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PUBLIC HEARING

before

SENATE LEGISLATIVE OVERSIGHT COMMITTEE

on

STATE RESPONSE TO THE MOUNT LAUREL II SUPREME COURT DECISION

Held:  
December 15, 1983  
Room 317  
State House Annex  
Trenton, New Jersey

New Jersey State Library

MEMBERS OF COMMITTEE PRESENT:

Senator Gerald R. Stockman, Chairman

ALSO PRESENT:

Steven B. Frakt, Senior Research Associate  
Office of Legislative Services  
Aide, Senate Legislative Oversight Committee

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## I N D E X

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SENATOR GERALD R. STOCKMAN (Chairman): Good morning. I apologize for being a few minutes late. I was talking to Senator Connors, who, unfortunately, has a conflict with another hearing, but he assured me of his continued interest in the subject of these hearings. He assured me, also, that he looks forward to continuing with them in the new session, and working with me to try to find some bipartisan response and proposals in the area of Mount Laurel II's mandate, and housing for low and moderate-income families generally.

I think the people who are here are people who have an interest in the subject, or they wouldn't be here. Therefore, I assume you are aware that this is the third of a series of hearings by the Senate Legislative Oversight Committee on the question of Mount Laurel II and its mandate, and where we are going, where in particular the Administration is going in response to that landmark Supreme Court decision.

I want to place in the record at the outset, a couple of general observations and the results of a study in this area which was done by the New Jersey builders, in conjunction interestingly, with the League of Municipalities. Steve Frakt, our Senior Research Associate, has gotten a copy of that report, and it is entitled, "Mount Laurel II: Challenge and Delivery of Low Cost Housing." It was sponsored by the Center for Urban Policy Research, or at least done, I guess, by them, and sponsored by the groups I mentioned. It goes into some detail about the housing needs for low and moderate-income families in New Jersey over the next twenty years. It suggests that we are probably talking about somewhere in the neighborhood of 334,000 new units, and that planned housing, housing that one can foresee and is within reach based on what is happening, is more in the magnitude of 10% of that figure in rough, round numbers, leaving a gap in those housing needs of something close to 300,000 units.

How we bridge that gap, how we place that housing is, I think, a major policy question that the State of New Jersey cannot afford to ignore. While the group here this morning is small, and while the location is kind of off the beaten track, I say, frankly, that I think these hearings and the subject are of major importance to the State of New Jersey. The bridge mechanism for building this

housing is talked about in this report, and involves questions of zoning and planning, and changes perhaps, in our laws in that area. It might involve the question of subsidized housing to some degree or another, and it may well involve, also, innovative ideas and techniques for changes in the housing industry itself.

But, somehow, if our children and their children are going to have decent housing to live in, we are going to have to come to grips with the issue. That is a preliminary statement, and I want that as part of the record as far as the study and its consequences are concerned. Perhaps Dr. Sternlieb will appear before the Committee in January; we are talking to him about that. I would also suggest for the record that we anticipate other witnesses early next year, and we expect to vigorously pursue these hearings early in January and February of next year. I have had an expression of interest from Paul Ylvisaker, the original head of the Department of Community Affairs, in coming back to New Jersey from Harvard, where he is studying, to express himself and give some ideas in this area that he considers of exceptional public policy importance. I am delighted that that is so, and we expect some other very interesting witnesses as well.

The final thing I will say -- and I apologize to Mary Lou Petitt for being a little late in starting -- I will share for the record the fact that on October 20, 1983, as was actually announced at the last hearing, and in conversations with Senator Connors as well, I wrote to Governor Kean and, as a matter of fact, took the unusual step of having the letter hand delivered to him, expressing concern as Chairman of this Committee at the contradiction in positions and statements by his top cabinet people, particularly Commissioner Renna, who spoke in terms of the need for more judicial intervention and expression of opinion, something, frankly, which I just absolutely do not understand, and Commissioners Hughey and Rodriguez, who seemed more positive and supportive of the importance of this decision and the need to update the State Development Guide Plan.

I tried to put in as strong and sincere language as I could the imperative of some better, clearer response from the Administration in this area. I am a mixture of embarrassed and disappointed to report publicly that, as of December 14, 1983, I have had absolutely no

response from Governor Kean or the Administration. I have neither had a response that they will not respond, nor have I had a response that they are in the process of responding, nor have I had a response. I think that is very unfortunate. I have tried to be patient. I am a Democrat; that's no secret. I know and understand that to the extent that I express criticism for a Republican Governor, that a major evaluating factor in judging that criticism has to be partisan politics. I think this issue is never going to be solved by ignoring politics, but I think it is one of those issues that really calls for statesmanship and a really hard effort at trying to minimize the political instincts when going about dealing with it.

I just want to publicly repeat my request to Governor Kean, and I don't know whether the media will pursue this plea or not, but I want to repeat my plea to him that I think it is vital that he and his Administration make a move and take some steps in the area of planning generally. Frankly, I think there has been exceptionally little concern or interest in developing planning, as I have been able to discern it and, in particular, response to this mandate of the Supreme Court. I debated, frankly, parking myself in the Governor's office, one of those kinds of dramatic moves where someone sits down and says he won't move unless he gets a response. I suspect I might get some media coverage for a move like that, but I fear I would harden, I guess, those resisters around the Governor, who have kept him from responding to this very serious unanimous Supreme Court directive. So, I am not going to sit in the Governor's office until he responds to my letter of October 20, but at the very least I would say I can't imagine how he can avoid taking up an important part of his State of the State Message to the Legislature and to the people of New Jersey very early in 1984, with some specific indication of where this Administration is going with regard to its planning procedures and, in particular, where it is going with regard to some sensible, positive response to the unanimous Supreme Court decision in Mount Laurel II.

I would like to invite Mary Lou Petitt, the Housing Director of the League of Women Voters, to testify today. I want to thank her for her patience, and for her willingness to share with the Committee some ideas in this area.

**MARY LOU PETITT:** Thank you, Senator Stockman. I am Mary Lou Petitt, the Housing Director of the League of Women Voters of New Jersey. For almost twenty years, the League of Women Voters at national, State, county and local levels has been actively involved in issues relating to housing opportunity. During that period, leagues in New Jersey have lobbied, testified, sponsored conferences and workshops, served on coalitions, written handbooks and articles, served as non-profit housing sponsors, and monitored Federal, State and local housing programs. Our initial statewide housing efforts were directed at the legislative and executive levels because of our belief that those branches of government, along with local commitment and involvement, bore the responsibility for providing housing opportunities for New Jersey citizens. Thus, we were one of the few major State organizations that actively supported Governor William Cahill's Balanced Housing Plan. The legislative failure of those proposals is well-known, and Governor Cahill's statement that, "Unless communities voluntarily address their housing needs, the courts will force them to," was clearly prophetic in light of Mount Laurel II. Recognizing that housing action in the State would have to rely on the Judicial Branch of government, the League joined as amicus curiae in zoning suits in Mahwah and Middlesex County. The League appreciates the opportunity to return to the Legislative Branch on this issue with testimony today. Our testimony concerns both the issues of housing needs in the State, particularly as they affect women and single parents, and the responsibility of the Legislative and Executive Branches of government to help meet those needs. It will also include some suggestions as to how those needs might be met.

A study just released -- which you referred to, Senator Stockman -- by the Rutgers Center for Urban Policy Research titled, "Mount Laurel II: Challenge and Delivery of Low Cost Housing," indicates that through the turn of the century, New Jersey will need 334,000 additional homes for poor and moderate-income people to comply with the State Supreme Court's Mount Laurel II ruling. The 1980 census data also have some interesting figures relating to New Jersey housing needs. They show that New Jersey residents' monthly housing payments are among the highest in the country. Only Alaska, Hawaii and

Massachusetts had higher monthly homeowner payments, while New Jersey's renters had the fifth highest monthly payments. The average rent in New Jersey was \$270.00 per month, \$27.00 higher than the national average. Some 41,000 in the State paid rent of more than \$500.00. As William Connolly, Housing Director of the New Jersey Department of Community Affairs, put it, "Those New Jersey citizens who reside in 88% of the State's households cannot currently afford to buy a home." Obviously, both the cost and shortage of housing -- homes and rentals -- are now affecting a majority of our citizens, which fact alone should force State and local action.

It should be clearly understood, however, just who the people are who are being priced out of housing in our State. They're our municipal employees, teachers, young couples, single parents, the elderly -- in many instances our children and our parents. They are the people who, if we met the Mount Laurel mandate, could remain in our State serving us in our communities as volunteer firefighters, secretaries, hospital employees, retail workers, etc. Almost ten years ago, George Sternlieb told me, and I paraphrase, that, "Unless you housing advocates see a broadening of the base of need for housing, you won't see low and moderate-income housing needs met in the State." That broadening has definitely happened, and while it may not be in the way we would have liked, it does provide us with a stronger case for local and State action.

One of the need groups the League of Women Voters has been most concerned with in the last few years has been the single-parent family, mainly because they are a major housing need group in every community, and because their situation has not been recognized nor highlighted. A recent booklet, authored by the League, published by the Department of Community Affairs, and distributed by Joan Wright of the Division on Women, titled, "Housing for Single Parent Families," surveyed these needs and proposed some solutions. Several of the findings in the booklet are of special interest today, and I will quote just a bit: "There has been a definite change in the household characteristics of New Jersey residents. Simply put, the 'Norman Rockwell' family for which most American housing has been produced is no longer the prevailing household type in this State. In 1980, of the

2,548,594 households in the State, only 786,564 (31%) were composed of a married couple with children. Single parents make up 21.8% of all households with children in the State. This translates into about 220,000 households, or one household in twelve."

The status of single parenthood in the last decade has been largely created by a soaring divorce rate. Single parents are almost 90% women; if women, more likely to be poor or lower income; if poor, more likely to live in inadequate housing. This is further compounded if the person is Black. George Sternlieb and James Hughes of Rutgers have written, "Female-headed households (two or more persons) have experienced much greater housing cost pressures than husband-wife households on their more limited income resources." One only needs to talk with housing officials at county or local housing authorities, or with housing and social service consultants at any agency, to hear that the single-parent family is a key housing need group. The League believes that this group is deserving of special State and local consideration as housing responses to Mount Laurel are developed.

In Bergen County, several housing programs are in the process of development which are specifically geared to single parents. One, sponsored by the YWCA of Hackensack, is a limited-equity cooperative housing project, funded with Community Development Block Grant funds, which will permit the purchase and rehabilitation of a building to be used as housing for single parents and their children. The cooperative members would participate in the ownership and maintenance of the facility and the limited equity provision serves as a financial mechanism which limits or removes the profit potential, thereby keeping the cooperative in the affordable range for present and future buyers.

It is more fully discussed in the previously-mentioned handbook. The project is still in the initial stage, but the fact that the concept was accepted in Bergen County was, and believe me it was, a major achievement. There is a definite role for State government to play in limited equity cooperatives, such as providing a clear legal definition of such programs and linking State housing assistance programs to this form of housing. Also, states and cities could consider exempting limited equity cooperatives from ordinances such as conversion or growth management allocations. This form of housing



offers permanent affordability to low and moderate-income people without ongoing regulation, and thus it represents an important solution to the problem of housing affordability for single parents and others.

Another Bergen County housing program for single parents which hopes and expects to receive Community Development funding this year is the Shared Housing Program, sponsored by the Women's Rights Information Center. This project, based on a model in Santa Clara County, California, is basically a referral service which would match single parents with each other to share a house or apartment, thus reducing expenses, permitting both to remain in a community, and easing their social and psychological problems.

The shared housing concept, while not new, could be a major element in State housing policy. Such programs could also service another major household need group -- the elderly living as "singles," who reside in large, underutilized homes left over from an era of bigger families. Combining those seniors, willing to participate in such shared housing, with single parents would benefit both groups, enabling communities to retain residents from both age groups. There is an important role for the State to play in shared housing, and I recommend a booklet titled, National Policy Workshop on Shared Housing, published by the Shared Housing Resource Center in Philadelphia, for a list of recommendations to state governments on shared housing. Both the limited-equity cooperative and the shared housing program, if fully developed in Bergen County, would be the first such projects in the State. They also meet a key recommendation of the recent Rutgers Urban Policy study -- the importance of using current housing or buildings to accommodate the poor and middle class.

At a recent State housing conference sponsored by the Department of Community Affairs, which I coordinated on affordable housing, it was stated that what was lacking in New Jersey to produce affordable housing was the political will to do so. The League has noted this lack at national, State, county and local levels, and it is what prompted the League in New Jersey to turn to the courts. Housing has been a very divisive issue, and very few governors or legislators have been willing to make housing a priority and propose programs or support legislation to meet housing needs.

At that same conference, participants who were primarily local officials and administrators, urged that the State provide direction, information and leadership in helping them meet the Mount Laurel mandate. A report from the conference, published by the Office of Housing Advocacy of the Department of Community Affairs, will be released soon, and recommendations include strong support for updating the State Development Guide Plan, and for the establishment of a statewide Housing Task Force. Many conference participants were not aware that there was a Governor's Housing Task Force formed in 1982, to which I was appointed as the League's representative in November of 1982. Since that time, there has been only one meeting of the task force, in February, 1983, almost a year ago. The League has submitted suggestions and recommendations relative to the task force to Gary Stein, Co-chairman of the task force, and hopes that some positive steps will be taken to make it more than just structure in name only.

Above all, the League of Women Voters of New Jersey urges that both the Legislative and Executive Branches of government demonstrate the necessary political will to meet the State's critical housing needs. Obviously, the increasingly visible relationship between affordable housing, business development and jobs, and the inability of many New Jersey citizens, especially younger couples, minorities, and single parents to afford housing provides the Executive and Legislative Branches with a more viable political base from which to act. The League suggests, for consideration, the following steps as a beginning in the development of legislative and executive responses to the Mount Laurel II decision:

One, housing should be declared a top State priority at both legislative and executive levels, and strong leadership, direction and support should be provided to local communities in meeting their housing needs.

Two, the newly established Office of Housing Advocacy should be recognized and utilized at both legislative and executive levels as more than just an information service, but as a real State advocate for housing for low and moderate-income citizens of New Jersey.

Three, the State Development Guide Plan should be adjusted and utilized in implementing Mount Laurel II. This procedure should

involve municipal and county government, as well as the public at large.

Four, consideration should be given to establishing, by legislative and executive action, a new New Jersey Housing Task Force, independent of any department or agency. It would research housing proposals and programs throughout the State and the country, and provide a bipartisan body to propose recommendations regarding Mount Laurel II and other housing issues. It should consist of representatives from county and municipal governments, housing professionals, planners, attorneys, builders, Legislative and Executive Branches, financial organizations, and various interest groups.

The League of Women Voters believes that the housing climate has changed in the State, and that many of our residents are looking to the Legislative and Executive Branches of government to assume their rightful role on the housing scene. The League urges our leaders to assume that responsibility, and we offer our support in that effort. Thank you.

SENATOR STOCKMAN: Thank you very much, Mary Lou. If you wouldn't mind, maybe you could answer a few questions or we could get into a little dialogue beyond your formal statement, which, of course, I would like a copy of, and which is, obviously, now a part of the record of this hearing. I would like to explore with you a little further what you have said, where we are, and where you think we can most effectively develop this political will toward action.

You heard my initial comments; I think you know the state of the situation at the moment, at least in that sense. I may be mistaken, but I thought Commissioner Renna, in his testimony, had suggested -- or it was somebody else perhaps -- that there was this Housing Task Force within the Department of Community Affairs that was doing something in this area. I gather from what you tell me now that you are a member of that group and it has only met once.

MS. PETITT: Since I was appointed, it has only met once. It is my understanding, although I don't even know this for sure, that individual members may have been consulted by the Executive Branch, but there have been no formal meetings since February, 1983 of the group as a whole. At that meeting Mount Laurel II was on the agenda, and the

League did indicate, in a letter to Gary Stein, that we thought there should be an established procedure for regular meetings of the task force, with agendas established and committees appointed. We received a nice acknowledgment of our letter, but there has been no meeting of the task force as a whole since February of 1983.

SENATOR STOCKMAN: Are you aware of any affirmative response from the Administration in this area since Mount Laurel II? I mean, I hear rumors now and then, but I think maybe I'm just out of touch with what is going on. I have already indicated that I haven't been able to get any response directly from Governor Kean, or anyone directly associated with him. Are you aware of any--

MS. PETITT: I think the establishment of the Office of Housing Advocacy, while it may not have been a direct outgrowth from Mount Laurel II, was a response. My concern is that that Office be as it is stated in its own description of itself, a real housing advocate. I think its presence is still not widely known. I think the kind of outreach that it needs to do, with publicity about it, needs to be highlighted by the Executive Branch. I also think perhaps that the workshops, the conferences on affordable housing may not seem a major step, but were a step by the Executive Branch through the Department of Community Affairs, to begin to address affordability. And, the report that will be issued from those conferences can also be looked upon, perhaps, as some degree of response to how affordable housing can be developed.

Other than those actions, I have not seen strong action, nor really statements from the Executive Branch that make housing the priority that the League feels it is.

SENATOR STOCKMAN: We are approaching another round of hearings of the Joint Appropriations Committee and the fashioning of the new budget, the 1985 fiscal budget. For instance, what is your reaction, what do you think about whether it would make sense for members of that Committee, myself for instance, or others, to attempt to put into place a line item appropriation, or supplemental appropriation to the Department of Community Affairs to reestablish the Division of State and Regional Planning to take up the question of updating the State Development Guide Plan? Do you think that is a

viable option? Before you answer, let me say that my own experience, legislatively, has been kind of discouraging in terms of an approach of that sort, in that if the Executive Branch, if the leadership in the Executive Branch is not enthused about a program or a department, it is exceptionally difficult for a legislator or legislative action to force that. So, I am really in some doubt as to the wisdom of that, and yet I wonder from your experience how you would react to that.

MS. PETITT: Well, it's hard to know just how the Executive Branch feels about this. I can appreciate their concerns about speaking out. I did quote Governor William Cahill, and a lot of people feel, politically, that that is what defeated Governor Cahill, his strong support for housing.

SENATOR STOCKMAN: I think we should invite him back, and, incidentally, you just gave me a great idea I hadn't thought of. I think he would be an interesting witness before this Committee to express himself.

MS. PETITT: Oh, I think he would. But, I think also that the Executive Branch needs to recognize that the situation, as I tried to explain in my testimony, to speak out on housing and to take more of an up-front advocacy role, is very different than when Governor Cahill spoke. There is a broadening of the base of need, which does make it much more politically acceptable. That doesn't mean, and the League would never say, that there is not going to be opposition, as there already has been to the Mount Laurel II decision. But also, on the other side of that, to give people the feeling that there are troops behind them when they speak out, is the fact that there are a lot more people in this State who need that kind of housing. I think if they could be recognized as the people who could benefit from Mount Laurel II, it might give both the Executive and Legislative Branches the necessary courage, the necessary political will to do so.

On the specific question you asked about the Division of State and Regional Planning, the League has long been, in other positions it has, such as our positions on land use, energy and all of those issues, supportive of the need for a strong State and regional planning background and action. It seemed to us that it was exactly the wrong time to dissolve the Division of State and Regional Planning when the Mount Laurel II decision came out.

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I have heard nothing to indicate that there is going to be something put in its place. We are running under a short time frame. We have to have something done by January of next year on this issue. So, while I can't say it is a League position to support the reestablishment of that, I think it would fall into the kinds of action we would see necessary in order to implement Mount Laurel II in the best environmental, regional planning, and sound policy ways. So, I would hope that you might attempt to do that. I agree with you that it is hard to know whether you are going to have the necessary Executive support for it.

SENATOR STOCKMAN: Is there any other action you would encourage this Committee or its Chairman to take? I think I tried to choose measured words in my introductory remarks about where I think we are on this issue and, as I tried to indicate, it is a difficult matter in terms of how either strident, or strong, or relaxed I approach the subject, or others interested in it approach the subject, in terms of unbalancing or hardening positions on the other side. Do you have any other suggestions for me or for this Committee as to how we might well get some more definitive response and affirmative action from this Administration in this area?

MS. PETITI: Well, it would seem to me that if they aren't aware, and I can't believe that they aren't aware of the broadening of the base of need -- as I said, we're talking about almost a majority of our New Jersey citizens needing housing -- it almost demands State action. I don't know yet if that whole feeling has sunk into the Executive Branch and a lot of the legislators. In other words, they are still laboring under the impression that, "Housing can get me defeated. If I speak out on a housing issue, especially as it relates to low and moderate-income people, I may not be around the next time there is an election." I think there is a lot to be said for the fact that they're talking about ten years ago, when Cahill was talking about his Balanced Housing Plan.

So, it would seem to me that if there could be some feeding into -- and that is a responsibility not only of you, but of organizations like the League -- the Executive and Legislative Branches that there is this broadening, and if we can get those groups of people

to also say that, instead of just the people who are going to organize against and around Mount Laurel II-- Recently, there has been very little anti-reaction to Mount Laurel II in the newspapers, the way there had been with Mount Laurel I. Now, there is some movement already, I think, in trying to set up some anti-Mount Laurel group, but it is nowhere near what it was when Mount Laurel I was promulgated. I think that those need groups, and I spoke about some of them, need to recognize that their needs are going to be addressed in Mount Laurel II, that they are not the enemy, they are part of the need group, and the Executive and Legislative Branches are needed to do that.

So, if you have people you represent in organizations, they need to recognize that and write and urge, so that just the other side of the issue isn't always the one they hear from.

SENATOR STOCKMAN: Would you agree that it may well become a significant issue in campaigns hereafter, perhaps in the gubernatorial campaign in 1985, and that frankly it probably has to, and ought to, in terms of elevating the public's awareness, information and response to this issue?

MS. PETITT: The League would be delighted if it would become a campaign issue. The silence on housing--

SENATOR STOCKMAN: Has been deafening.

MS. PETITT: Yes, it has been. That would mean that at least it was being talked about, and it hasn't been. I have been sitting and waiting for some people to make it a part of their campaigns. Interestingly enough, in Bergen County, almost all of our Freeholder candidates, in a very difficult election this year, spoke out in one form or another about housing needs. Now, some of them were only addressing the elderly, but that wouldn't have happened, I don't think, two years ago, especially in Bergen County. We have communities such as Old Tappan and, believe me, it's not you know, a liberal area, which just adopted a conversion plan to allow for assessory apartments. These are small steps, but I think they are indicative of the kind of responses you are beginning to see because communities recognize the need.

SENATOR STOCKMAN: I was just reelected to a four-year term so, unfortunately, I won't really have a campaign to speak out on the

subject. But, I can tell you, that in that campaign I did not hesitate to speak out on my feeling that we must respond to Mount Laurel, and I somehow survived that election, and I think other people could do likewise.

MS. PETITT: People need to know that you did do that and you did survive, so they will be willing to do it.

SENATOR STOCKMAN: I appreciate your testimony; I appreciate the League of Women Voters' interest in this subject. I am ever reminded of the importance of the League and its role and participation in government, and I thank you, and I thank the League for your testimony. I guess I'm prejudice, because the things you have said are the things that I feel and believe strongly. I hope that had you said something different I still would have felt you were here for a very high public purpose. So, I want to thank you again on behalf of the Committee. We will probably be having ongoing dialogue on this in the future, so thank you very much.

MS. PETITT: Well, thank you. The League is appreciative of the fact that you are having these hearings. I will leave you copies of my statement for your Committee.

SENATOR STOCKMAN: I can't resist this, because my very able staff person just reminded me that your testimony included the indication that the Department of Community Affairs' Office of Housing Advocacy will very soon advocate updating the State Development Guide Plan. Is that a fair statement?

MS. PETITT: I don't know how it is going to be worded in the report; the report is in the process of being written.

SENATOR STOCKMAN: But, that is the thrust?

MS. PETITT: What came out of the conferences -- now, that was not the position of the Office -- but what came out of the participants was a strong desire for that, and they are reporting what came out of those conferences.

SENATOR STOCKMAN: That is just a little remarkable in the face of testimony from the Commissioner of the Department of Community Affairs. I think that is just another admission of how urgent it is that this Administration respond, in some way, to where it is going on this subject. Thank you very much.



Patricia Harris, Executive Director of the Middlesex County Housing Coalition. Good morning.

**PATRICIA HARRIS:** Good morning. Thank you for inviting me to be here today. It is my understanding that the primary purpose of these hearings is to inquire into the status of the State Development Guide Plan prepared by the Department of Community Affairs. First, let me state that I am not a planner and that the group I represent, the Housing Coalition of Middlesex County, has not specifically been involved in planning or land use issues. We are a housing advocacy group in Middlesex County which works with State, county and local governments, non-profit housing agencies and various social service groups in advocating the maintenance and expansion of housing opportunities in the County, especially for low and moderate-income people.

In recent months, however, we have been drawn into the discussion of how best to implement the Mount Laurel decision. Being located in Middlesex County, we agreed to provide housing data and information to all the litigants in the case. As part of that endeavor, we have become familiar with some of the issues under discussion at this hearing.

In addition, I was requested to serve as a resource person in the September Housing Conference sponsored by the Department of Community Affairs and, as such, participated in a number of discussions on various housing topics related to our ability or inability to provide low-income housing.

Several things are clear to me from participating in these various exercises. One is, everyone blames everyone else for the problem. Builders blame governments at all levels for getting in their way and not letting them build what they feel they can build. Local government says builders take unfair advantage of the presence of Mount Laurel II. Local government blames both Federal and State governments for not providing subsidies or more favorable financing, and attaching too much red tape to those programs they do have. The Judicial Branch of the State government blames both the Legislative and Executive Branches for doing nothing, and the criticism goes full circle.

In short, this mutual finger pointing creates an impression that since everyone is to blame, no one is to blame, and, unfortunately, that satisfies many. As this debate continues, only one point surfaces as fact. We, as a State, have been unable to provide adequate housing for our low and moderate-income families, and we, as a State, have been unable or unwilling to deal with the problem head-on.

Last March, the Coalition published a study examining the depth of the housing problems faced by low-income families in Middlesex County. I think it is worth hearing some of the highlights of this report, because colleagues tell me that a similar picture is repeated in other counties around the State.

Virtually the only housing construction going on in the county is single-family homes in higher income areas, yet nearly 20,000 families have incomes under the Federal poverty level. According to HUD guidelines, 77,000 families qualify for assisted housing. A survey of apartment complexes indicates a vacancy rate of substantially less than 1%. In other words, it is easier to find an apartment in Manhattan than in Middlesex County.

Average rents in these complexes are \$400.00 for a one bedroom unit and \$500.00 for a two bedroom unit. The contrast between these rents and a AFDC grant is shocking. A family of four receives \$414.00 a month. What does a family receiving AFDC do? These families are forced to reside in substandard housing, or must rely on emergency assistance. Of these, many are placed in motels paid for by a public agency. In other cases, children are placed in foster care until their parents have located housing. Not only are these alternatives expensive -- \$1.1 million was spent to assist only 1,400 individuals last year -- but they cause immeasurable stress for family members.

While the study shows many families are homeless because there is no low-income housing available, I think it is extremely important that as a matter of public policy, a clear distinction be made between emergency services and shelter for the homeless and a low-income housing program. By grouping these activities together, we run the risk of accepting social services as a housing solution. What we really need is an increase in the quantity of low-income housing units.

Specifically on the issue of the State Development Guide Plan, I think it represents, at best, only a first step in a necessary effort to respond to housing problems. At the Department of Community Affairs sponsored housing workshops, which I referred to previously, there seemed to be an overwhelming consensus that an update of the Plan was important. There was also agreement that the Plan, even if updated, would represent only a small part of any housing program. To point to the lack of commitment to update the Plan as a critical point in our lack of housing policy is misleading. At the same time, to refuse to update the Plan because it represents only a part of the answer is short-sighted.

In short, both arguments represent an attempt to evade responsibility and, as such, are dangerous if we are ever to proceed in a positive manner. The Department of Community Affairs is beginning to respond to the realities of the situation. The creation of the Office on Housing Advocacy will facilitate the construction of housing by such activities as developing codes and zoning models for local use, and an expansion of the Housing Demonstration Fund.

These efforts should be encouraged. They indicate that we seem to be trying to work with some pieces of the puzzle. What we need is a major effort to fit all the pieces together. The Guide Plan is just one of those pieces, but more than that, since so much emphasis has been placed on it by the courts and by this Oversight Committee, a commitment to update the Plan would be a sign that we take our responsibilities in this area seriously.

I, speaking for the Housing Coalition of Middlesex County, would welcome the opportunity to assist in any way possible. Thank you.

SENATOR STOCKMAN: Thank you very much, Ms. Harris. The hearing this morning has to be relatively short because of the Senate Session, but I think we have had some exceptionally important and articulate testimony put into the record.

There is another question I would like to address to you and Ms. Petitt, either of you, or both of you, and it's this. Do you see any connection between the mandate of Mount Laurel and its implications, and a reform of the property tax structure and a more

positive urban policy in the State? I am very concerned; I represent an urban municipality, Trenton. It is not the most distressed of all the urban communities in the State, but it has very serious problems, although perhaps not as serious as Camden or Newark, or perhaps a few other spots, but very serious nonetheless. I see a deterioration in the quality of life in those municipalities, the increasing threat of two societies, separate but unequal. I am struggling in my own mind, and am very interested in the possibilities of utilizing the mandate of Mount Laurel and the necessities for a response there, whatever they may develop to be, and so on, and this question of developing more of an urban policy, and part of that, it seems to me, has to be some reform of the property tax structure.

Have you thought of that at all? Do you see them as two totally separate issues? Do you see any way they can be merged in some way? I hesitate to mention this idea, because the mandate of Mount Laurel, at least theoretically, is a constitutional mandate, but the thought has occurred to me that perhaps there is some leverage and some compromise in terms of a response to that mandate, which could be used toward effecting some results in terms of urban policy. Whether that makes sense, or whether they are distinct or not, I don't know. Do you have any reaction to that, or any suggestions?

MS. HARRIS: I think Mary Lou can probably answer better than I can in terms of overall State policies that the League has probably looked at. I think there is definitely a need for some kind of cohesive urban policy, given that the State has become generally more urbanized. Homelessness was never a problem in the suburbs until, you know, just recently, and I think that is a sign.

SENATOR STOCKMAN: Mary Lou, would you like to add anything to that?

MS. PETITT: I think there definitely could be a connection, and if we take Mount Laurel in too narrow a way, we may overlook some of the ramifications of what trying to meet our housing goals would do in other areas. I don't know that the League has a position on connecting this with property tax reform and so forth, but I do know that when we testified before the Assembly Housing Emergency Action Team, which published a report, and I assume you have that in your

records, there were people testifying as far as the taxation issue was concerned, and you might want to look at that.

However, I think it would serve you well not to look at the Mount Laurel II decision in too narrow a way, because then we may be coming back in another few years for other hearings, because of the effect of what we have done with Mount Laurel. Obviously, it just can't be viewed as a decision that only affects suburban areas, and the way that it can impact on the urban areas, which are in the most dire need, I think needs to be looked at and should be an important part of the way you handle this.

SENATOR STOCKMAN: Thank you very much. I think we have to end today's hearing. I hope the next hearing will be early in January, and that will be announced. Thank you very much.

**(HEARING CONCLUDED)**