

COMMUNITY

A Publication of the New Jersey Department of Community Affairs



SEWAGE PLANNING — William Struwe (left) of the Department's Management Assistance Unit assists Cresskill Borough Clerk William Hotaling under a new streamlined municipal assistance program.

Photo by Jim McDonald

Meadowlands Law Is Upheld

The constitutionality of the 1968 law creating the Hackensack Meadowlands Development Commission, a quasi-independent agency within the Department, was upheld by Superior Court Judge Theodore W. Trautwein in a 60-page decision delivered October 20.

The Judge, who had reserved decision following an eight-day hearing last March, ruled that it is within the State Legislature's province to establish a special commission to develop the 18,000-acre meadowlands area. Judge Trautwein said, "The act projects in new and far-reaching dimensions the sense of an enlightened Legislature." He described the Meadowlands as "the last remaining reservoir of open-space in the center of the New York-New Jersey metropolitan area."

The suit testing the law's constitutionality was brought by the Meadowlands Redevelopment Agency and 12 of the 14 Bergen and Hudson County municipalities across which the Meadowlands spread. They claimed the law interferes with local powers of planning, development and taxation and violates the State's traditional home-rule concept.

New Management Study Plan Offers Localities Fast Service

New Jersey municipalities can now receive prompt and even on-the-spot advice on solving administrative and fiscal problems through a new streamlined version of the Department's Municipal Consultant Program.

In the past, an experienced community service officer or outside consultant would spend an average of five months examining the overall administration of a requesting community or some specific aspect of it, such as public works, police and fire, or recreation. The result would be a printed administrative study report, about 100 pages in length, which would document the findings and recommend solutions.

Under the new approach developed by the Department's Office of Community Services, a community service officer will spend only a few days or, at most, a couple of weeks in the requesting community, serving as a staff assistant. Where practical, he will make on-the-spot suggestions for economy and efficiency. In the end, he will submit a brief written staff report of about 10 pages to local officials.

Community Affairs Commissioner Edmund T. Hume said the new approach is designed to provide quicker and more efficient service to localities. An added incentive, he said, is that the new method is available at no cost to the requesting municipality. The longer in-depth administrative studies are financed, in part, by the local requesting agency, which usually pays one-third of the total cost.

Hume noted that the shorter staff reports will consist almost entirely of recommendations to solve short-term day-to-day problems such as purchasing procedures, personnel administration and fiscal management.

"With this new approach, our community service officers will actually work in the requesting communities as municipal staff assistants," said Hume, "They will provide on-the-spot suggestions for improving local government operations."

He said the new "staff study" approach seeks "to bring the Department of Community Affairs to each municipality, rather than have the municipality come to us."

Patrick J. Gaffigan, chief of the Office's Management Assistance Unit, said the new streamlined assistance program was developed after the unit had surveyed the results of all longer administrative studies prepared between September, 1969, and March, 1970. The survey revealed that about half of the recommendations had been adopted by the municipalities.

"The survey convinced us that the implementation rate could be vastly improved to perhaps 70 or 80 per cent if a member of our staff were available to provide guidance in how written suggestions could be put into actual opera-

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13 Named to Commission on Women, Other Advisory Bodies

Governor William T. Cahill has named eight women to nine seats on the newly organized State Commission on Women, an advisory body which directs the activities of the Department's Division on Women.

The appointments, confirmed by the State Senate on October 8 and effective immediately, are the first to be made to the Commission, which was established in 1969 legislation creating the Division within the Department.

The Division studies the problems and needs of women, recommends new programs, serves as a clearinghouse for information and conducts conferences and educational programs.

The Governor is expected to nominate the ninth and final member of the Commission when the Senate reconvenes in late November.

The appointments, by terms of office, are as follows:

Three-year terms — Mrs. Lois Joice, of Little Silver (Monmouth County), director of the news service of the Reform Church in America and a former Shrewsbury councilwoman, and Mrs. Richard Lum, a Chatham (Morris County) civic leader;

Two-year terms — Mrs. Bess R. Gollin, of Jersey City, chairman of the Hudson County Rent Payers Organization and president of the Jersey City Rent Payers Association, Inc.; Mrs. Mildred McLean, of Summit (Union County), former president of the New Jersey Federation of Business and Professional Women, and Mrs. Helen A. Wise, mayor of Audubon (Camden County).

And, one-year terms — Mrs. Albert S. Franklin, a member of the Willingboro Zoning Board of Adjustment; Dr. Edythe Gaines, of Montclair, a member of the board of trustees of Montclair State College, and Sister Hildegard Marie, president of the College of Saint Elizabeth, Convent Station.

In other action, the Senate confirmed the appointments of Somerset County Freeholder John R. Mullen and Mayor Lawrence F. Kramer of Paterson to the Advisory Council on Community Affairs at sessions on

September 21 and September 28, respectively. The 13-member council offers advice on the problems of local government and conducts studies on specific community problems.

Mullen will serve the remaining two years of the four-year term of Hunterdon County Freeholder Vincent Abraitys, who resigned. Kramer, who will fill a four-year term, succeeds former Trenton Mayor Carmen Armenti, whose term expired June 26.

The Senate also confirmed the appointments of Middlesex County Freeholder Francis J. Coury and Stanley D. Iacono, mayor of Weehawken (Hudson County), on September 21 and September 28, respectively, to three-year terms on the

Deutsch Named Assistant Commissioner

Eugene F. Deutsch, formerly assistant to the president of the State Senate, took office September 30 as Assistant Commissioner for Intergovernmental Relations of the Department.

Community Affairs Commissioner Edmund T. Hume, who made the appointment, said that Deutsch's "experience and service as a Senate officer has prepared him well for this job. His knowledge and contacts throughout the structure of state, county and local government will make him a valuable asset to the Department."

Hume noted that Deutsch will serve as the Department's liaison with state agencies and with all levels of government, including federal, county and local.

Deutsch, 41, succeeds B. Budd Chavooshian, who resigned to become a resource development specialist and program advisor in the College of Agriculture and Environmental Science of Rutgers University.

Chavooshian had served in state government since 1956.

Until assuming his new post, Deutsch had worked since 1964 at

New Jersey State Commission on Aging. They fill two of the nine citizen member vacancies on the Commission.

The Commission advises the Department's Division on Aging on programs designed to meet the needs of older persons, recommends legislation, and maintains liaison with other commissions and groups involved in the field.

The Senate also approved the appointment of E. T. Coronato on October 8 to a five-year term on the 10-member Hotel and Multiple Dwelling Health and Safety Board, an advisory body. Coronato, a consulting structural engineer of Upper Montclair, succeeds James J. Harrigan of Sayreville, whose term expired.

the American Metal Climax, Inc., of New York City, a diversified mineral resources company. He served as a special assistant for government affairs and as regional manager of the firm's contract department.

He also served as assistant to the Senate President, a part-time post, for two terms from January 1969 until he assumed his new position. Previously, he was assistant to the Senate majority leader, assistant journal clerk in the Senate, executive secretary to former State Senator Nelson F. Stamler of Union County and administrative assistant to the Union County Republican Assembly delegation.

Deutsch received a bachelor of arts degree in social science from Rutgers University in 1951, and later that year did graduate work in social science at American University's Mexico City campus.

He is active in many civic and social affairs, having served as director of the Greater Elizabeth Chapter of the Junior Chamber of Commerce, (now known as the Jaycees), and former president of the board of trustees of the Elizabeth (N.J.) voluntary ambulance corps. He also is a member of the executive committee of the Union (County) Council of the Boy Scouts of America, the Harold G. Hoffman Tent of Circus Saints and Sinners, and the Public Relations Society of America.



Eugene F. Deutsch

Low - Income Essex Families Improve Living, Working Conditions Through Personal Loans

A divorced mother of four pre-teen children needed two beds and school clothes for the kids.

A middle aged couple whose furniture "disappeared" after an argument with a difficult landlord needed cash to furnish an empty apartment.

A youthful father of three school-age children needed tuition money so he could attend a trailer truck driving school and, thereby, increase his earning power.

A mother whose eight children range in age from 6 to 16 and whose husband is institutionalized had to go into debt to meet food, rent and other essential household expenses.

All four of these families are low-income residents of Essex County. They share a common need — small cash loans — and face a common, frustrating problem — the unwillingness of banks and other traditional lending institutions to issue personal loans to so-called "high risk" applicants.

To help low-income people in similar situations, the Department and five commercial banks have developed a two-year experimental personal loan project which began dispensing loans in November, 1969. The pilot program, financed through a combination of federal, State and private funds, is designed to demonstrate that:

► personal loans at low rates of interest can enable disadvantaged

residents to obtain better jobs, increase income levels and, in general, maintain and improve their standards of living;

► banks and other traditionally skeptical commercial lending agencies can establish new and more flexible criteria for issuing loans to low-income persons without "high risk"; and

► poor people, many of whom are welfare recipients, can be good credit risks, capable of repaying loans, if carefully selected and given the opportunity.

The Newark Personal Loan Program (NPLP), as it is known, was originally restricted to Newark residents, but has since been expanded to cover residents of Essex County. However, the name has remained unchanged.

Administrative costs for the first year's operation were financed through a \$71,860 grant from the U.S. Office of Economic Opportunity (OEO), which recently awarded an additional grant for the same amount to cover operational costs for the second and final year, which began this month.

Under the project, loans of from \$300 to \$1,500 are made available to eligible low-income Newarkers for a 12- to 36-month period at a six per cent add-on interest rate, the current prime rate for secured loans. Loans may be given to enable borrowers to secure and maintain em-



ployment, purchase necessary equipment and appliances, obtain added skill training or education, improve the family living environment and consolidate debts.

The loans are made from a \$200,000 fund contributed by five commercial banks operating in Newark. The banks are First National State, Fidelity Union Trust Company, National Newark and Essex, 1st Jersey National and Broad National.

The fund is secured by a 60 per cent loan guarantee fund totaling \$120,500, provided by the same banks (\$40,500), the State Community Affairs Department (\$60,000) and three Newark-area businesses — Prudential Insurance Company of America (\$15,000), Engelhard Industries Division (\$3,000) and the Worthington Corporation (\$2,000).

Walter Qualls, executive director of the program, said an applicant, to be even considered for a loan, must be a draft-exempt head of household between the ages of 21 and 65 who has resided in Essex County for at least a year. In addition, he must have the capacity to repay the loan, meet U.S. OEO income requirements based on the number of dependents, use the loan to improve his family situation and have no unexplainable bad credit.

Qualls said income maximums range from \$5,000 a year for a single person to \$8,500 a year for a family of eight. He added, however, that OEO guidelines require that at least half of all loans go to families with incomes at least \$2,000 below these maximums.

How do these criteria compare with those of banks?

Most banks require a personal loan applicant to live at the same residence



OBTAINING A LOAN — *The Newark Personal Loan Program (NPLP), with offices in the State Office Building in Newark, makes low-interest loans available to selected low-income residents of Essex County after a careful screening process and selection procedure. After completing a basic data form, applicants who meet basic NPLP eligibility requirements are interviewed by loan counselors Richard Biretta (below left), who is bilingual, and John A. Hillman (at left), who determine, after a credit check, whether to recommend loan approvals. Below, Mrs. Charlene Currie of Newark, the recipient of a \$550 loan, proudly displays a newly purchased freezer to Walter Qualls, NPLP executive director. At right, Qualls discusses the progress of the program with John Sansone, credit manager, First National State Bank, and other representatives of the five participating commercial banks at a regular monthly meeting.*



and work on the same job for at least two years. In addition, banks are hesitant to lend money to divorced or separated people and prefer those who are at least 30 years old who have demonstrated previous good credit ratings and who earn from \$7,500 to \$12,000 annually without regard to dependents.

By these standards, a high proportion of NPLP loan applicants would have been rejected outright by banks, according to Qualls. He said a survey of all approved NPLP loan applicants revealed that nearly half (48 per cent) are under 30 years of age, 60 per cent are separated or divorced, 68 per cent receive full or partial public assistance and, hence, are not employed, and that only 39 per cent of those who are employed have worked at the same job for more than a year.

In addition, the survey revealed that 27 per cent of the approved borrowers have lived in their present home for under one year and that

nearly all had an average of two outstanding debts with other credit institutions.

“Basically, we try to select a loan recipient on the basis of his stated needs, his ability to cover necessary family expenses and still have enough to repay the loan and whether the loan will improve his family situation or living standards,” said Qualls, whose offices are located in Room 221 of the State Office Building, 1100 Raymond Blvd., Newark.

“No applicant is automatically excluded because of prior credit difficulties. Applicants with previous credit problems may be accepted for a loan if NPLP determines that the person had acted in good faith and if he agrees to attend consumer education classes arranged by the program.”

Since the program began last November, a total of 700 applications were processed. Of these, some

180 applicants received loans totaling about \$80,000.

Qualls said more than half of the applicants were eliminated immediately because they could not meet the income guidelines. He said the remainder failed to meet one of the other basic requirements or were seeking some form of assistance other than a loan, such as legal services.

Applicants who meet basic eligibility requirements are interviewed by one of two loan counselors who discuss family finances and the purpose of the loan. If a decision is made to process the application, a credit check is made. If the credit check meets NPLP's criteria, the program recommends approval of the loan to one of the participating banks.

“The program tries to convince applicants that they have credit even though they may never have used it before,” said John Hillman, a counselor. “We provide counseling to help them realize their obligation to repay on a regular schedule and urge them to contact the bank in advance if they expect to have a problem.”

Although the program is only at the midway point, Qualls believes NPLP has already begun to demonstrate a measure of success.

To date, only six loans or 3.3 per cent of the 180 loans have gone into default — that is, payments had not been made for 90 days. This compares with the average bank default rate of approximately 1 per cent for good risk clients.

In addition, about 52 loans or 29 per cent of the approved loans are

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State Is Urged to Aid Localities In Joint Provision of Services

A State-aid incentive program aimed at encouraging municipalities to provide 11 basic local services jointly has been proposed by the County and Municipal Government Study (Musto) Commission.

The proposal was submitted to the Governor and the State Legislature in a 50-page Commission report entitled, "Joint Services — A Local Response to Area Wide Problems."

In its report, the Commission, an arm of the Legislature, calls for a State-aid incentive program that would provide municipalities with 25 per cent of the six-year cost of operating joint services they presently are not providing or are providing at an inadequate level. In addition, six-year, 10 per cent incentive grants would be made available to municipalities that wished to consolidate existing services.

The State would also pay for studies to design these joint inter-local service programs.

Under the proposed program, joint municipal, joint county and county-municipal service programs would be eligible for incentive grants.

"Under the existing system with its fragmentation of responsibility, no single unit of government at the local level can undertake to provide adequate services of an area-wide nature such as sewage treatment, drainage and flood control, traffic control, transit and solid waste disposal," the Commission pointed out. "Similarly, there are many services, such as public health and law enforcement which municipalities can develop and maintain in partnership with other municipalities much more effectively than they can alone."

The Commission concluded that, "The single most important thing which can and should be done is to establish service units which are large enough to perform services adequately, efficiently and economically."

It also found that "the overwhelming majority of officials in over 400 municipalities polled and interviewed are willing and anxious to enter into joint service agreements on a wide variety of areas."

The report recommended that the proposed State program apply only to the following service areas: law enforcement, fire protection, solid waste collection and disposal, maintenance of roads, public works, parks and other recreational facilities, joint assessment and collection of taxes, electronic data processing, including joint municipal records and statistics, regional building, housing and plumbing inspection and code enforcement, regional air pollution enforcement, operation of regional social service programs, and joint municipal courts.

Under the proposed program, incentive grants would be approved jointly by the State Commissioner of Community Affairs and by the Commissioner of whatever State department has jurisdiction over the service to be performed.

The Commission also recommended that, in the first year of the program, the Legislature appropriate \$2.5 million for feasibility studies only and, in the second year, allocate \$15 million for incentive grants and \$4 million for additional feasibility studies.

Copies of the latest report are available free of charge from the County and Municipal Government Study Commission, 115 West State St., Trenton, N.J. 08625.

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tion," Gaffigan said. "The new approach gives us this opportunity."

To date, six municipalities have participated in the new approach including: Union City (Hudson County), Creskill and Lyndhurst (Bergen County), West Milford (Passaic County), Phillipsburg (Warren County) and Plainfield (Union County).

The Union City staff study, which examined the overall administrative operations of the community, proposed a number of recommendations that were warmly received by Mayor William J. Meehan, who requested the survey shortly after taking office.

"Each one of the commissioners now has a working idea of what should be getting accomplished in his department," he said. "We have had excellent cooperation with the Office of Community Services and I would strongly recommend this new form of community assistance to just about every community in the State."

Gaffigan said the new modified "staff study" approach would not eliminate the need for the longer administrative studies, which will continue to be conducted on an individual need basis.

In both approaches, however, all studies will be conducted only at the request of a local government, which retains the right to accept or reject suggestions.

Any municipal or county government interested in further information on the new "staff study" assistance program should contact: Office of Community Services, New Jersey Department of Community Affairs; P.O. Box 2768, Trenton, New Jersey 08625 or call (609) 292-6110.

41 State Delegates Will Attend U.S. Conference on Children

The State of New Jersey will be represented at the White House Conference on Children this December by a 41-member delegation recently appointed by Governor William T. Cahill.

The delegates include professionals who work with children, parents and youths from throughout the State. They will be among 4,000 delegates from all 50 States who will participate in the week-long conference in Washington, D.C. from December 13-18.

The conference will include 25 forums designed to explore the most crucial problems confronting children in this decade. It will outline alternative courses of action in meeting the special needs of children in the areas of learning, health, child service institutions, the establishment of individual identity and the role of parents and families.

After the national conference, a special regional meeting will be held next spring to determine ways to implement conference recommendations.

The Department's Division of Youth has played a leading role in planning New Jersey's participation in the conference.

Model City Staffs Get Business Training

The Department is sponsoring a series of seven general management courses for professional staff members of New Jersey's nine federally designated Model Cities over the next several weeks.

The courses are being offered for the first time in New Jersey.

They are part of the Department's Community Development Training Program, which offers more than 100 different training and educational activities through 10 major projects. They are financed with federal funds under Title VIII of the federal Housing Act of 1964 and matching State-aid funds.

A total of 200 staff members of the nine Model Cities are expected to participate in the courses, which will run until mid-December. All are being taught by instructors of the General Management Institute of the Civil Service Commission under contract with the Department.

The first course, entitled "Basic Management Techniques," was given in Newark last month.

The remaining six courses will deal with supervision and group performance, statistical science for management, research skills and techniques, conference leadership and report writing.

Cities represented in the training

program are Atlantic City, East Orange, Hoboken, Jersey City, Newark, Paterson, Perth Amboy, Plainfield and Trenton.

Community Affairs Commissioner Edmund T. Hume said the Model Cities training component is designed to improve the managerial and technical skills of both the professional staffs and citizen participants of New Jersey's community development agencies.

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currently delinquent, which means they have not been paid after 15 or more days. Qualls said this delinquency rate, although it appears to be high, is not discouraging since many eventually will be repaid and never go into default.

He pointed out that many applicants, unaccustomed to repayment procedures, learn to repay according to a regular, fixed monthly schedule after receiving NPLP assistance and counseling.

"We feel the loans are having a beneficial effect on the lives of the recipients," Qualls said. "The borrowers are getting the feeling that the State and the banks are trying to help their financial situation at a time when most other agencies they have dealt with in the past have rejected them outright."

Consider the case of Mrs. Charlene

Currie, a mother of five children aged 16, 14, 13, 12 and 11. Since being separated from her husband several years ago, Mrs. Currie has received Aid to Families with Dependent Children (AFDC) assistance; she also holds down a part-time job from 5 to 10 p.m. each weekday night to earn extra money for the family.

"I always worried about getting my kids in a decent home in a decent neighborhood," Mrs. Currie explained. "I tried loan companies, but they always said no. I've been turned down so many times, it's not funny."

At the advice of a friend, Mrs. Currie applied for and eventually received a \$550 NPLP loan, repayable over a two-year period. The loan was used to meet the costs of moving into her current apartment, which is larger and more adequate than her previous one, and to purchase long-needed furniture and appliances.

"When I got the loan, I was jumping up and down, saying prayers at night, because it gave me my dignity back," Mrs. Currie explained. "Now, I have the kids in a decent place in a nice neighborhood."

"Before I had a small refrigerator so small it could only hold one day's supply of meat," she said. "Now, I have a large freezer that can hold several weeks' worth of food. Before I had to put three kids in one bed. Now, I have enough beds so the kids can sleep in comfort."

NOVEMBER 1970

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