to that obtained in national polls.



▶ New Jersey should attract private funds into construction of low and moderate income housing. This has been a key element in state housing policy.

▶ New Jersey should try to keep its future population growth from reaching 20 million, a figure that state planners estimate is the maximum the state can accommodate if present development patterns continue.

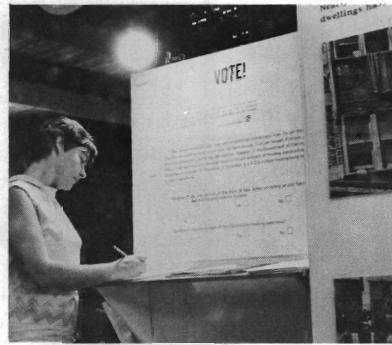
▶ A successfully renewed city would be a good place to live in the opinion of more than two-thirds of those who voted.

The Community Affairs poll was conducted by the department at its exhibit booth in the New Jersey State Building. The poll was open during the entire nine days of the fair.

It was intended to serve two purposes—to inform fairgoers of problems the state faces and to give an indication of citizen views on major national and state issues. It was not intended to be a scientific sampling, and the results therefore should not be interpreted as a measure or prediction of the views of a larger number of people.

Voters in the poll were asked to answer the questions either “yes” or “no.” Information on the questions was provided on the exhibit panels to assist the voters in making their choices.

The voters were asked to indicate on their ballots their place of residence, sex, and age group (20 or younger, 21 to 40, or 41 or older.) Space was left at the bottom of the ballot for comments. Of the 757 ballots cast, 64 contained



comments. There was also a space for the voter to sign his name and address if he wished; 276 ballots had legible names and addresses.

There was only a slight variation in the opinion patterns by sex or age group. On the third question, concerning the government as employer of last resort, nearly four out of seven women and girls voted in favor, but the men and boys were about evenly divided with 179 favoring it and 178 opposed. On the fourth question, concerning guaranteed income, about three women in seven voted in favor, while men were opposed by more than 2 to 1.

Age differences showed up on two questions. Adults approved of New Jersey attracting private funds into housing by more than a 3 to 1 majority, while young people (those under 21) were more nearly evenly divided, 147 to 128 in favor. Young people were also more enthusiastic about living in a successfully renewed city (by a 7 to 2 margin) than were adults (who favored it by nearly 2 to 1).

The results of the poll are summarized in the accompanying table on page 4.

These were some of the comments:

From a young girl in Ewing Township (Mercer County): “New Jersey needs laws which will ensure community growth to keep up with the times.”

From a woman in Brick Township (Ocean County): “I feel regionalization would help the smaller communities in the state.”

From a Yorkshire, England girl—the only voter who identified herself as being from a foreign country: “It is the duty of a free and democratic nation to strive for the utmost in beneficial government.”

From an older woman in Orange: “I think there could be some way to put able people to work that are on welfare.”

From a woman in Westwood (Bergen County): “I don’t favor as a general rule the merging of large numbers of communities into so-called ‘Megalopolises’ as this reduces the effect that the people have in controlling matters on a local personal basis.”

From a man in Bloomfield: “Stronger control on riots—less money on welfare.”

From a girl in Lambertville (Hunterdon County): “I am in favor of stopping the spread of urbanization from New York City and Philadelphia and saving some greenery in New Jersey.”

From a woman in Trenton: “Working together is the answer to most of these problems.”



Housing Groups In Atlantic City, Camden Receive \$56,886 In Department Grants

The Department of Community Affairs approved this month an interest-free loan and grant totaling \$56,886 for two housing projects in Atlantic City and Camden.

The first was a \$41,386 grant to Home Ownership Made Easier, Inc. (HOME), a non-profit Atlantic City group formed to rehabilitate homes for sale to low-income families. The initial goal is rehabilitation of 50 homes during the first year.

The second was a \$15,500 loan to the Union American Methodist Episcopal Apartments, Inc., a non-profit group, to aid in plans for construction of 70 apartment units in Camden for rental to low and moderate-income families.

Both the grant and the loan were made from the \$2.25 million Community Affairs Housing Development and Demonstration Grant Fund.

Thomas V. Seessel, director of the New Jersey Housing Finance Agency

and administrator of the fund, said the HOME group would use the grant funds to pay for staff necessary to operate the program and other administrative and overhead costs, including consultant services. Without the grant, project administrative costs would have had to be passed along to the low-income purchasers of the homes.

HOME, composed of business and church groups in the resort city, will use a \$46,100 revolving fund to purchase deteriorated homes and completely rehabilitate them. The fund was formed through investments by 11 Atlantic City businesses, business groups and a church group.

The money will be returned to the fund—and used again to purchase other homes for rehabilitation—through sale of the homes to low-income families who obtain low-interest 30-year Federal Housing Administration mortgages.

Under this system, families with an income of from \$4,000 to \$6,000 a year will be able to afford to purchase a dwelling. Under the new Housing and Urban Development Act of 1968, the federal government will help low-income families purchase homes, paying the difference between 20 per cent of an eligible family's income and the monthly mortgage payment.

HOME will seek to use minority group contractors for the rehabilitation work, and is seeking funds to train unemployed Atlantic City residents in the building trades, Seessel said. It will rehabilitate houses in the area bounded by Main Avenue on the east, Absecon Boulevard and the Penrose Canal on the north, Arkansas Avenue on the west and Atlantic Avenue on the south. The Rev. Bradley Sheeks is president of HOME.

Seessel said the loan made to the Union American M.E. Church would be used in acquiring land, developing architectural plans and to expedite processing of the project for a mortgage loan commitment.

The housing sponsor expects to receive approval and financing for the project from the Federal Housing Administration (FHA).

The apartment building, known as Harmony House, will contain about 70 units, ranging from two to four bedrooms for rental to low-and moderate-income families. It will be built on a site bounded by the 700 block of Chestnut Street, Maurice Street, Baxter Street and South 7th Street.

Seessel said apartments in the project would charge monthly rents of about \$120 for two bedrooms, \$140 for three bedrooms and \$160 for four bedrooms.

Some families unable to afford these rents would be able to rent apartments in the development with federal assistance provided under the Housing and Urban Development Act. of 1968.

Union American M.E. Apartments, Inc., with offices at 718 Chestnut Street, Camden, is headed by Bishop David M. Harmon.

Community Affairs Poll Results

<i>Question</i>	<i>Yes</i>	<i>No</i>
1. Do you think New Jersey needs stronger laws to ensure orderly development of its land?	608	135
2. Do you think greater state and county control over land development would violate "home rule"?	302	413
3. Should the government provide a decent job to anyone unable to find work with a private employer?	382	341
4. Should the government guarantee every poor family a basic annual income above the poverty level?	270	455
5. Do you approve of the State of New Jersey attracting private funds into building low and moderate income housing?	497	230
6. If your community could provide better local services by merging with a community next door, would you approve of the merger?	552	183
7. If your community could improve or expand one of its present services by doing it jointly with a community next door, would you approve?	594	133
8. Do you think New Jersey should attempt to keep its population from going to 20 million?	379	324
9. Would you like to live in a city that had been successfully renewed?	493	212

Special Summer Job Program For Idle, Low-Income Youths Eases Unemployment Problem

A special state-sponsored summer job program for disadvantaged youth "played a significant role in easing the youth summer employment problem in New Jersey," according to an evaluation made by the Community Affairs Department.

The program, known as Youth in Community Service Corps, placed a total of 3,476 youths from low-income families in a variety of public service jobs during the summer months. It was financed by \$1 million in state funds appropriated in special legislation signed by Governor Richard J. Hughes on June 26.

The job placement effort, administered by the Department's Office of Economic Opportunity, was conducted locally by 25 youth employment sponsors in communities throughout the state.

In analyzing the results of the program, the report said corps job placements were especially significant in view of a severe cutback in federal Neighborhood Youth Corps job slots this summer. It noted that the number of NYC job openings was reduced by 2,200 this summer—from 7,500 in the summer of 1967 to 5,300 this year.

"The effects of the Federal reduction were reduced in many areas of the state by placing youngsters on the equivalent of a four-day work week in order to increase enrollments," the report said. "But, whatever the devices used to soften the effect of the federal cutbacks, it is clear that the state-sponsored Youth in Community Service program played a significant role in easing the youth summer employment problem in New Jersey."

The report cited statistics, prepared with the aid of the State Division of Employment Security, showing how the 3,500 YCS Corps jobs comprised nearly one-quarter of the 16,650 summer jobs filled by disadvantaged youngsters who could not find work through regular private employment market channels. The remaining 13,150 jobs were filled by youngsters recruited through the Federal Neighborhood Youth Corps, 5,300; the National Alliance of Businessmen, summer phase, 2,500; and New Jersey Alliance of Businessmen, summer phase, 5,350.

YCS Corps enrollees ranged in age from 14 to 21 and were drawn from low-income families (\$4,200 annual income for a family of four). They worked a maximum of 32 hours a week at the rate of \$1.40 an hour.

Enrollees served in a variety of community service type jobs, ranging from recreational aides and clerk-typists to library aides and maintenance assistants. In all cases, efforts were made to use only jobs that provided "a meaningful work experience for the summer"—an experience "that developed a sense of responsibility in the youngster as well as fostered a feeling of confidence in his own ability."

In Plainfield, for example, 10 corpsmen helped a local priest paint eight neighborhood houses that could not meet building code standards. As a result, all the homes subsequently were approved by the housing inspectors; the resi-

dents, mostly elderly people who could not afford the repairs or do the work themselves, were spared eviction.

"I don't know what we would have done without the boys' help," said J.B. Whiting, one of the residents, "The program was actually a God-send."

In North Hudson, several enrollees served as teachers aides and community service workers in a tutorial program designed to teach conversational English, mathematics and remedial reading to 1,000 underprivileged children.

Marie Flaherty, director of one of the tutorial projects, said the enrollees "have shown improvement in self-confidence, reliability and have had a chance to show their initiative and imagination. In fact, most of them have requested to stay on to give volunteer help after the summer program."

Accolades also were received from other local program sponsors, including Mayor Richard S. Jackson of Atlantic City, James M. Langford, chief engineer, Matawan Township, S. Korten, day care director, Hamilton Township, among others.

N.J. Ranks Second In Nation With Seven Model City Grants

New Jersey ranks second among the 50 states in the number of communities designated by the federal government as recipients of Model Cities planning grants.

The recent selection of East Orange and Paterson as Model Cities brought New Jersey's total to seven. East Orange received \$111,000 and Paterson \$138,000.

Earlier selections were Hoboken, Newark, Trenton, Perth Amboy and Plainfield. Four other states—California, New York, Pennsylvania, and Texas—also have seven. Massachusetts has nine.

Under the two-year-old Model Cities program, communities inventory their social and physical needs, then submit detailed applications to the federal Department of Housing and Urban Development (HUD) for Model Cities planning grants. Those cities selected then receive grants to plan a massive, coordinated attack over a five-year period on the problems of a specified target area, or "model neighborhood," where problems are most severe.

After the plans are submitted and approved, the "Model Cities" will be eligible for some \$300 million in supplemental grants, to be used to carry out their plans.

In New Jersey, state financial and technical aid is also available through the Community Affairs Department's State Model Cities program. Under the state program, a community can get this help whether or not the federal government approves its application.

James Shue, director of the state Model Cities program, said it has helped New Jersey communities win federal designation. He noted that under the state program 13 communities have received a total of approximately \$400,000, as well as staff technical assistance, and that about \$500,000 in additional state aid is available during the current fiscal year.

Federal Model Cities planning grants to the seven selected cities now total \$903,800.

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Each state investment of \$2,000 will attract about \$18,000 in private construction and mortgage activity—a multiplier effect of nine dollars for each dollar from the state. Thus, an investment of, say, \$10 million in bond issue funds will draw out some \$90 million in private investment.

“The housing bond issue funds will permit the state to inject relatively small amounts of money into federal housing programs, freeing them from restraints that prevent them from fulfilling their full potential in New Jersey,” said Ylvisaker in signing the agreement. “The result will be a federal-state-private housing program totaling about \$100 million.”

In the past, many privately sponsored housing projects for low and moderate income families have been delayed for long periods of time or were not constructed at all because of low FHA cost ceilings. The state loans, in effect, will raise the federal cost ceilings.

Ylvisaker said the new plan also would “go a long way towards easing the critical lack of large apartments—those with more than three bedrooms—which are desperately needed by large, low-income families who are least able to afford better housing.” He said 97 per cent of the 2,600 apartment units built under federal housing programs in New Jersey in recent years have only one or two

bedrooms and that none have been built with more than three bedrooms.

In addition, the state will use some of the bond issue funds to provide interest rate subsidies to private housing sponsors for 10 years. This program would stimulate about six times the state investment from the private sector.

This plan would work in conjunction with the Federal Housing Administration’s new interest subsidy program, contained in the Housing and Urban Development Act of 1968. Under the act, the federal government pays the difference between 25 per cent of a tenant’s income and the monthly rental on an apartment.

Both programs—direct assistance to federal housing and interest subsidies—would operate through the State Housing Finance Agency (FHA), established last year to stimulate the private sector to expand construction of moderate-income housing.

Under the second major state-federal plan, involving leased housing arrangements, HUD has agreed to reserve 500 units of housing to the state’s Public Housing and Development Authority, whose powers are vested in the Community Affairs Department. The state will get federal funds under this plan for at least 10 years.

In announcing this agreement at a meeting of state-appointed members of public housing authorities on October 24, Ylvisaker said New Jersey is only the third state in the country now using or applying for funds under

the leased housing program, which was started in 1965. The other two states are Vermont and Alaska. Usually, this program is conducted by local housing authorities.

Under the program, he said, the federal government agrees to finance a given number of housing units, as in the regular public housing program, instead of making a specific dollar grant. This is because the amount needed for the program may vary from year to year, depending on the number of individuals in families housed, the current rental rates of the housing authorities, and the prevailing level of rents in the private market.

Ylvisaker said the leased housing contract now being negotiated would provide the Department with federal subsidies ranging up to \$74 a month for a single-bedroom apartment and up to \$177 a month for a six-bedroom unit. He said the average subsidy could be up to \$127 a month.

The total annual subsidy for the 500 units will be about \$750,000 he said. This would channel some \$7.5 million in federal leased housing funds into New Jersey over the next decade.

State Spends Less

Although New Jersey is 7th, nationally, in per capita personal income, the state government spends less money per person than any other state in the country, according to P. Paul Ricci, president of the State Federation of District Boards of Education.

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