

ADEQUACY OF FEDERAL RESPONSE TO HOUSING NEEDS OF OLDER AMERICANS

HEARINGS
BEFORE THE
SUBCOMMITTEE ON
HOUSING FOR THE ELDERLY
OF THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
NINETY-THIRD CONGRESS
SECOND SESSION

—————
PART 10—TRENTON, N.J.
—————

JANUARY 17, 1974



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- Part 6. Washington, D.C., July 31, 1972.
- Part 7. Washington, D.C., Aug. 1, 1972.
- Part 8. Washington, D.C., Aug. 2, 1972.
- Part 9. Boston, Mass., Oct. 2, 1972.
- Part 10. Trenton, N.J., Jan. 17, 1974.
- Part 11. Atlantic City, N.J., Jan. 18, 1974.
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ADEQUACY OF FEDERAL RESPONSE TO HOUSING NEEDS OF OLDER AMERICANS

THURSDAY, JANUARY 17, 1974

U.S. SENATE,
SUBCOMMITTEE ON HOUSING FOR THE ELDERLY
OF THE SPECIAL COMMITTEE ON AGING,
Trenton, N.J.

The subcommittee met, pursuant to notice, at 1 p.m. in the State Museum Auditorium, Trenton, N.J., Hon. Harrison A. Williams, chairman, presiding.

Present: Senator Williams.

Also present: William E. Oriol, staff director; John Edie, professional staff member; John Guy Miller, minority staff director; Marie McGuire Thomas, consultant; Patricia Oriol, chief clerk; and Kay Thomas, clerk.

OPENING STATEMENT BY SENATOR HARRISON A. WILLIAMS, CHAIRMAN

Senator Williams. Let's bring this hearing to order.

As you know, this is a hearing of the Senate Subcommittee on Housing for the Elderly of the Special Committee on Aging.

This afternoon, and for the next 2 days, the Subcommittee on Housing for the Elderly will hear direct testimony about shameful housing conditions faced daily by our older citizens. Despite my efforts to bring this story to the Congress and the administration, the administration maintains a moratorium on new housing programs; our Nation has no national policy on housing for the aged; and the Department of Housing and Urban Development has even retreated from the goal I have worked for at the national level for many years: a separate housing program designed to meet the special needs of older Americans.

We come to New Jersey for compelling reasons. To begin with, many excellent examples throughout the State show just how successful good housing for the elderly can be. But at the same time, there are over 21,000 elderly on waiting lists to get into these projects. The housing market in New Jersey is the second tightest in the country. The 1970 census revealed a rental vacancy rate for New Jersey of only 1.85 percent. The larger urban areas, such as Jersey City, experienced vacancy rates as low as 1 percent. In Bergen, it is 0.7 percent.

Put another way, the supply of housing for the elderly cannot keep up with growing demand. Since 1970, almost 2,000 new units of

public housing for the elderly have opened in New Jersey. Despite these new units, the waiting lists for public housing increased from 13,300 to 15,700. In at least one county, the housing authority will not even accept any more applications.

The New Jersey experience is simply a more intensified example of the housing picture for senior citizens in every State. Last spring I sent out a questionnaire to a sampling of housing projects for the elderly. Those responding reported a total of over 155,000 elderly persons on waiting lists throughout the Nation, or approximately one person on a waiting list for every unit occupied. And we have many indications that this figure only begins to tell the story.

PLUMBING FACILITIES LACKING

In addition, 1970 census figures indicate that over 2 million persons over age 60 live in units lacking some or all plumbing facilities. For the same age group, more than 14 million—more than 50 percent—had incomes in 1969 of under \$2,000. Despite recent increases in Social Security, poverty remains as an every day fact of life to millions of our elderly.

It is a nice crisp bright day, and, as I have said to so many newsmen earlier, before we started, I hope that the light out of Trenton will shine upon the White House, and that there will be a breakthrough of new wisdom. It is certainly needed in the area that we are concerned with, and which we will be talking about here today.

The story of our national commitment to housing the aged is not one the United States can be proud of. This past year we have witnessed what I call a retreat from commitment. The current administration has no comprehensive housing policy for the elderly. Where once we had the section 202 direct loan program, today we have only studies and promises. In a recent speech, a top official at the Department of Housing and Urban Development made a careful analysis of the housing demand of the elderly. He said that, even without subsidies, between 400,000 and 500,000 units of housing designed for the elderly could be sold or rented on an annual basis. With subsidies, he said the demand might be four times as large.

In response to this overwhelming demand, the administration has imposed a housing moratorium. A year ago, the housing freeze brought to an abrupt halt many projects for the elderly in New Jersey and throughout the country. And included in that sad picture were projects within the State of New Jersey that were ready to go.

Even housing projects that escaped the freeze are hamstrung by regulations that make it difficult for them to serve the low-income elderly.

Ironic as it may seem, one housing project right here in Trenton must turn down applicants because their income is too low. Rev. F. Kenneth Shirk, whose Luther Towers opens this week, has told me that rent supplement regulations make it impossible for him to serve more than 10 of the very poorest elderly in his building of 205 units.

A VOICE FROM AUDIENCE. Senator, Reverend Shirk is here. We had a grand opening last Saturday.

Senator WILLIAMS. I just came by, and it was an inspiring sight.

Too many of our elderly live in fear, in isolation, and in loneliness. Too many must suffer from lack of heat, from savage criminal attack, and from meager incomes depleted by high rents and taxes.

We don't want moratoriums. We don't want housing allowance programs that ignore the need for new construction. We don't want promises and more experimenting. Our goal is simple. We want action. We want an amply funded housing program for the elderly responsive to the acute need for shelter and services. We want, in short, America's older generation to live out their lives in peace and dignity.

Senator Case, my colleague, was invited, of course, to be here, and John Guy Miller, who is minority staff director, and is and has been a member of the staff since its beginning.

Mr. MILLER. Yes.

Senator WILLIAMS. Is it 13 years now?

Mr. MILLER. It is just now completing the 13th year.

Senator WILLIAMS. You look as young as the day you began.

Mr. MILLER. May I say, Senator, you look even younger than back then.

Senator WILLIAMS. This kind of testimony makes you feel vibrant.

Mr. MILLER. I would like to read a statement of Senator Clifford Case.

PREPARED STATEMENT OF SENATOR CLIFFORD P. CASE

Mr. MILLER (reading). I regret very much that I will not be able to attend the hearings in New Jersey on housing needs of older Americans, conducted by Senator Williams in his capacity as chairman of the Subcommittee on Housing for the Elderly of the Senate Committee on Aging. I do appreciate the opportunity to present this short statement.

As chairman of both this subcommittee and the Senate Committee on Labor and Public Welfare, Senator Williams has been in the forefront of the fight for legislation to improve the lives of our older citizens. I have been glad to work with him and happy to support his efforts on the Senate floor.

As second ranking member on both the Senate Appropriations Subcommittee on Housing and the Subcommittee on Labor and Health, Education, and Welfare, I have consistently worked to make more money available for meaningful social programs, including not just housing programs but the whole range of Federal assistance designed to help our older Americans lead meaningful and dignified lives.

I want you to know I will continue my efforts. You may be sure that I will continue to approach Social Security, Medicare, national health insurance, or any other program in which you have a vital stake, mindful of your views.

Senator WILLIAMS. We started a little late this morning. I did not know there would be so many press people that wanted to talk before the meeting, so I will turn to our first witness.

We are honored here at this subcommittee, as we have been honored at other committees in the Senate, to have the mayor of Trenton, Hon. Arthur J. Holland, so I think appropriately we begin with the chief executive of our city, our capital city. [Applause.]

STATEMENT OF HON. ARTHUR J. HOLLAND, MAYOR OF THE CITY OF TRENTON, N.J.

Mr. HOLLAND. Mr. chairman and members of the subcommittee. I am Arthur J. Holland, mayor of the city of Trenton, N.J. I am pleased to welcome you to the city of Trenton and am glad that the subcommittee is holding public hearings in Trenton on a subject of great concern to all of us—housing for the elderly.

I appreciate this opportunity to discuss the housing problems of the elderly as they affect Trenton residents. I also applaud the initiative of this subcommittee to hold hearings outside Washington to hear about the housing problems of the elderly from the elderly themselves.

In my remarks today, I shall be emphasizing the need for additional subsidized housing for the elderly Trenton residents both in Trenton and in surrounding areas, and the obstacles encountered by the city in achieving this goal. Before commenting on what needs to be done, however, I should like to describe briefly what has already been accomplished to provide decent housing that Trenton's elderly can afford.

Efforts in providing housing for the elderly in Trenton through a partnership of the city, State, and Federal governments has been undertaken in the relatively recent past as awareness of the housing needs of senior citizens has increased nationwide. In Trenton, it was less than 10 years ago that new construction of housing units specifically for the elderly was first undertaken under the public housing program.

Speaking of openings, Senator, you were here for the opening of the Josephson Apartments. And I recall your saying at that time, it is an outstanding project and could well be a forerunner of similar projects across the country, and it has since served our elderly very well.

To date, over 400 units of public housing have been constructed in 3 separate projects exclusively for the senior citizens—a rate of construction which exceeded that for family housing in the same period. In the last few years, approximately 430 units of moderate-income housing have been constructed exclusively for the elderly while an additional 245 are under construction. The dedication of one such project, Luther Towers, was held just last Saturday.

In addition to housing projects exclusively for the elderly, public housing projects occupied by families and nonelderly section 236 projects, particularly those having rent supplement units, also provide subsidized housing for the elderly. With the completion of projects now under construction, over 1,500 units of subsidized housing will be

occupied by an estimated 2,250 senior citizens or approximately 18 percent of Trenton's elderly population.

The construction of these housing units has benefited not only the elderly, but also families in need of adequate housing. Very often the elderly moving into new subsidized housing moved out of houses which had much more living space than that required for one or two people. By enabling the elderly to move out of dwelling units too large for their needs, and allowing it to be occupied by families requiring more living space, new public housing construction for the elderly has resulted in a better utilization of living space within the city of Trenton.

THE NEED FOR HOUSING

Although substantial progress has been made in providing better housing at an affordable cost to the elderly in Trenton, an overwhelming need for additional subsidized housing for low-income elderly is very apparent. According to an estimate of the Mercer County Welfare Department, approximately 1,400 elderly Trenton residents were eligible to receive welfare assistance or Medicaid—just prior to the adoption of supplemental security income—because their annual income was less than \$1,944. Although these low-income elderly people account for over 10 percent of Trenton's elderly population of about 12,000, they represent less than half of the elderly—3,000—estimated to be eligible for public housing in Trenton. Clearly, the construction of three public housing projects for the elderly providing 400 units, and the utilization of other public housing for the elderly accommodating approximately 1,100 senior citizens, has fallen far short of meeting the housing needs of these people. The fact that elderly people are currently on the waiting list for over 500 public housing units confirms this conclusion.

The need for additional housing for the moderate-income elderly is also readily apparent. Managers of the larger "236" projects in Trenton have indicated that they have long waiting lists with a considerable number of elderly included and that the wait in most cases will be a long one because of the infrequent turnover in these units. Presently, there are some 150 applications on file for elderly people at existing "236" housing projects and those projects under construction are expected to be occupied as soon as the units are completed.

Although the poverty of the elderly in Trenton indicates a need for additional subsidized housing, the solution to this need is not necessarily to be found in the construction of new housing. One alternative is a rather innovative housing concept supported in a bill introduced by Senator Williams (S. 2181) and developed by the Philadelphia Geriatric Center, which advocates the purchasing of large homes by public and nonprofit sponsors for conversion into several dwelling units for the elderly. This approach has the potential of better utilizing many such homes in Trenton, which large families may have found too expensive to maintain, while providing a less institutionalized setting for the elderly.

Although Federal assistance is provided in S. 2181 for purchase of structures, I note that the bill relies on sponsors to provide "comprehensive" supportive services at their own expense. Since resources available to public and nonprofit groups in Trenton are probably insufficient at present to provide such services, additional Federal assistance through some channel would be needed, however.

OBSTACLES ENCOUNTERED

Although the construction of new public housing units for the elderly has been strongly supported by the city of Trenton and the Trenton Housing Authority, and the construction of new moderate-income housing for the elderly is ready to be undertaken by nonprofit sponsors and developers with the city's full support, all such construction has been stymied at the Federal level. The most serious obstacle encountered is the moratorium imposed by the administration on all housing and community development programs just over a year ago. The moratorium has resulted in the indefinite postponement of two very important projects for the elderly, in addition to several projects for moderate-income families.

The first casualty was a "236" project for the elderly which was to be constructed as part of an urban renewal project (Project No. N.J. R-74). Since the closeout of urban renewal projects was a primary aim of the Federal Government in anticipation of community development revenue sharing, the city was especially hopeful that HUD would allocate the number of units necessary to undertake this project. Moreover, the administration had announced that housing projects for the elderly would receive a high priority in the allocation of units released by Office of Management and Budget in December.

The optimism turned, however, to great disappointment. During the last month, HUD officials have told us that the urban renewal project of which this housing project was to be a part could not be closed out, since the necessary "236" housing units were not available to Trenton. HUD argued with curious logic that since the project was not "scheduled" for closeout this year, Trenton was not entitled to any "236" units for it. Yet, had the units been made available, the project could have been closed out this year.

Another housing project for the elderly that was obstructed at the Federal level was the construction of 200-300 units of public housing. In this instance, the HUD area office in Camden insisted just before the moratorium went into effect, that the units could not be built unless an equal number of units was constructed for families. The policy position laid down by the HUD office ran counter to that of city council and the administration which felt that Trenton has done more than its share to provide public housing for families and that surrounding municipalities in which there are no units of public housing, should assume part of the burden for housing low-income families.

POOR CANNOT SUPPORT POOR

The future of cities such as Trenton, is grim indeed if the socio-economic level of its population continues to decline. The fact of the matter is that the poor cannot support the poor. A sharing of the burden in providing low-income housing by municipalities outside the central city is essential.

In Mercer County the first steps toward sharing the burden of housing the poor have been taken. A task force of county and municipal elected and appointed officials last year studied the problem of providing low-income housing, and issued a report recommending that a fair allocation plan for low-income housing be developed for the county's municipalities and that a county housing authority be created. Although there was little positive response among the governing bodies of the county to the recommendations, the county planning board is currently developing low and moderate income housing allocations for each municipality and is preparing a plan for getting subsidized units built.

In spite of any willingness and even encouragement by the county government to construct low and moderate income housing outside Trenton, the prospect for low-income housing being constructed appears bleak unless the State and/or Federal Government can provide some incentive or penalty for individual municipalities depending on their willingness to assume an obligation in providing low-income housing. As with so many other politically sensitive issues, the lack of legislative action has thus far thrust the responsibility on the court system. New Jersey lower courts have, in fact, taken the lead in striking down exclusionary zoning to permit the construction of low and moderate income housing, and the New Jersey Supreme Court is hearing arguments this very week on this issue. But, even if the court goes so far as to rule that a municipality has an affirmative obligation to provide additional low-income housing, it is doubtful that such housing will be provided without some kind of legislative support at the Federal and/or State levels.

SECURITY NEEDS

In addition to the need for additional subsidized housing for the elderly in Trenton or in surrounding areas, the living environment for the elderly could be improved by providing better protection against muggings and purse snatchings. The vulnerability of the elderly to such crimes is well known, especially by the elderly who live in a constant state of fear when they go outside their apartment buildings. Improving security on the grounds of projects for the elderly is one answer to this problem. The existing housing police force of 12 guards in Trenton, funded under the Federal Law Enforcement Assistance Agency, needs to be expanded to better service public housing units for the elderly. According to project managers

contacted recently, the same kind of security personnel are needed for "236" projects. The managers of these units had indicated that management funds available to them are insufficient, however, to incur such expenses. One manager even resorted to asking the elderly tenants if they would contribute \$5 or \$10 a month to improve security, but the tenants indicated that they also could not afford this cost. I am pleased to note that Senator Williams has introduced a bill—S. 2180—which would adequately address this problem by providing Federal financial assistance.

I might interrupt to say, ladies and gentlemen, and I am sure the elderly here do not need this reminder, that in Senator Williams, the elderly in cities like ours have one of their greatest champions in Washington. [Applause.]

Although it may not be within the legislative purview of this housing subcommittee, the greatest security need of the elderly is protection during trips away from their apartment projects. The city police force, even with the recent addition of 44 foot patrolmen to areas in which many of the projects exist, cannot possibly provide adequate surveillance. Vehicles are needed to transport the elderly from their place of residence to their various destinations. Presently, Federal financial assistance available under the Older Americans Act is inadequate to provide this kind of transportation service in Trenton.

FEDERAL ACTION NEEDED

In view of the administration's sharp criticism of existing housing production programs, its suspension of those programs, and its disinclination to revive them, I feel compelled to comment further on the need to continue with a federally assisted housing production strategy.

If the housing production approach had its defects, it is even more apparent that the Federal Government cannot afford to dismiss this approach and rely entirely on some new nonproduction approach, such as housing allowances. Due to a very tight housing rental market in Trenton—the vacancy rate is less than 3 percent—a successful housing strategy must include the production of additional housing units. In the case of Trenton, at least, Federal assistance is better directed to increasing the supply of housing, rather than fueling the demand. Otherwise, funds channeled to the demand side will merely result in greater competition for the same number of housing units or, in other words, a self-defeating inflation of rents. The housing production approach is particularly suited to the elderly since new housing can be most economically built for efficiency and one-bedroom apartments.

Since passage of an omnibus housing and community development bill is not expected in time to fund programs at the start of fiscal year 1975, the continuation of existing housing production programs seems particularly important. I urge this subcommittee to set as its first priority the revival of existing housing programs until new housing legislation, providing assistance for housing production, can be enacted.

Thank you, Mr. chairman.

Senator WILLIAMS. Thank you very much, Mayor Holland. The wisdom of your remarks has been demonstrated. As you ended, our staff applauded your statement, which does not always happen. I applaud it; we all do. We know your commitment to the needs of better housing for older people, and the whole record of effort is complete on your part. Your ending with emphasis on housing production is most appreciated. The other nonproduction approach of allowances we know is not the answer to a situation where there are very low vacancy levels. Overall, this statement will be most useful to the subcommittee as we push on. I hope we won't have to override vetoes if these measures do go forward.

Thank you again.

We are honored now to have the speaker of the New Jersey Assembly, Rev. S. Howard Woodson, Jr., who is so well known by all of us here today. A remarkable career of service to the people as pastor of the Shiloh Baptist Church, and elected first to government in 1962, I believe, was it not, Howard, to the council here in Trenton, and you have gone right to the top as speaker of our general assembly. We are honored that you are with us today.

STATEMENT OF REV. S. HOWARD WOODSON, JR., SPEAKER OF THE NEW JERSEY GENERAL ASSEMBLY

Reverend Woodson. Thank you very much, Senator Williams and members of the subcommittee. I am highly honored to have the opportunity and distinguished pleasure to welcome the subcommittee to the capital city.

We recognize the tremendous challenges facing you. I could not help but think, as you indicated, that this was a very bright and brisk day, that despite the bright and brisk day, the elderly do not face nearly so bright and brisk a future as it relates to housing. We in New Jersey are particularly concerned about the lack of housing due to the moratorium that was established approximately 1 year ago today. We are concerned because we recognize the continuing increase in the number of persons who are elderly and the continuing demand for housing that is not available. For instance, we recognize in the State of New Jersey there are over 600,000 who are above the age of 65, and a quarter of a million—some 200,000—of those people are above the age of 75, most of whom live on low fixed incomes, most of whom are not able to afford the kind of housing that is available to them today, and many of whom live in communities that are unsafe, many of whom find themselves in old dilapidated housing, housing that is not designed for the elderly at all. And because of lack of housing, they find themselves stuck in the bind of continuing to live in communities that are not designed to help make the last years of their lives pleasant years.

And so the problem which concerns you today, that of providing housing opportunities for our elderly citizens, is one which concerns not only the elderly but concerns those of us in the legislature.

And may I say, just in passing, that because we are concerned about the elderly in our State, I have in Congress, with Assemblyman Francis McMannon, made a determination, as a new speaker

of the house. This will be a special committee, a joint committee, which will be handling all legislation dealing with the elderly from this point on. Heretofore, we have always had those bills dealing with the elderly go to various committees. Now, we will have a joint legislative committee handling all bills dealing with the aging in the State of New Jersey. [Applause.]

CRITICAL HOUSING SHORTAGE

As we are to relieve the enormous pressures to which our elderly are subjected in their search for housing, and provide for their comfort and well-being, we then must take the necessary steps to relieve the critical housing shortage which has had such an adverse effect on them and on our State.

The housing difficulties of the elderly, to be sure, are intricately and interwound with the woes that beset all of us in the State of New Jersey as it relates to seeking adequate shelter. We must not forget, however, that the elderly face peculiar problems and peculiar difficulties, experiences of their own, which may not be our experiences; that is the experiences of those of us who have not reached that stage.

To begin with, they must confront all too often the aloneness which is a part of being elderly, what Lord Byron called, the worst woe that wait on age.

In addition, they must struggle to make ends meet at a time when their fixed limited incomes cannot keep pace with a steady rising cost of living. And that has made life difficult for them again.

And then there are the psychological problems which often plague the elderly: Fear, isolation, and signs of uselessness.

As an active pastor, in addition to being simply a legislator, I recognize in my own congregation the number of people who continue to say to me how lonely it is to be among the aging, and to find themselves in communities where they do not have people of like interest.

These problems must be considered as you go about your work, because we cannot impose upon the elderly solutions of our own without taking into consideration their own feelings in these matters. It is a matter then of working out a partnership between the elderly and the government so that they may share with you some of the problems which you, as officeholders, may not know about, but which they, in terms of their experience with being elderly, do not have. So that we may insure that the years which God has given them contain as much meaning and as much fulfillment as possible, we should, therefore, be guided by John Gardner's advice, "If we want to improve the quality of life for older people we should do everything to increase the number of persons with the capacity for self-renewal."

And that, I think, gentlemen of the subcommittee, is your challenge today and the days yet to come, to find ways to create for the elderly a secure and pleasant environment to which the process of self-renewal can take place.

And on behalf of the State legislature, I wish you the very best, and God speed in the meetings you will be holding. And grant that you may be equal to the challenge that is ahead of you, for I recognize it to be a great challenge.

Thank you very much. [Applause.]

Senator WILLIAMS. We are most appreciative, Reverend Woodson. You certainly, most eloquently, and with such feeling, expressed the spirit that prompts the activities of this subcommittee, and you are most helpful and, indeed, inspiring for this chairman as we go forward.

SECTION 202 NOT BEING USED

I just wondered, one of the programs that has fallen into disuse by Presidential decision is the 202 program of direct loans to nonprofit organizations, housing for the elderly, most successfully used by church groups. I do not know whether that can be revived in the near future or not. The program is there; it is still law. The money is still there, but there is a lack of inclination for those who administer it to use it. I wondered if there is any germinating idea that this kind of approach might fit itself into the State housing program, the most efficient program of direct loans.

Reverend WOODSON. At this point, the new Governor of our State has requested that we pool together a housing package in which concern for the direct loans to the elderly will be considered. Certainly, I recognize the need. And he has consulted with us on it.

As a churchman, as one who has traveled across the State and talked to other churchmen in the business of providing housing, and suddenly find the housing they have been providing has been cut off and they no longer have the capacity to provide the housing, that there is a tremendous need, and because we recognize the failure of the Federal Government to move in that direction, we are saying in the State of New Jersey that we are going to at least see through the possibility of our fiscal abilities to move in that direction.

I could not give you a direct answer at this point, Senator, because I don't want to tie our administration into something that perhaps they will not be able to do within the framework of the immediate future, but it is something that is being worked on in terms of the legislative package.

Senator WILLIAMS. I am encouraged to know it is in part of your deliberations.

And congratulations, too, in your new position, as speaker, in bringing the whole range of needs of older people that can be met through legislation into the committee, the comprehensive committee. What is the name?

Reverend WOODSON. We have not named it as of yet. I talked to the president of the senate today. He is in agreement with me, and we are establishing this afternoon, and so you will be the first to hear of it publicly. You are first to hear publicly the fact the committee is being established and the name of the committee will be announced this afternoon.

Senator WILLIAMS. That is good news. I can recall just as if it were yesterday when the Senate arrived at this conclusion and

created a Special Committee on Aging. That was now 12, 13 years ago. And our Majority Leader at that time, Lyndon Johnson, honored me with appointment to the new committee.

Reverend WOODSON. I want to give proper credit where credit is due, and Assemblyman McMannon, from Mercer County, suggested it to me several years ago. We had attempted to get the majority to put it into operation. Since the majority did not see fit, and now, as speaker of the house—and we are the majority—we now say that we have that power and we are going to put it in operation.

Senator WILLIAMS. Your colleague is here, I understand.

Reverend WOODSON. Yes.

Senator WILLIAMS. He is entitled to our expression of appreciation, too. Thank you very much.

Reverend WOODSON. Thank you. [Applause.]

Senator WILLIAMS. Now, Mrs. Vivian F. Carlin, consultant, Housing for the Elderly, New Jersey State Office on Aging, will show us two slides before going on to our first panel.

Mrs. CARLIN. Senator Williams, we have a slight apology. These were done in great haste, but I think they will be understandable.

The first slide shows the income distribution of all those over 65 years of age, as of 1970, in the State of New Jersey.

The solid portion, which is almost half of the pie, shows the over 65 year olds with total incomes of under \$3,000. You can see that is almost 50 percent of all the elderly.

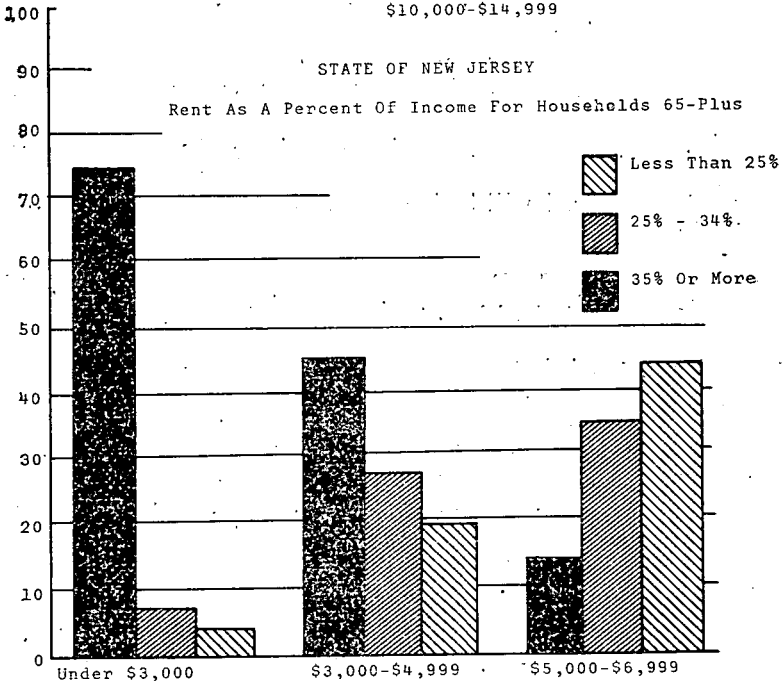
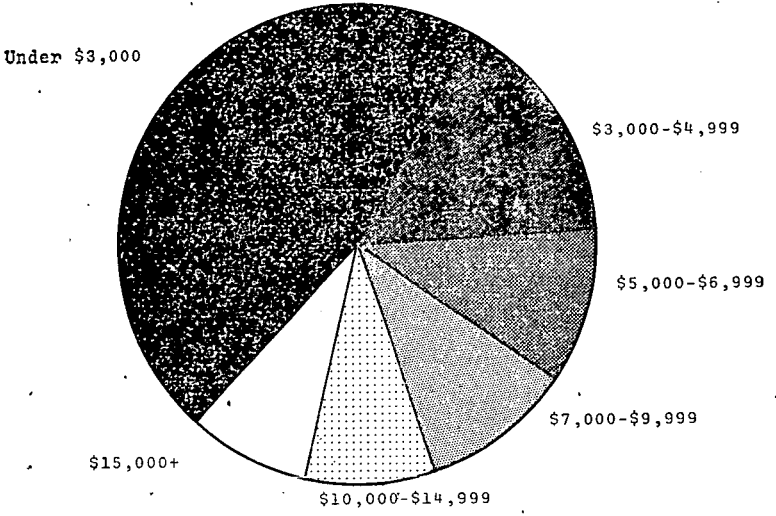
POOR CANNOT COMPETE FOR HOUSING

If we add the next portion, the next largest portion is the group with total earnings between \$3,000 and \$5,000. If you look at that part of the pie you can see that almost two-thirds of the elderly in New Jersey have incomes under \$5,000. The reason we are highlighting this part of the pie is that those are the people in the State of New Jersey who cannot compete on the open housing market, we call our housing poor. And much of the testimony, including my own, will go into this in more detail later.

The other slide shows the under \$7,000 income groups and the amount they pay for rent. The first group—those with incomes under \$3,000; the next, \$3,000 to \$5,000; and the last, \$5,000 to \$7,000. The large solid bar in each case are all those income groups who pay more than 35 percent of their income for rent. And the very sad story, as you can see, is that the poorest group, those with incomes under \$3,000, who are not likely to get into public housing, are paying more than 35 percent, that is, about 76 percent of all of the under \$3,000.

The center bar represents those paying between 25 and 35 percent, and the third bar represents those paying under 25 percent of their income for rent. We can see, as income goes up, those paying more than 35 percent of income for rent goes down. And, of course, if we showed the upper income elderly, you would see that the solid bar would be very, very small indeed.

STATE OF NEW JERSEY
Income Distribution For 65-Plus Households



Income
Source: Data Based on 1970 census sixth count housing tapes.

These two slides do show the story of income distribution of the elderly in New Jersey and that a substantial number of those with incomes under \$5,000 pay more than 35 percent of their income for rent. And I may say many are paying a great deal more than 35 percent. [Applause.]

Senator WILLIAMS. Thank you. I'd like to say how grateful and thankful we are that you are with the New Jersey State Office on Aging. And we know that your studies and statistics of all the States are the most helpful in understanding the human situations we face in this area. Congratulations to you. Thank you very much.

I will call the next panel, Mrs. Dorothy Salter, chairman of the panel, accompanied by Emmet Fireall, Mrs. Lular Bess, James Robinson, and Rev. F. Kenneth Shirk.

While the following panel is gathering, Mrs. Johnson is in the audience from the New Jersey Council of Senior Citizens. [Applause.]

And the council will be heard when we gather on Saturday, I believe. Am I right on that, Mary?

And Nancy Politan, who does so much that is so remarkable. And Nancy Politan is accompanied by Mrs. Seipel. Am I right on that, Nancy?

I had the great privilege, happy privilege, to be there the day of the pageant in August.

Mrs. POLITAN. That was the State pageant.

Senator WILLIAMS. It was remarkable. Will that be repeated this year.

Mrs. POLITAN. Of course. We hope to have the honor of your presence.

Senator WILLIAMS. I will be honored to be invited. Now, Dorothy, please begin.

STATEMENT OF MRS. DOROTHY SALTER, DIRECTOR, SENIOR CITIZEN RESOURCE CENTER, TRENTON, N.J.

Mrs. SALTER. On behalf of the seniors and staff of my program, I wish to express my appreciation for this opportunity to share with you some of the experiences we have had in our efforts to serve the elderly in the city of Trenton. The Senior Citizen Resource Center has been in operation almost 4 years. During that time, and even prior to that, as a program of the Mercer Street Friends Center, my staff and I have come to know the problems and happiness, disappointments and asperations, of literally hundreds of senior citizens. It is based on that experience that I make the following comments with regard to housing for the elderly in Trenton.

It is, I'm sure, not news to say that the elderly suffer greater difficulties with the severe housing shortage that exists in Trenton today, than other groups of people. My clients are, for the most part, dependent on public welfare or Social Security and do not have the means to respond to abrupt rent hikes. Many of them are charged enormous amounts. There is little they can do about this for several reasons:

(1) Housing shortages in the suburbs and cities limit the availability of alternate housing.

(2) With little income they cannot afford to move to other States.

(3) Because they are less mobile and more dependent on the same familiar surroundings, moving is a much greater wrench for them.

(4) Public housing in Trenton has long waiting lists and provides little hope of a solution to the housing problems of our clients.

This matter has been made worse since some clients are in danger of losing their eligibility for public housing because of a rise in their income due to Social Security increases. To them it seems that the Government is giving with one hand and taking away with the other.

HOUSING NEEDS NOT CONSIDERED

In addition to being more vulnerable to changes in the housing situation, the elderly have special housing needs that are frequently not considered.

Often a client will reach a point where completely independent living is not wise, yet, the degree of supervision existing in family care homes and nursing homes is not called for. The older person wants to stay in the community among friends and what is familiar, but needs a little help. We have been successful at times in bringing clients together to help one another or in getting support from neighbors for an elderly tenant; but this is not always possible. Some kind of alternative intermediate housing is needed, such as that called for by Senator Williams in his bill, Intermediate Housing for the Elderly and Handicapped Act, Senate bill 2181.

Seniors' needs are further ignored in various aspects of public housing planning and operation. The aged vary considerably, as do any groups, in their needs and preferences. Some prefer public housing that is exclusively for the aged; others want to live where there are tenants of all ages. This has usually not been considered by public housing planners.

Further, the elderly tenants' need for easy access to shopping centers, public transportation, banks, libraries, and other public accommodations are usually not considered in situating housing.

Eligibility requirements ignore the needs of the senior to maintain possession of property that has more importance to him in terms of its symbolic meaning than its actual material value.

I wish to offer a suggestion I believe I am in a very good position to make. My center provides a variety of services to our clients; social, recreational, and transportation are some. Our experience in counseling our clients is very much related to the problems of housing for senior citizens. Whatever the trouble, the senior citizen needs an interested ear, an objective point of view, and a willing hand. Even in the best of circumstances the elderly have difficulty dealing with change. I believe a crucial factor in the success of any program of increased and improved housing opportunities for the elderly is the counseling effort needed to help them take advantage of these opportunities. The elderly need help in under-

standing programs and in planning and carrying out changes. If they don't get this help, the best conceived plans may be frustrated. Lastly, I wish to add a word about the day-to-day danger faced by the elderly in the inner city. Physical attacks, thefts, and robberies of many seniors has, unfortunately, become commonplace. Although these problems are great in the physically deteriorated areas of the city, they are by no means absent in the public housing projects. Anything that can be done to eliminate the dangers faced every day by the elderly will go a long way in improving the quality of the lives they live. [Applause.]

Senator WILLIAMS. I have a few questions, but why don't we proceed with the panel and then we will see what questions remain.

Mrs. SALTER. Mr. Chairman, I have with me today my workers, Emmet Fireall, and we have two seniors who participate in our daily program at the resource center.

Senator WILLIAMS. Before we get to that, just one question, on the resource center, and certainly I know full well how important this is to the people you serve.

Mrs. SALTER. Yes, sir.

Senator WILLIAMS. This is funded in part by a Federal program, the Model Cities program?

CONCERN FOR CONTINUATION OF PROGRAM

Mrs. SALTER. Yes. And we have some grave concerns, as you know, Senator. As far as we have been told, up until June, we are funded for that period of time. And after that, we have concerns as to the continuation of our program. And we have a number of seniors which we feel deserve and need this program, the special counseling, and also the personal contact that we involve ourselves with. We certainly provide them, as I said in my speech, of affording them a hot lunch program daily. And without that lunch, Senator, I can assure you a number of people would certainly literally starve.

We also have the special effort we put into finding and seeking housing for the elderly. We have grave concern about other things about our seniors; such as, I was talking to Mr. Edie, who spent some time at the center with us, and we pointed out some of the very vital points we have at the center. And we have those seniors that live alone in one room without the facility of adequate bathroom facilities, where they can certainly take a bath properly, to take care of themselves, and also the fear of getting in a bathtub is certainly—it certainly hampers many of them. And it brings my staff and I, at times, to take the opportunity to give a bath every now and then.

So we at the resource center feel as though that our job has just started. We hope to do more with such people as you, Senator, to support us in our effort to really keep the doors of the resource center open.

Senator WILLIAMS. On this bathing question and design, this is the first it has been mentioned by any witness over the years as far as I can recall, the fear of getting into a bathtub and feeling a lot more secure in a shower.

Mrs. SALTER. Yes, much more secure in a shower, sir, because they can certainly stand and have no fear about slipping in the tub or getting themselves raised out of the tub.

Senator WILLIAMS. I am glad you mentioned that. I understand you do have shower facilities at the center.

Mrs. SALTER. Yes, we have a shower there, and I sometimes exercise my right to using it.

Senator WILLIAMS. And do people come to you from the neighborhood to use the shower because of this?

Mrs. SALTER. Well, let us say, Senator, everyone certainly would like to remain with their dignity, but we have a special, a personal way of going about this. We certainly inform them of this if we see the personal grooming is needed, and we take them back and give them special clothing that is donated to us at the resource center, and we usually give them this privilege to accept that.

Senator WILLIAMS. Thank you.

Now, you go ahead, Mr. Fireall.

STATEMENT OF EMMETT FIREALL, OUTREACH WORKER, SENIOR
CITIZEN RESOURCE CENTER, TRENTON, N.J.

Mr. FIREALL. Mr. Chairman, I am Emmet Fireall, home visitor, Senior Citizen Resource Center. The home visitor acts as advocates by finding elderly people, who are in great numbers and in all sorts of miserable conditions.

In regards to housing, many feel they have no place in society and most suffer from poverty to some degree. For those seniors who have lived through a lifetime working to build America, becoming old means taking on additional burden at a time when people should be able to relax and enjoy the glow of what we like to call the golden years. For the aged living in the inner city and surroundings, we try to help people through individualized attention and through group programs, such as Mrs. Lular Bess and the others I have brought with me today to tell of their experience in the need for housing.

I will start with Mrs. Bess.

When I met Mrs. Bess she was living at 77 House Street.

Mrs. Bess, will you tell us of your total income?

Mrs. BESS. I was getting \$84.30 Social Security and the welfare was giving me \$89, and that was what I was getting. And I paid \$150 for the house. And me and another lady took the house together. The other lady moved out and that left all of the debt on me. So I scuffled around and paid it up until January, the first of January. And I had not—he paid for the heat; I paid for the gas and the lights. And the people around there, they break in when they want, and I sit up week after week in the chair, that I would not even go to my bed. They'd act like they was going to break in on me, and I had sit up all night by myself. And he still was looking for me to pay that \$150 rent, and pay for the heat, and pay for the gas and lights, and I could not do it. So they broke in on me, so I moved over in the project on Southern Street. And so I went over there Sunday night and I slept on the floor over there by myself. And Monday, I got somebody to move me away from there. And if it had not been for these people, that lady and this gentleman, I am sure I would have been sitting there right now.

I have been trying to get in that project ever since I left Newark, and I had no way of getting there until he told me one day that he had a place for me, but I'd have to climb three flights. And I was already crippled and could not hardly get up one, so I did not take that. And some of them called me up and told me that the apartment was ready, and so I went to see about the apartment. And when I got there the lad beside me said, "I don't know who told you that, because it ain't ready for you." This gentleman was with me. And I think the next week after that she called me up and told me she had an apartment for me.

Mr. FIREALL. Thank you, Mrs. Bess.

Mr. Robinson, will you tell the members of the subcommittee about your living conditions or income?

FREQUENT RENT INCREASES

Mr. ROBINSON. My income is \$82, and I have had \$110 a month.

When I first took the apartment I paid \$85. A few months after that they upped me to \$115. They upped me \$10 more. Now, he is going to up me another \$10. The house is not worth it. Anybody can break in. As a matter of fact, about 2 weeks ago the house was broke in. What was missing I cannot say. People just break in, and the neighborhood is very, very bad. And I have been trying to get in the project for the past 2 years.

Mrs. Salter, they've been trying to really help me. They're really nice people, a good organization. They will do everything they can to help. They're doing their best to help me.

Mr. FIREALL. Thank you, Mr. Robinson.

Mr. Chairman, from our experience concerning housing and older adults, we are able to appreciate this very real problem.

There is another concern: we should be aware, also, that there are elderly persons currently institutionalized who might return to their community if they were assured adequate housing and other supportive services.

I hope these remarks have given you some idea of the housing problems of the elderly in our city. [Applause.]

Senator WILLIAMS. Now, let me ask, how long have you two worked together, Mrs. Salter and Mr. Fireall?

Mrs. SALTER. Mr. Fireall is going into his third year with us.

Senator WILLIAMS. Well, we certainly hope that nothing will happen that will not let you continue your resource center.

Mrs. SALTER. I am hoping so.

Senator Williams, if Model Cities should go, there are other ways. And we plan to meet with certain people, such as the State office on aging, which also has given us their supportive services, and Mr. Carl West, who is working with us. We hope to meet with them soon.

The department of community affairs, Mr. James Pennestri, certainly was instrumental at the time. In April of last year, he sent us a letter in the mail at least about 10 days prior to having terminated several of our staff. And at that time the State office on aging came right in and certainly gave us the supportive services

that we need to continue our program to save those people. [Applause.]

Senator WILLIAMS. Reverend?

STATEMENT OF REV. F. KENNETH SHIRK, PASTOR, LUTHERAN CHURCH OF THE REDEEMER, TRENTON, N.J.

Reverend SHIRK. I brought along about 75 percent of my files. They represent 55 pounds of paper, if anyone in the audience is thinking of a section 236 project. Before the moratorium, they tried to beat you to death with the paper. I brought it along to show you the immense weight and work and effort that is needed just to keep up with the bureaucracy and all of the things they require of you—quadruplicates of this. This does not even represent the plans and specifications for a building.

I am happy to have the opportunity of being here today.

Senator Williams and other distinguished guests, I want to thank you for giving me these few minutes to speak on one of the most crucial problems facing the elderly in our great State.

As you know, multifamily housing for the elderly has been provided by the section 236 interest subsidy program and public housing. These housing programs were to serve the needs of the low and moderate income elderly. Today, there is a great uncertainty in these programs because of the ill-advised moratorium imposed by the administration. The tragedy is that many, many elderly will die or become infirm without any hope for new, clean, safe housing as is being provided at Luther Towers.

This particularly blights the poor elderly, most of whom live in deteriorating neighborhoods in constant fear for their safety and well-being without sufficient income to change their lifestyles.

To meet this need for housing the elderly poor, as well as those of moderate income, Luther Towers applied for rent supplement funds. This program allows a tenant to pay 25 percent of their income for shelter. In determining the supplement amount, the rent supplement may not exceed 70 percent and must represent at least 10 percent of the HUD approved rent for the living unit. Luther Towers has received an allocation of 41 units with a maximum amount of \$44,000, or \$3,666 per month.

Using our rental of \$130 per unit, we could subsidize 40 elderly poor at the maximum level of \$91 per month, thereby giving renewed hope to, at least, 40 of Trenton's elderly poor.

HUD PROGRAM LIMITS ASSISTANCE

A peculiarity of the HUD administered program, however, states that only 10 families may be helped, which represents 5 percent of our occupants. The rent supplement handbook, No. 45201.1, pages 3-5, states: "Only 25 percent of the tenants may receive more than 60 percent supplement."

In effect, this means that only 10 persons on old age assistance can qualify since their income of \$167 per month exceeds the 60-

percent limitation. Even the SSI limitation does not enable us to help them.

In summary, while the dollar allocation is sufficient to meet the needs of 40 elderly poor, an administrative decision prohibits our serving more than the 10 lucky persons; therefore, approximately 60 persons will have to be denied entrance to this fine facility.

Another peculiarity of this program is that an elderly person earning more than \$6,750 must pay the fair market rent of \$231 a month. What this means is that many single, elderly persons who need the services of a living facility such as this are priced out of the market by a rent which is excessive. The Congress should certainly consider this "gap housing" problem, that is, those families that are earning too much under existing section 236 formula and being forced to pay an unreasonably high percentage to the annual adjusted income for rent. This mitigates against many needy elderly from living in places like Luther Towers.

Further, it creates a burden in trying to rent up existing and future FHA projects. The levels of eligible applicants is \$3,000 to \$7,650.

An acute housing shortage exists in New Jersey. A few years ago the President's Committee on Urban Housing found that some 2.6 million units of housing construction would be needed by 1978. Yet, the best rate of home building achieved was 1.8 million houses, far below the 2.6 million needed.

Those hurt the most by this shortage are the elderly. We need an end to the moratorium and a housing program that makes sense.

Thank you.

I would now like to introduce two new residents at Luther Towers: Mrs. Helen Purcell and Mrs. Marie August.

Mrs. Purcell, where are you presently living?

STATEMENT OF HELEN PURCELL, TRENTON, N.J.

Mrs. PURCELL. I am living at a hotel. I do not have no cooking, no place to cook. If I want an egg, I have to cook it in the percolator. I pay \$100 a month. I am moving in there on Saturday and it is a very fine place and I enjoy it. The hotel where I am living is no place for an old lady.

Reverend SHIRK. What goes on in the hotel, Mrs. Purcell? What kind of an environment is it? Is it nice and clean and bright for \$100 a month?

Mrs. PURCELL. I have some of my old furniture. My room is clean but other rooms, they are not. They clean them, they have a maid; they make the beds but my room, I do myself. When I want an egg, I have to cook it in the percolator.

Senator WILLIAMS. Is the hotel where you live now pretty much a residence for older people?

Mrs. PURCELL. No; it is mostly for people who want a room by the week or by the day, they can come in. I have joined a senior citizen's group and I really enjoy going up there on Wednesday, Thursday, or Friday.

Senator WILLIAMS. Reverend, is Mrs. Purcell one of the 10 percent that will go in?

Reverend SHIRK. Yes; she is one of the 10 percent.

Senator WILLIAMS. What is the logic of this administrative ruling? Is this to limit the housing to ensure that most of the tenants at Luther will be middle income?

Reverend SHIRK. When I asked down at the area office what the rhyme and reason for this was, they said, well, you cannot get too many of those kinds of people there. They will disturb the balance of the building and I honestly, I became so angry, I became inarticulate. Preachers very seldom become inarticulate but there seems to be a predilection against the poor.

Senator WILLIAMS. Is this a national regulation?

Reverend SHIRK. Yes; this is in their manual, the number which I quoted and I have a copy with me.

Senator WILLIAMS. I guess we have it here.

Reverend SHIRK. It is on page 3-5.

Senator WILLIAMS. And it is Regulation 4520.1?

Reverend SHIRK. Yes, sir.

Senator WILLIAMS. What did you say when you got inarticulate?

Reverend SHIRK. Well, I told them that was asinine and they said, "well, these rules and regulations came down from Washington." Almost like the Ten Commandments coming off of the mountain and there is nothing they can do as an area office about it and so that is where it ended and we have been struggling—well, not struggling, but we have been grieving over the numbers of people that we have not been able to serve.

PROJECT LIMITATION OF 20 PERCENT

I even asked them for 30 percent—the statutory regulation is 40 percent. You are allowed to go up to 40 but they put a limitation on our project at 20 percent.

I said, well, how about 30? They said, You are lucky we gave you 20. We give most people only 10 percent, which would have meant in our particular case, 22,000 instead of 44,000, if they had only given us the 10 percent and so it is completely unrealistic, in my judgment, to cut off public housing projects on the one hand that serve the elderly poor and then reduce the ability of those projects, the section 236 projects, on the other hand to serve even within the dollar limits they have appropriated to you. It does not make any sense.

Senator WILLIAMS. Was there any comparable regulation under section 202?

Reverend SHIRK. This is the rent supplement program?

Senator WILLIAMS. Yes; but was there any regulation that directed the housing to relatively higher income older people under section 202?

Reverend SHIRK. No; the best understanding I have seen, I think, the section 202 program was a more economical one and you were able to bring in lower rent and you were able to serve a lower income level.

The section 236 has a lot of built-in costs which go to banks and mortgage companies, makes them rich, but does not do much for the poor.

Senator WILLIAMS. Thank you very much.

Now, did you have another lady there to speak?

Reverend SHIRK. Yes. Mrs. Purcell is a delightful person, with great courage. You may or may not know that she has a very severe handicap in seeing. She lives all by herself in this dinky apartment and one of the greatest moments of my life was when I was able to offer her a room.

Another person is Mrs. August who lives in the Luther section. Mrs. August, will you tell about going to Luther Towers?

STATEMENT OF MARIE AUGUST, TRENTON, N.J.

Mrs. AUGUST. I think it is an opportunity to get in. I have been attacked twice by pocketbook snatchers. I am afraid to go in and out of the house; people do not want to come to my house so I am a prisoner because of the neighborhood and there is nowhere you can get an efficiency room under \$100 a month and then you may get raised after you get there and you are in trouble again so you do not know what to do.

I have been living on my savings since my husband died and I am telling you, it has been terrible. I have Social Security and my savings through the years, but they are very low now, and only now that I have a chance to get into the Luther housing, thanks to Reverend Shirk and all those like you, Senator, who have made this possible because it certainly is needed.

I think we have a little bit of time that we can still pray for people or use our intelligence and our past experience to help the young and we do need a place that is safe, that is clean, and it is not lonely. This is terrible. That is all. [Applause.]

Reverend SHIRK. The third person is Mrs. Lillian Searfoss. She is president of the J. Conner French Towers Senior Adult's Club and I guess we are new neighbors so I would like to call on Lillian at this time and she will share her joy with us.

STATEMENT OF LILLIAN SEARFOSS, TRENTON, N.J.

Mrs. SEARFOSS. Senator Williams, I am very elated to be here today to participate in this hearing on adequacy of Federal response to housing needs for older Americans.

The following is my testimony, drawn on my own experience and on the experience of just a few people who now live at the J. Conner French Towers.

My husband and I moved to the Towers almost 3 years ago. We are one of the first tenants to move in and the apartment high rise will celebrate its third anniversary this coming March.

We were living on Rutherford Avenue and had resided there for approximately 12 years. The first 9 years were perfect. The last 3 were a nightmare.

We had been broken into twice and when the intruders could not find what they were looking for, they smashed our furniture and broke everything in sight. We were never free to leave our home. We were practically prisoners. Our windows were broken by school

children at least once a week. The landlord finally nailed heavy chicken wire on each window. We were never able to sit on our front or side porch.

We finally made application with the Trenton Housing Authority and being one of the fortunate senior citizens, our application was approved.

I really feel now that my address would not have been 640 West State Street but could very well have been New Jersey State Hospital Psychiatry Ward, West Trenton.

Now that we are really living a normal life, that is, living without being in constant fear 24 hours a day, I feel that I have added another 10 years to my life. Also, my sisters and family are so thankful that we are happy as they were in constant fear for our safety and well-being. This also goes to the families of all of the tenants I have spoken with. That is my personal experience.

Being the president of our civic club, I personally know the 186 tenants in our apartment. I can honestly say that there is an entirely different expression on their faces now than when we first moved in. Now, it is really like one big family.

We have a buddy system on each of the 10 floors and there is never a day that someone does not keep a close check on those who are ill or are unable, due to illness, to take care of themselves.

Right now, you see a lot of happy, smiling, and contented people.

FREQUENT MUGGINGS AND BREAK-INS

Besides my experience, I have just a few testimonies of what happened to some of our tenants before they moved in the Towers. One was personally assaulted and mugged, just across the street from where we are now assembled. Another, mugged twice in 1 week, just outside the door of her apartment, was knocked down and badly bruised.

Another had two break-ins and was mugged four times; once at knife point. Another was mugged twice and hospitalized, each time with broken bones. Another, her home was broken into and she was very close to being a rape victim, plus she was robbed and badly beaten.

I could go on forever, but in closing, I will say that I hear at least a dozen times a day that the folks who I call my friends and neighbors thank God for having the opportunity to once again live in peace and contentment in the twilight years of their lives.

I also pray and desperately hope that through these hearings more senior citizens will have the opportunity to enjoy living as well as we.

Thank you, Senator Williams and your subcommittee for your effort.

Senator WILLIAMS. Thank you very much, Mrs. Searfoss.

One question. Has the J. Conner French Towers always been housing exclusively for older people?

Mrs. SEARFOSS. That is right.

Senator WILLIAMS. It never has had the range of ages?

Mrs. SEARFOSS. Yes.

Senator WILLIAMS. Are there any public housing projects in Trenton that have all ranges of ages?

Mrs. SEARFOSS. I believe so, yes.

Mrs. SALTER. Yes; there are several.

Senator WILLIAMS. I believe we will have testimony from someone from the housing authority that might address that.

It has been my observation that where the housing is exclusively for older people, there are a lot of benefits that come and if it is a range of ages, there are a lot of problems.

Mrs. SEARFOSS. That is right.

Senator WILLIAMS. How old is J. Conner French Towers?

Mrs. SEARFOSS. It will be 3 years old this March. It is so—it is one of the latest ones and I hope Reverend Shirk's is just as nice as that.

Senator WILLIAMS. It is good to hear. Mrs. August, when do you move into Luther Towers?

Mrs. AUGUST. Saturday, the 31st. The management and the people, they care for you, they really care for you; they are cheerful, too.

Senator WILLIAMS. Now, you see this testimony—

Mrs. SEARFOSS. We had a New Year's Eve party that never broke up until 3.

Senator WILLIAMS. We cannot promise you all of that over at Luther Towers, I do not think.

Mrs. AUGUST. How did you stay awake that long?

Senator WILLIAMS. Well, it is a joy to know that this housing can have this result and that is what makes it so very difficult for those of us who have these hearings and get the story and then find these bureaucrats and executives in Washington stopping this kind of production of housing.

Well, do we have anything further? Thank you very much.

Our next panel comes to us from Hamilton Township: Mr. Hugh Maguire, Mrs. Mary E. Nolan, and Miss Dorothy Ford.

Mr. Maguire returns to our subcommittee. He has been with us before and is very helpful. He is the tax collector for Hamilton Township. He is hale and hardy and must be very well liked in the township. While they are gathering, the Governor of the State of New Jersey would, of course, have been delighted to be here. Everybody can appreciate the heavy demands upon him and his eventful day as Governor of our State. Without objection, his statement will be made a part of the record at this time.

STATEMENT OF HON. BRENDAN BYRNE, GOVERNOR, STATE OF NEW JERSEY

Because of the serious shortage of housing for the elderly which exists in this State, it was most appropriate that the hearings before the Subcommittee on Housing for the Elderly were scheduled in three of New Jersey's urban centers. We are pleased to welcome Senator Harrison Williams and the distinguished members of the subcommittee to the State Capital today.

It is my sincere hope that the information developed from the testimony of so many of our concerned citizens will be of substantial assistance to you in your efforts to gain an effective Federal commitment.

I feel certain that your findings here and your legislative proposals at the Federal level will be valuable to my administration as we ourselves study ways and means of providing housing in conjunction with Federal programs.

On behalf of all the residents of our State, I extend my thanks to you and to the distinguished members of your committee for the very welcome attention given to what is one of our most pressing problems.

I have directed the staff of the Department of Community Affairs to make all information available to you, and they will be appearing before you later this afternoon.

I have been advised of the names of the several persons who are scheduled to testify today and I am confident that their input will be of value to you.

I look forward to our continued joint efforts in behalf of the senior citizens of New Jersey.

Senator WILLIAMS. Well, that was anticipated by Reverend Woodson and the joint cooperative efforts of our national legislature, together with the State legislature and we appreciate the Governor's statement very much.

Mr. Maguire?

STATEMENT OF HUGH MAGUIRE, TAX COLLECTOR, HAMILTON TOWNSHIP, N.J.

Mr. MAGUIRE. Senator, members of the subcommittee, rather than be repetitious, I will curtail some of my remarks for the sake of brevity.

As you stated, I am the tax collector. I am chairman of the Hamilton Senior Citizen's Council. As you well know, Senator, we are associated with the National Council of Senior Citizens which has done a tremendous job in Washington.

Senators and members of the Subcommittee on Housing for the Elderly, may I digress for just one moment. I know I speak for all of the 700,000 senior citizens in this great State of New Jersey.

I take this moment to convey our sincere thanks to you, Senator Williams, for all you have accomplished in the past and the plans you have for the future for this great Nation of ours.

You are truly cognizant of the needs; you have had the foresight and the compassion and the ability to get things done. We will be eternally grateful to you, Senator, on behalf of all us here. [Applause.]

As tax collector and chairman of the Hamilton Senior Citizens Council, I am well apprised of the plight of many of our senior neighbors. Hamilton Township is considered a suburban community, an affluent society—so-called—it is a misnomer, to say the least.

Hence, we do not receive any Federal aid for many programs that we would like to establish in Hamilton. Fourteen years ago, we founded our council. We now have 17 clubs, representing about 2,000 members.

PROBLEMS OF SENIORS WIDESPREAD

In 1971, the council, using our experience, conducted a survey as to the needs for senior citizen housing in the township of Hamilton. The results were eye-opening. Not only did we need housing, but the questionnaire pointed out that senior problems were widespread and transcended beyond city, county, and State levels.

The outcome of our findings of this survey resulted in the construction of a 10-story high rise which we anticipate will be completed in June or July of this year. State and Federal funds are financing this facility.

However, we already have 190 applications and only have 160 units and I would like to agree with the reverend who spoke just

before us of these 160 units. Only 20 percent will be subsidized by Federal supplementary rent. Perhaps a more realistic figure of 30 percent should be used. We are going to have the same problem as the reverend will have.

It seems to me the so-called golden years of our seniors are becoming a continuous nightmare. They have been the very backbone of our communities throughout the land and they are deserving of a better fate than they are now receiving.

That is the end of my testimony, Mr. Senator.

I would like, at this time, if I may, to make several points: In Hamilton, everything is done on a voluntary basis. We are subsidized by our municipal government. We have one of the finest persons that I have ever known. She is our coordinator, and we affectionately call her "Mother Superior." You can really imagine coordinating some 2,000 seniors.

You need someone very special, and she is someone very special. I refer to Mrs. Mary E. Nolan. One of our witnesses, a very wonderful person, intended to appear today, but she had an accident. She slipped on the ice as so many of our senior citizens have done during the inclement weather, but Mary Nolan will recite the testimony of the witness, Miss Dorothy Ford.

STATEMENT OF MARY E. NOLAN, SENIOR CITIZEN COUNCIL, HAMILTON TOWNSHIP, N.J.

MISS NOLAN: Thank you, Mr. Maguire. This witness who was going to be here today is aged 69 and she is a retired nurse.

What we are trying to bring out in this testimony is the hard times seniors have paying the high rents on their Social Security. This lady has lived in her apartment 3 years. It is a private home. In the 3 years, her rent has gone up from \$100 a month to \$150, with another raise due next month and her Social Security check is \$198.80.

Out of that, this is her budget: rent, \$120.50; she has to pay her own gas; electric, \$12; telephone, \$6.54; her Blue Cross-Blue Shield—which no senior feels they can be without—\$4.91 a month; and \$13 a month for prescriptions, which, of course, makes \$156.95.

Then she has to go to the medical doctor once a month, she has vertigo; she also has to go to the eye doctor once a month because she is getting cataracts, and this woman continues to try to work at least 20 hours a week at nursing in order to supplement this income, and she is very proud. She will not even take food stamps. That makes \$171.95 and that leaves her about \$26.85, which is for food and miscellaneous items, and, as everyone knows, different emergencies occur during the month, so she is one of the persons who badly needs a subsidized apartment.

WITHDRAWING FROM SAVINGS ACCOUNT

She is down to \$1,000 left in the bank in her savings account and in order to get by every month she withdraws \$25, so how much longer is the \$1,000 going to last, and that worries her very much.

On these applications that we have been sending to our seniors who want to be in the new housing, as they send them back, many of them have little notations.

Here is one that struck us as being very sad. She is 72 years old. She said, "I have been doing part-time work, with bad health, in order to pay my high rent. If I could find reasonable rent, I would not have to work. I am 72 years old."

And then from another husband and wife. He is 78, she is 75. He says, "I have to work parttime as much as I am able to in order to pay our rent."

This is just some of the examples that come in to us. Many do not get the \$198.50 a month received by Miss Ford, so you can imagine their budget presents a serious problem, and in some of them, I find, it takes their whole Social Security to pay the rent. And they go to the bank every month and have to withdraw the meager savings that they have.

Also, something else that we would like to bring out at this time about the landlords; we find a good many seniors do not even want to testify at hearings of this nature because if they complain about it—the increases in rent from time to time—or if there is something they need done in the apartment, the landlord said, "All right; if you do not like it, move," and even those that have applied for the new high rise tell us to please keep their applications confidential because if their landlord found out they were looking for an apartment, they would tell them to move and that would be it.

So, we have tried to keep those confidential for that reason. I think that is all, Senator. [Applause.]

Mr. MAGUIRE. The next witness is Carrie Wildman. She is 76 years young. Carrie lives in an apartment project.

Carrie, I have told your age. Will you tell the Senator and the panel how much Social Security you are now receiving?

Mrs. WILDMAN. I get \$210 a month and out of that, I pay \$165 rent.

Mr. MAGUIRE. And you pay for your own electric and gas?

Mrs. WILDMAN. Electric.

Mr. MAGUIRE. And that will increase somewhat, will it not?

Mrs. WILDMAN. Yes.

Mr. MAGUIRE. That does not leave you much. How do you get by?

Mrs. WILDMAN. As the old saying is, "Where there is a will, there is a way."

Mr. MAGUIRE. I guess you agree, Senator, that the proudest people you come across are our senior citizens. I know many we try to help out through welfare. They will not accept and it is amazing how they do get by with the small increment they receive.

WAITING LIST FOR NEW HIGHRISE

Carrie is awaiting the completion of this highrise and she hopes she will receive one of the apartments but as I stated earlier, we have 190 applications and we have not been publicizing; this is just among our own club members. There will be the need for a similar highrise after this is completed.

Mrs. Nolan, is there anything you want to add?

Mrs. NOLAN. No, I think not.

Mr. MAGUIRE. That is the end of our testimony, Senator.

Senator WILLIAMS. Thank you very much, Mr. Maguire. You have 190 applications. You open when?

Mr. MAGUIRE. We anticipate occupancy sometime in July or August; perhaps July.

Senator WILLIAMS. How many units do you have?

Mr. MAGUIRE. 160; this is, of course, financed through the State and Federal.

Senator WILLIAMS. This is your first public housing?

Mr. MAGUIRE. I do not know if you would deem it public housing or not. The council itself wanted to sponsor it originally; however, we saw the magnitude of the work involved and Mr. Gershen, who will appear here later I see on the program, he is one of the developers. Of course, they receive tax abatements, so we may keep rents within a reasonable figure.

Senator WILLIAMS. This is under the State program?

Mr. MAGUIRE. Yes. However, Senator, I wish to bring out again, if something can be done to increase that 20 percent to about 30 to those who are subsidized on the rent subsidy, we will avoid a problem there because the 32 units have already gone. We would need approximately 30 percent to take care of those needs.

Senator WILLIAMS. This would fortify Reverend Shirk's observation?

Mr. MAGUIRE. Yes.

Senator WILLIAMS. Thank you very much.

I wonder if we could go a little out of order and have the secretary-treasurer of the New Jersey State AFL-CIO, Mr. John Brown, who is here.

John, will you come up? I understand you have a problem of time. We appreciate your appearance from the AFL-CIO.

**STATEMENT OF JOHN BROWN, SECRETARY-TREASURER,
NEW JERSEY STATE AFL-CIO**

Mr. BROWN. We have a meeting in Newark and I have to catch the 4:01 and I beg your indulgence.

Before I read my statement, Senator, I would like to bring out the fact that labor, especially here in New Jersey, the AFL-CIO, as well as national, has been in the forefront as far as the work on behalf of our senior citizens.

We have had close working unit with the National Council of Senior Citizens, as you well know; it might be labeled the "father of our programs" that we have in this country. Our prepared statement reads as follows:

The New Jersey State AFL-CIO extends to this committee a warm welcome to our State. We are grateful for your appearance here today, not only to compliment you on the work that the U.S. Subcommittee on Housing for the Elderly has been doing, but also because of the warm feeling we have for its chairman, Senator Pete Williams, whom we in labor hold in the highest regard.

The housing crisis that exists throughout this Nation is felt more severely in a highly industrialized State such as New Jersey. This State of ours has the highest population per square mile than any State in the Nation. The need for decent housing because of this population problem becomes greater in New Jersey than in any other State.

The great need for housing programs at a cost our people could afford should have had the highest priority from the Federal level. It has not had that priority, and because of present Federal administration failures, our citizens, young and old, face housing conditions that are a blight to this Nation. The failure to bring decent housing to our working people is shameful, the failure to give decent housing to our senior citizens is a disgrace.

202 DIRECT LOAN PROGRAM

In the 1960 Housing Act a commitment was made to the citizens of this country to develop a housing program. That commitment became known as the section 202 direct loan program. The direct loan program developing multifamily homes, by religious, labor, and other nonprofit organizations was a boon to the elderly for it gave the financial assistance to those organizations who were geared to the housing problem faced by our senior citizens. We no longer have that commitment and our housing policy for the elderly is nonexistent and each month we fall further behind in the housing units that should be built.

The senior citizens of this State and Nation do not have the time and I do not use the term lightly, to patiently wait for new untried housing programs. The need is now. The action must be now. We can no longer ignore the housing needs of 10 percent of our New Jersey population, some who barely survive in an economy of rampant inflation and continuing high living costs. I would ask you to remember that 45 to 46 percent of the elderly who live in New Jersey are sub-existing on \$3,000 per year. On that type income our retired citizens can hardly afford the luxury of having to pay 35 percent of that income for rent. Those other senior citizens who may have reached the goal of owning their own homes find themselves, because of antiquated and unfair tax laws, in the sad position of being financially unable to keep the home they spent a lifetime working for.

The New Jersey AFL-CIO recognizes the great problem that faces this committee in trying to secure decent low-income housing for older Americans, but it is a problem that must be faced nationally as well as one that must be faced on a State level. It is also a problem that must be solved.

On the Federal level, there are legislative bills in Congress that could be the vehicle which would provide low-income homes for senior citizens.

We ask this committee to: Support and develop a national policy in housing for the elderly, a separate program designed to meet the housing problem of our senior citizen; to favorably support such legislation as S. 2180, a legislative bill to provide for increased security for federally related housing projects; and surely to press for

the adoption of S. 2185, an extension of section 202. S. 2185 would provide a \$100 million increase in the authorized funding for housing for the elderly and the handicapped. S. 2185 would continue, if adopted, the policy of section 202 that specialized in housing programs that were tailored to the needs of our senior citizens. It has been shown time and time again that homes for older Americans need and must have specialized attention. To that goal America must dedicate itself.

On behalf of the New Jersey State AFL-CIO, and its retired members, I wish to thank you for the time and consideration you have shown to us and for giving us the opportunity to present labor's views before this committee.

ADMINISTRATION NOT USING PROGRAM

Senator WILLIAMS. I certainly want to thank you, Mr. Brown, secretary and treasurer of a great organization, that has responded to the housing needs of its members and others, too. You really need the support of the national program. You can not go it alone, although some of your unions have—the AFL-CIO has pieced together programs even without the benefit of Federal support. It is tough going but the Federal support, for example in section 202, is ideally related to, as you indicated, church groups, union groups, and fraternal organizations. This is the thing that has been heart-breaking—to see that program not used by the administration.

We have tried with one of the bills I have introduced, to meet their objections to the fact it has a big budget impact when the direct loan is made. The total budget impact is greater when the other program that Reverend Shirk had so much trouble with, section 236, is used. It is far more expensive that way.

Mr. BROWN. It is much better for the banks.

Senator WILLIAMS. Much better for the bankers. The first year's impact does not look as big as the direct loan. This we concede.

What we have tried to do is to meet the administration's objections by not making it a budget item; it is a rather complicated business but we have gone all the way in trying to meet their objections, their budgetary objections. I hope this year we will have better luck. Every word is a word of meaning here. We appreciate it.

Mr. BROWN. Thank you, sir.

Senator WILLIAMS. You are part of a great organization. Thank you.

Mr. BROWN. Thank you.

Senator WILLIAMS. Our next panel, please.

Mr. Peter Amodio, chairman, Trenton Housing Authority Board of Commissioners; Mr. Morton Farrah, housing director, Trenton Department of Planning and Development; Mr. Martin Kaplan, Trenton Jewish Community Center; and Mr. Carl West, executive director, Mercer County Office on Aging.

Trenton and Mercer County will be heard from. You have all been contributors to our deliberations over the years and it is good to have you here in this most recent subcommittee effort.

I mentioned earlier that there would be other prominent people who worked in areas of housing and other programs for the elderly and are well known here in New Jersey and, indeed, in the country: Marie McGuire Thompson, most recently consultant to our committee.

Marie?

Mrs. THOMPSON. Yes?

Senator WILLIAMS. Will you stand and receive an ovation? She pioneered some of the best public housing generally and also for senior citizens, and

Eone Harger, our New Jersey friend who headed the State aging commission here, some years back, is still working very actively.

Now, we will come to Mr. Amodio.

STATEMENT OF PETER AMODIO, CHAIRMAN, TRENTON HOUSING AUTHORITY BOARD OF COMMISSIONERS

Mr. AMODIO. I have been asked to come here today to answer some questions proposed by your office; questions like the need for housing for the elderly of the city of Trenton.

In Trenton, we have 441 units for housing the elderly in public housing, of a total of 1,954. Just prior to the freeze put on by HUD, we had two projects in the making for 300 units. However, we were told at the time we could not submit our application because we would have to submit a 2 to 1 ratio: 2 for the regular housing and 1 for the elderly.

If we wanted 300 units, we could put in for 200 regular housing and 100 for the elderly. The city of Trenton has indicated they will not go along with any more public housing except housing for the elderly, inasmuch as we do have some 1,900 units right now.

We feel that we have—as of December 30, we had 2,277 applications for public housing. Of this number, 505 was for housing of the elderly. This really is not a true figure when you consider that many of the elderly people have been told that there is going to be a long waiting list.

In addition, those individuals of the township have been told that they will be given preference only after we took care of the city residents and I have another factor here.

Last year, the attrition rate amounted to about 20 people in housing for the elderly so our people are very, very happy there and we just do not have the space to put them.

We have another factor that is not readily apparent and that is this: We have some people who are living in regular housing, some 400 who are living together with the young families and there is a problem for the elderly. They get mugged, they get abused by the youngsters, and the regular problems we all know about.

They should not be living in these old units; they should be living in high rises.

In addition to that problem, many have to go up three flights of steps and we have people in their seventies, negotiating these steps every day and this is a continuing problem, sir.

We feel that we could, in the city of Trenton, support an additional 500 units of housing for the elderly in the low income housing, sir.

Thank you.

Senator WILLIAMS. As to our inquiries, you certainly responded and we appreciate it.

Now, who is in charge of this? You are all chief executives so nobody is in charge.

We will take Mr. Farrah.

STATEMENT OF MORTON FARRAH, PLANNING DIRECTOR, TRENTON DEPARTMENT OF PLANNING AND DEVELOPMENT

Mr. FARRAH. My name is Morton Farrah and I am the planning director for Trenton, N.J.

So far the hearing has been sort of a study of frustration. I think we planners have a frustration too. Of course, we are concerned with the need for housing but we are also concerned for the location of housing and the quality of that housing.

In December of 1972, the planning board and the planning staff jointly published a comprehensive plan for the city of Trenton. That plan identified what we called density nodes and I have a map here and I will hold it up to give you an idea of their locations and size.

For those of you familiar with Trenton, these are areas of the city where there is a commercial center and a high degree of activity, high people interchange, and the kind of area that is probably most suitable for high density development.

In the written portion of the "comprehensive plan," we indicated in the text that these density nodes were ideal for housing for the elderly.¹

I would just like to read a couple of sentences out of this comprehensive plan.

A general guiding principle should be established that future high density housing projects be located in close proximity to commercial centers and the central business district. The reasons underlying this policy are that commercial centers are the ideal place to concentrate community services, service industry, and transportation facilities. The higher concentration of residents within walking distance of these centers is both efficient and advantageous, especially for senior citizens.

EFFICIENT USE OF URBAN LAND

This was written a year ago. What becomes frustrating is that there currently exists a series of HUD policies and what appears to be a climate of thought that work counter to what we feel to be the most efficient use of urban land as documented in our plan.

The first problem is the fact that if you are going to concentrate housing for the senior citizens close to these density nodes, which is the logical place, then you are paying higher land cost. This is the price you have to pay for the quality you want to get.

The second problem is that there is something called Federal site selection criteria. The site selection criteria are generally very good except in the way they are administered. The way they are administered makes any one point in the criteria as the determining factor that can literally torpedo a project.

¹ See p. 639.

The aspect that appears to be the most strongly enforced is that of building new housing, whether it be elderly or low income, or moderate income, in what is known as racially impacted areas. I will get into this in a minute.

The third consideration that is causing us problems in getting quality locations is the Federal Government's new considerations for environmental impact, meaning the impact of the environment on the particular site that you are considering.

Sites near or in density nodes inherently have more traffic, street noise, and air pollution than less dense areas. But this does not offset their desirability as elderly housing sites.

Now in Trenton, and I can best use Trenton, we have three examples; three housing examples where these three different considerations are having some type of negative effect on the projects.

I will use first as an example, Reverend Shirk's project. The Trenton Lutheran Housing Corp. project that opened up this last Saturday. This project was held up in the initial stages, many, many months, just trying to negotiate with the Federal Government over what the value of the land should be and how much the church should pay.

Senator WILLIAMS. What was on that site?

Mr. FARRAH. It was a church previously, the First Unitarian Church of Trenton.

Senator WILLIAMS. The Lutherans displaced the Unitarians?

Mr. FARRAH. The Unitarians were quite pleased. The problem is that urban center land costs money. In less dense areas the land is cheaper per acre and if you are a Federal official reviewing an application who does not know an area, does not know a region, then it is much easier to say, wait a minute, the land out here is \$10,000 an acre, the land here is \$40,000 an acre. Why don't you go to the \$10,000 an acre, forgetting about the needs and quality you want to build into that kind of housing. That is example number one.

The second example is the project Mayor Holland was talking about when he referred to the second project that the Lutheran Housing Corp. wants to build in Trenton, at the corner of Broad and Market Streets. Again, housing for the elderly. We were hoping that project would go through.

The consultants and Reverend Shirk in meeting with the Federal officials have found out that due to environmental considerations, centered around noise problems in that particular area, they are going to have to add considerable costs to the construction of the building in order to screen out certain street noises.

Senator WILLIAMS. What is on that site?

Mr. FARRAH. Vacant urban renewal land, right now.

I like to think of myself as a good planner, and as such I would like to eliminate street noises; however, the standards being used for this noise have not been proven.

NOISE STANDARDS UNDER STUDY

I understand there is a consulting firm in Washington that is studying those noise standards. They have contracted with HUD and they are studying the noise standards to see how valid they really are, yet these same standards are being imposed on a project.

The architectural treatment for this project will actually succeed in raising the room rent level per month. That kind of architectural treatment is necessary but how much; where do you draw the line? How can you enforce standards that really have not been proven yet? That is example No. 2.

The third example of a project is one which is still in the germination stage. We call it the "North 25 Project." It is not billed as a senior citizens project per se, but due to its large size and probable prevalence of one and two bedroom units will certainly be an excellent resource for the elderly. It is located in our battle monument area, which would be right there at the top of this density mode. It is, right now, vacant land. We do have access to that land by going into what is known as "friendly condemnation." We have been told we will run into serious problems regarding site selection criteria because it is in a minority neighborhood and therefore, probably, even if the Federal funds are not dried up, it will not be eligible for those Federal funds.

The fact that this project is large enough, it is about 12 acres, the fact that this project is large enough to turn the neighborhood around by itself, the fact that other things are happening in the neighborhood, other construction is taking place, the fact that the crime rate is going down, the fact that the corporation that wants to build that housing is in the neighborhood—this does not seem as though it will have any affect on site selection criteria, unless we can do something about it now. That is the point I want to get across.

Senator WILLIAMS. Who is promoting the last project?

Mr. FARRAH. It is called the North 25 Housing Corp. It is a group of local churches, neighborhood civic associations, and the city of Trenton does have a member on the board and we are promoting the project.

Senator WILLIAMS. Where will they be looking for financial support?

Mr. FARRAH. Financial support? We are really looking on a hope and a prayer that the Federal Government will, within a year, release some sort of subsidized funding.

Senator WILLIAMS. What will be the preferred method of the Federal supporting programs that were or that are—which would be the preferable from your standpoint?

Mr. FARRAH. Originally, this would be thought of as a section 236 type project.

Senator WILLIAMS. Is that because they would not qualify for section 202 or was that because section 202 appeared to be dead under this administration?

Mr. FARRAH. Section 236 appeared to have replaced the section 202 program.

Senator WILLIAMS. If section 202 were revived, then how would it compare with desirability of section 236?

Mr. FARRAH. I really cannot give that answer.

Senator WILLIAMS. You are a planner really?

Mr. FARRAH. I do not know enough about the financial arrangements under the section 202 program.

Senator WILLIAMS. Are you a Trentonian by birth and background?

Mr. FARRAH. No, I have only been here about 12 years.

Senator WILLIAMS. A newcomer?

Mr. FARRAH. Yes, in Trenton that is a newcomer.

Senator WILLIAMS. Where are you from?

Mr. FARRAH. Atlantic City.

Senator WILLIAMS. From here we go to Atlantic City. Maybe you can give me some observations from your hometown that might be useful at tomorrow's hearing at Atlantic City. Will you stick around a little bit?

Mr. FARRAH. OK.

Senator WILLIAMS. Well, I hear good things about your work here. In fact, I know about all of you and all that you do, and our focus is on older people and what we are trying to do is increase your opportunities to meet those needs.

Without objection the text of the comprehensive plan will be printed at this point in the hearing record.

ISSUES AND POLICIES, COMPREHENSIVE PLAN, TRENTON, N.J.

ISSUE I. THE RESIDENTIAL NEIGHBORHOOD

Currently there is no simply stated principle or principles for coordinating planning decisions according to existing or desired neighborhood structure. The existing revised zoning map and ordinances does not have a clearly stated logic behind the pattern of development it foresees and regulates. This makes the task of judging the merit of requests for zoning variances an extremely difficult one, with the ever present threat of arbitrary and conflicting development occurring in the city.

Recommended Policies

1. Neighborhood commercial centers

The commercial centers of the City outside the central business district contain local convenience shopping facilities and provide a focus for the location of community service facilities such as libraries and health clinics. The distribution of these centers is closely related to walking distance from the surrounding residential areas. That is, in general terms, residential areas can be subdivided into neighborhoods, each of which can be identified by the neighborhood commercial center, that is within closest walking distance. Major traffic arteries also tend to separate neighborhoods, rather than traverse them, so that theoretically, a commercial center at the crossroads of two arteries might serve up to four identifiable residential neighborhoods.

In view of the relationship between residential neighborhoods and neighborhood commercial centers, it is recommended that these centers be used to dictate the logical ordering of residential development in each neighborhood.

2. Density nodes

A general guiding principle should be established that future high density housing projects be located in close proximity to neighborhood commercial centers and the central business district.

The reasons underlying this policy are:

1. Commercial centers are the ideal place to concentrate community services, service industry and transportation facilities. The higher concentrations of residents within walking distance of these centers is both efficient and convenient, especially for senior citizens.

2. Commercial centers are the most desirable locations for large-scale redevelopment as there tends to be a smaller percentage of owner occupied housing units in the vicinity of the centers. That is, near commercial centers, there are generally more transient residents, who would not suffer dislocation as much as owner-occupiers.

3. It is more economical to build new housing for smaller households, so that new projects always tend to have the maximum allowable number of small units. Members of small households, such as senior citizens or single people, are best located near commercial centers. Conversely, it would be desirable to preserve, for larger families, the existing residential areas in between the commercial centers as lower density areas, with safer traffic conditions and closer to schools and recreation facilities.

4. High rise development adversely affects the amenity of neighboring low rise housing by reducing privacy and blocking sunlight. Careful definition of high rise areas would help to protect existing low rise areas from such intrusions.

The accompanying map illustrates diagrammatically the ordering effect of this policy on the city. Precise definition of high rise areas is beyond the scope of this plan, but would be accomplished in conjunction with design proposals for the neighborhood commercial centers and a future redraft of the zoning ordinance.

Two rings or zones are indicated for each "density node." The inner ring approximates the commercial centers where the highest density, and high rise development would take place, if at all. The second, or outer ring, is intended as a transition zone where development would take place which more closely reflected the scale and character of the surrounding neighborhood.

ISSUE II. DETERIORATING RESIDENTIAL AREAS

Many residential areas of the city have reached some degree of deterioration and require public assistance if continuing decline is to be reversed.

The ideal situation from the city's viewpoint in restoring residential areas would be for owner-occupiers and landlords to repair their own houses, and the city to fulfill its obligations through the improvement of roads, sidewalks, trees and other street furniture. However, this is clearly beyond the economic means of a great many home owners and landlords, and the limited resources of the city have had to be restricted to the maintenance of the most basic of municipal services.

Because the value of a house is related to the value and condition of neighboring houses, there is an obvious reluctance to invest in restoring or even maintaining a house when those surrounding continue to be neglected. But it is in the public interest from both social and economic points of view to reverse the process of deterioration in residential areas. To this end there are a number of Federal and State Housing programs to assist a local government in improving its housing situation. The City, and certain non-profit organizations are currently utilizing many of these programs in Trenton.

Recommended Policies

1. Determination of most suitable action

Condition of housing is the most visible and perhaps the most significant monitor of the situation in a residential area. In describing condition one is also implying the type of action necessary to restore an area to a salutary state.

The accompanying map is derived from the map of Condition of Housing. It divides the residential areas into four grades of general housing condition with the object of indicating the type of action program most appropriate to a given area. The four grades are:

a. *Preservation.*—These areas contain most of the housing rated good to excellent and represent a major resource to the city. Property owners in these areas should be encouraged to preserve their dwellings at this level while the city should, in turn, maintain streets and community services to an equivalent degree.

b. *Spot action.*—These are areas where less than 20% of the units are currently showing signs of deterioration. However, it is quite likely that this deterioration is part of a process which will persist and increase. The City should explore the possibility of arresting this process through actions aimed at the specific units involved. Actions might include assistance to hardship cases, tax relief for maintenance, acquisition and sale of abandoned properties, demolition of unsound structures, and improvements to community aspects of the neighborhood.

c. *Reconditioning*.—These are areas in which housing has deteriorated to a point where owners can no longer afford to restore them to comply with city building ordinances. The majority of structures, however, are basically sound. Where there is a high percentage of home ownership, these areas are suited to the utilization of the Federally funded Neighborhood Improvement Program (code enforcement).

d. *Rehabilitation*.—In rehabilitation areas all aspects of development including housing, roads, sidewalks street furniture and yards, are generally in poor condition. Many houses may be structurally unsound, plumbing and electrical systems may be outmoded and extensive renovations to interiors and exteriors may be necessary.

It is usual for a large percentage of housing in these areas to be converted into small apartments or rooming units. The streets are often too narrow and overcrowded, and abandoned buildings and vacant lots may be scattered throughout the area. This type of area would qualify as a project under the Urban Renewal Program. This program allows the city to prepare plans for the rehabilitation of the neighborhood and financial assistance (low interest loans) would be given to residents to renovate their houses. The plans for the area would include the removal of dilapidated buildings, the construction of new infill houses, the possible closing or widening of streets, and the development of parks and recreation areas.

2. *Community participation*

The city should endeavor to assess the desires of all citizens with regard to housing in their neighborhoods, and should actively ensure that all points of view are heard from all sections of the community. If public action is planned in a neighborhood, it is important that residents are informed of every aspect of the city's intentions from the outset, that opportunities be given for them to express their feelings and opinions, and that final proposals for the area take account of their wishes.

3. *Planning coordination*

Action planned for residential areas should be coordinated with planning policies and decisions for other aspects of neighborhood and city wide development.

ISSUE III. AREAS WITH A LOW PERCENTAGE OF HOME OWNERSHIP

There is a correlation between the maps depicting Percentage of Owner-Occupied Housing (Map No. 2.04) and Condition of Housing (Map 2.07) as residential areas with a low percentage of owner occupancy correspond generally with areas in poor condition. These areas are located towards the center of the city, where there is a substantial market for rental units due to the demands of lower income transients. However, there are still many centrally located housing units still suited to single family occupancy. The basic assumption of this issue, is that if assistance could be given to the lower income families occupying some of these units to purchase these or other housing in the area, then, in addition to the social benefits involved, there would be greater commitment to the improvement of housing conditions in the neighborhood. Home ownership has proven to be a prime motivating force behind housing maintenance and can also lead to greater participation in neighborhood stability. However, there can be no simple solution to the complex problem of providing assistance, and at the present time no assistance program exists which could be applied to the problem in Trenton that would guarantee a totally satisfactory result. Therefore, a policy for the issue can only be directed towards developing greater awareness and understanding of the problem and towards the search for better solutions.

The following quote by Dr. George Sternlieb, from his report "Some Aspects of the Abandoned House Problem", serves to illustrate a number of the complexities of the problem:

In the 1,000 buildings of the New York study, for example, we have approximately 40 black owners and about 18 to 20 Spanish-speaking owners. They buy their buildings very badly. There is no credit available for them. These typically are structures in which the banks have not been involved for 20 years. They have to pay inflated prices. They have short-term mortgages. They

have all the problems of acquisition. But they can make them tick. They can make that building work.

Now, what is required is very simple-minded packaging of a financing apparatus that does not have to be a giveaway, but at least has reasonable long-term amortization. What is required is a guidance mechanism to help the new owner operate properly; and the third, and politically perhaps the most difficult and certainly for me the most difficult to explain, is no requirement that this new owner, because he is a new owner, must maintain standards which the old owner did not maintain.

The shortcoming—a perfectly understandable shortcoming—of most of our core area financing schemes is that they all call for extensive levels of rehabilitation. Unfortunately, this rehabilitation tends to take a parcel out of the market. It must be accompanied either by higher rents or a parcel that is not going to make financial sense, and I would suggest that the success of this kind of resident-tenant-owner is a success that is dependent on his making a profit.

ISSUE IV. SPECIAL INTEREST GROUPS: ELDERLY AND LOW INCOME

It has been clearly established that a substantial need for housing for the elderly and for low income groups exists throughout the region. However, over the last two decades, almost all of the public and nonprofit sponsored housing in the region for these groups has been constructed in Trenton. It is also clear that Trenton no longer has the financial resources to carry the sole responsibility for providing this type of housing. Thus the contradictory situation has arisen where Trenton, which is the best equipped, in terms of community services, of all the regional municipalities, and has the greatest need, is the least capable of providing public and publicly-assisted housing.

Recommended policy

The City still has a responsibility to provide elderly and low income housing. This is especially true considering the unusually low housing vacancy rate (less than 2%) within the city, and the fact that the City's renewal efforts have caused a degree of displacement and the elimination of some units from the city's housing market. Because of the City's financial situation, it can no longer afford to subsidize public housing. Therefore, some alternative approaches should be implemented, such as the following:

1. Until such time as the Federal government or other agency can substantially reimburse the city for the actual costs of services that public housing accrues, then no further large scale public housing projects should be undertaken.

2. For the time being, programs such as "leased housing", which pays full taxes and concentrates on accommodating large families, should be continued and expanded. In the future, when other resources are made available, the program can be scaled down.

3. For the foreseeable future, non-profit and limited dividend developers should be required to designate a specified minimum percentage of new units as low income, rent supplement units.

4. Continued efforts should be made to persuade surrounding municipalities in Mercer County to provide some degree of low income housing. Delaware Valley Regional Planning Commission's fair housing allocation standards, currently being developed, may provide a basis for mutual regional agreement.

Senator WILLIAMS. We will now hear from Martin Kaplan.

STATEMENT OF MARTIN KAPLAN, EXECUTIVE DIRECTOR, TRENTON JEWISH COMMUNITY CENTER

Mr. KAPLAN. I do not have a pile of material to show you because, unfortunately, we were going through and although we had site selection approval and architectural plans, that is about as far as we got. There is no place else to go.

Our concept was a little different than most that have been described to you. Well, we felt rather than just build a project with apartments where people would live, we should have a complex which included facilities, auditorium, and actual living facilities for the elderly so it will not only be a place where they have a key to an apartment but actually a place where they could do many varieties of things.

It would be a place where they could really live in the so-called golden years of their lives. It would be on the same site as the community center so they not only have the facilities of the project but also have the facilities of the center nearby. It happens to be an excellent site because of the buslines it is near and it is near shopping, a public library, so it really could have become a project that really would have fulfilled the needs of most senior citizens as has been described by various members that have testified previously.

Where are we going to go? I do not know because until funds are available, I have a beautiful picture of what it is supposed to look like drawn by the architect. I would be glad to show it to you because that is about as far as we are at the moment.

Senator WILLIAMS. Does the center have any programs for housing now?

Mr. KAPLAN. No, but we do have a senior citizens program that serves 300 senior citizens.

Senator WILLIAMS. So, really, you are marking time until something gets unstuck in Washington?

Mr. KAPLAN. Yes.

Senator WILLIAMS. Now we will hear from Carl West.

STATEMENT OF CARL WEST, EXECUTIVE DIRECTOR, MERCER COUNTY OFFICE ON AGING

Mr. WEST. Thank you. On behalf of my office, I would like to extend to you our warmest welcome and hope that the information you get here in Mercer County will be useful when you go back to Washington.

In September 1970 Mercer County conducted a pre-White House Conference community forum, at which time elderly residents of the county assembled at Rider College in Lawrence Township, N.J., to make known their views on a number of issues which directly affected them. One of those issues discussed at the forum was on housing problems of the elderly. The findings were neither astonishing nor surprising and reflected what most of us in the field of aging already knew: that adequate, safe and reasonably priced housing was not readily available for the older residents of the county. It was evident that far too many seniors were paying a disproportionate amount of their incomes for housing, much of which was substandard housing. It was not unusual to hear a conferee state that he or she spent in excess of 50 percent of their income for housing.

The forum was held more than 3 years ago, a short time for the young, but a lifetime for many seniors. I must regretfully say that we are in no better shape today than we were back in September

of 1970 and with the Federal moratorium on federally subsidized housing in effect, we could very well be in a lesser position than we were in 1970.

The present moratorium in Washington has dealt a severe blow to millions of Americans who have dreamed that one day they would be able to live in decent, adequate housing. The moratorium has also dashed the hopes and aspirations of millions of elderly residents who envisioned living in clean, safe, and adequate housing, many for the first time in their lives. For many of these millions of Americans the key to a better life was found in sections 202, 236 housing, public operated housing projects, or through one of the other federally sponsored housing programs.

INADEQUATE HOUSING OPPORTUNITIES

There are presently three municipally sponsored housing authorities in Mercer County. A check of their waiting lists for elderly housing does not begin to tell the story of the need for additional federally subsidized housing. A brief walk from this auditorium will confirm that there are many elderly citizens who are living in rat- and roach-infested rooms and apartments with very little hope of escaping because of inadequate housing opportunities.

The need for federally subsidized housing for the elderly is not common only to our urban cities; it can also be found in our affluent suburbs as well. Unfortunately due to zoning restrictions, high real estate values, spiraling taxes, and what appears to be an unresponsive attitude by many public officials and citizens, low-cost housing for the suburban elderly poor does not appear to be on the horizon, with very few exceptions. It is ironic that many of the suburban elderly poor who have been life long residents of the community, with multigenerational roots, now find themselves being allowed to live in substandard housing with no promise of future assistance in obtaining adequate housing. There is considerable evidence which would indicate that much of the resistance to low-income housing for the elderly in the suburbs is due to racial prejudice on the part of local citizens and officials. It is not unusual to find a resident of a suburban municipality who does not object to low-income housing for the elderly but feels that if such a project were allowed to be constructed in their community, that it would open the door for multifamily housing and result in a massive outpouring of blacks from the city. Very little consideration is given to present or future needs of the municipality's poorer residents.

It has also been found that many of the housing studies which have been conducted heretofore have ignored the need for elderly housing. A classic example of that can be seen here in Mercer County. The task force created to study the feasibility of initiating a county-wide housing authority completely ignored housing for the elderly as did the Delaware Valley Regional Planning Commission in reporting its projections of housing needs to the year 2000.

The current proposal by the Nixon administration calls for a housing allowance to qualified elderly persons. It is felt by some administration officials that such a program would stimulate the housing construction field. Unfortunately, I do not share a similar

philosophy, particularly as to how it would relate to elderly residents of New Jersey.

First, it was my feeling that of all the federally subsidized housing programs, those relating to elderly housing were by far the most effective.

Second, because of the extremely high cost of construction in New Jersey, the levels of the subsidies would be extremely costly. In order for the housing allowance to be effective, we would have to guarantee that the other needs of the elderly were met adequately, otherwise the additional funds designed for housing would on occasion go toward meeting other required needs, such as health care, food purchases, et cetera, thereby negating the objective of the housing program.

Third, it would be extremely difficult to protect the elderly person from unscrupulous landlords who would raise the rent on the basis of the additional funds received by the tenant.

FEDERAL SUBSIDIZED HOUSING NEEDED

What is needed is federally subsidized housing, that supports new construction, beefed-up supportive services to those housing units presently in operation together with some form of housing allowance to those elderly persons who are eligible to live in these units but because of full occupancy must rely upon the private sector for housing. There is also a need for the unlimited expansion of those Federal programs which provide for low interest or flat grants to those elderly persons who own their own homes who require rehabilitation of their properties in order for them to remain in their neighborhoods.

I am in support of the legislation proposed by Senator Harrison A. Williams which calls for the expansion of sections 202, 236, which would tremendously support new construction of housing for the elderly.

In closing we must ask ourselves: What does tomorrow have in store for today's senior citizens? Much is dependent upon the commitment of government to revamp present priorities and a commitment on the part of all Americans to call upon our Nation to recognize the needs and aspirations of today's elderly community.

We must have a concerted effort to build a society which will appreciate, not depreciate, the older person, which will undergird rather than undermine his sense of dignity and self-worth.

To this end we all must commit ourselves.

SENATOR WILLIAMS. Thank you very much.

Now, you raised the housing allowance suggestion made by the President, and I gather that they are making studies, and have prior programs. Have you followed these at all?

MR. WEST. Not very closely. There has been very little information available on that subject.

SENATOR WILLIAMS. Well, yes. This was the end proposal.

Well, this was the proposal that came nearly 9 months after the moratorium was announced, and during the period of study, this was the proposal that came at the end of that year, is that right?

MR. WEST. That is correct.

Senator WILLIAMS. And now, as I understand it, it is to be studied for 2 years?

Mr. WEST. Yes. People from the administration, in a number of conferences which I have attended, indicated that there is a possibility of a limited amount of funds that the President will free up.

There has been no talk in terms of the amounts, in what areas that money, which section that money will go into, and at this point in time, it is like a phantom movement.

STIMULATING HOUSING PRODUCTION

Senator WILLIAMS. That is a good way to put it, like a phantom movement.

That is the way it looks to me. At any rate, the theory behind it is that, if there is a housing allowance, it will stimulate the production of housing. That is their theory.

Mr. WEST. Right. That is their theory.

Senator WILLIAMS. Have you ever talked to any church groups, fraternal groups, or private developers, who see any hope in the housing allowance to stimulate them to production of housing?

Mr. WEST. I think I would be laughed at if I approached the housing corporation with the idea, or nonprofit corporation with the idea; go ahead and start production.

The first problem they would have difficulty in finding the resources to build the building in the first place, and to rely on housing allowances which puts them in the process of being a collection agency, of trying to get that kind of funding.

Senator WILLIAMS. That is your opinion, you are knowledgeable, you are deep in this field, and have been for years, but we have an auditorium of people, a lot of individuals whose professional life is deep in housing too.

Is there anybody who disagrees with that statement?

There is one up front. Mr. Gallagher of the United Automobile Workers.

Mr. GALLAGHER. Sir, I disagree. We could debate it now, or wait until we make a presentation. We have not had a lot of study on it, but the housing allowance has the reverse effect, not to stimulate the construction, it would be to provide a subsidy for present existing construction.

The housing already in existence, if there is housing allowance, it will have an inflationary effect.

Senator WILLIAMS. You do not disagree with the conclusion that Mr. West made, that it will not stimulate the production of more housing?

Mr. GALLAGHER. That is one area that I disagree with.

Senator WILLIAMS. You say it will create new housing?

Mr. GALLAGHER. I say it will not.

Senator WILLIAMS. What did Carl say?

Mr. WEST. The administration has made—

Senator WILLIAMS. I said the theory of the administration is that it will stimulate people to put up more housing. I say it will not work that way. Carl says it will not work that way. How about John Sooty, how long have you been in housing?

Mr. SOOTY. I have been in it for 16 years, and I can no way see how housing allowance stimulates new construction.

I can only see it becoming a court battle for landlords, for youngsters, kids, children, whatever they be, to my knowledge today, that they have every dollar, if they get an extra dollar for a housing allowance, they will milk that away.

I disagree with any housing allowance program in any instance, whether it be for families or for elderly. It will just open up a real court battle.

ADMINISTRATION KILLING PROGRAM

Mr. GALLAGHER. We have a housing program which the administration is killing. We had Reverend Shirk talk about a rent supplement program. That is in effect a housing allowance.

In areas where the Federal Government put quite a large amount of money to have housing built, and then when the people were brought in, and when you in Congress permitted a statutory limit up to 40 percent of the units to arbitrarily be cut by administrative procedures down to 10 percent—in some cases it is even worse than that, they are looking for ways to cut it off—than to have that as a major component of the housing program, to have housing allowance programs when they are effectively stifling allowance programs already in existence, it does not make sense.

Senator WILLIAMS. Thank you. There are no advocates of the housing allowance program as proposed here as I can see.

Anything else, gentlemen? Thank you.

Your red area, Mr. Farrah, is the Luther home. Is that in an area shaded red for desirable?

Mr. FARRAH. It is in one of the areas right here.

Senator WILLIAMS. Very good. It seems to me it is most ideal, it is within walking distance of this auditorium, which is central to all of the State government activities, and still only a walk downtown into the commercial area. All right.

We will now hear from the American Association of Retired Persons; from Mrs. Vera Weinlandt, director, New Jersey; AARP legislative Council.

John T. Rice, chairman, joint State legislative committee, National Retired Teachers Association/American Association of Retired Persons.

STATEMENT OF VERA WEINLANDT, DIRECTOR, AMERICAN ASSOCIATION OF RETIRED PERSONS, NEW JERSEY; AARP LEGISLATIVE COUNCIL

Mrs. WEINLANDT. Senators, members of the subcommittee, and you great people who have decided to stay.

Senator WILLIAMS. We have only lost those who had to make a train or a particular bus.

Mrs. WEINLANDT. I am Vera Weinlandt, a member of the legislative council of the American Association of Retired Persons from Bloomfield, N.J. I am here today to discuss briefly the housing situation in New Jersey as it would be affected by legislation spon-

sored in Congress by Senator Williams. For this purpose, I will limit my comments to: S. 2179, demonstration loan program for the elderly; S. 2180, Housing Security Act of 1973; S. 2185, Extension of section 202 housing for the elderly and handicapped program.

Since January of 1973, the Federal subsidized housing program has been subject to a moratorium which has created enormous confusion among organizations and builders who would otherwise have been building housing for the elderly. The administration has announced its intention to phase out public housing and interest subsidy housing built under section 236. Direct loan housing under section 202 had already come to a halt. The administration has expressed interest in the use of cash allowances but has not completed its experimental research. For these reasons, Senator Williams' bills are timely since they again focus attention on housing for the elderly and the need for action.

S. 2180, known as the Housing Security Act of 1973, will not build more housing but it will fill a need without which much of HUD assisted housing is not usable. The growing need for security staff and equipment, especially in inner city housing, has been obvious for a long time. Without it many older people are literally afraid to leave their rooms for shopping or trips to the doctor. Muggings, robbery, and burglary are the order of the day in many housing facilities.

RESPONSIBILITY FOR SECURITY SHIFTED

Unfortunately, HUD has tried to place responsibility for security on the public police forces which in turn have passed the problem back to the housing management. There has been much misunderstanding and little cooperation. In the main, the problem has been lack of funds, not lack of solution.

S. 2180 will provide for funding earmarked for planning and implementing security programs to protect persons and property in multifamily housing financed by HUD. It can be used for capital improvements and for personnel and equipment. Without such assistance, such housing has become almost unusable.

S. 2185 and S. 2179 both aim at new housing construction for the elderly. S. 2185 would revive and renew the direct loan program under section 202 of the housing act. It was dropped because of its effect on the budget despite the obvious success of the program. Nonprofit organizations found this program ideally suited to their needs. There were no failures. Much excellent housing was built under section 202. It deserves revival.

S. 2179 is an attempt to avoid the budgetary problems created by section 202. It would form a revolving trust fund into which funds borrowed by HUD from the Treasury for housing loans and principal and interest payments on loans made by HUD would be paid. The difference in interest costs between interest owed by HUD borrowers and interest to be paid on Treasury borrowings would be made by appropriations. If approved by Congress, it is believed that the growing revolving fund will make possible an ongoing construction program of housing specifically designed for the elderly.

It is planned as a demonstration program in the first instance. It deserves to be tried.

The future of the elderly housing program is of great concern to us. The level of new housing starts has dropped sharply and threatens to go still lower. Meanwhile, the vacancy rate has declined also in many places. Our older people are having increasing difficulty in finding suitable housing at rates they can afford. It is urgent that the efforts made in the past and the experience gained not be wasted. Indecision and lack of direction appear to characterize present administration housing policy. It is time to bring debate to a close and to move forward again. [Applause.]

Senator WILLIAMS. Thank you. The fine work you have done in the State is recognized at the national level, and most recently you have gone into an important office at the national level with the AARP.

Mrs. WEINLANDT. And I will continue to go on doing it for you. [Applause.]

Senator WILLIAMS. Thank you.

Dr. Rice, please proceed.

STATEMENT OF JOHN T. RICE, J.D., CHAIRMAN, JOINT STATE LEGISLATIVE COMMITTEE, NATIONAL RETIRED TEACHERS ASSOCIATION/AMERICAN ASSOCIATION OF RETIRED PERSONS

Dr. RICE. I am John T. Rice, chairman of the New Jersey Joint State Legislative Committee of the National Retired Teachers Association and the American Association of Retired Persons.

Our committee appreciates the opportunity to appear before this U.S. Senate subcommittee in order to present, on behalf of older persons in general and our over 280,000 members in New Jersey in particular, our comments with respect to the need for property tax relief for retired citizens on fixed incomes.

Our committee appreciates the importance of the property tax to local government finance. Historically, it has helped to perpetuate our federalized system of government by promoting local autonomy and has manifested its responsiveness to local needs and interests. Above all, however, it has demonstrated a unique capacity to generate revenue—currently at the rate of \$40 billion per annum nationally—and at little cost. While it, therefore, appears necessary to accept the continued existence of the property tax, it is not, however, necessary to accept its more flagrant deficiencies—its disregard of taxpaying ability and its administrative inequities.

The Advisory Commission on Intergovernmental Relations has characterized as a national scandal the property tax burden on the elderly homeowner and renter. Since January 1969, this tax has increased by 36 percent, nearly twice the rise in the overall cost-of-living.

REDUCED TAXPAYING ABILITY

More than any other group, the elderly, with reduced taxpaying ability, have been burdened by this tax system. Aged homeowners pay, on the average, about 8.1 percent of their incomes for real

estate taxes. The ACIR has disclosed that aged homeowners living in the northeast on an income of less than \$2,000 a year pay almost 30 percent of their income into this tax system. On a nationwide basis, the property tax collector is the recipient of 15.8 percent of the annual income of elderly homeowners in this same income class.

Repeatedly, members of our associations have described the personal sacrifice endured by them in purchasing and attempting to retain a home, and the anxiety, frustration and utter desperation felt by them in their retirement years as that home is gradually, but inexorably taxed out of their possession.

Having acknowledged the scandalous proportions of the property tax burden on the elderly, the Advisory Commission on Intergovernmental Relations failed to recommend in its report on school finance and property tax relief, the enactment of legislation to make Federal funds available to the States as an incentive to provide limited property tax relief for lower income groups and to improve tax assessment and administration practices.

We feel serious consideration should be given to such legislation and are not persuaded that the issues of property tax relief should be left to the States. The fact that progress will continue. The relief programs that have been established are not of consistent high quality and effectiveness. Moreover, the mere fiscal capability of a State to finance acceptable property tax relief does not automatically convert such relief into a State expenditure priority. In the absence of a Federal incentive, our organizations believe that effective, State financed, property tax relief programs are far less likely to be enacted.

Realization of the extent to which the property tax tends to undermine the high goal of providing adequate income security for the poor and the elderly through Federal assistance lessens our concern over adding the burden of another Federal aid program. The dual prospects of lessening the burdensome impact of the property tax and of promoting more equitable treatment of taxpayers persuades us that an incentive Federal aid program is both desirable and necessary.

In conclusion, we, therefore, urge this committee to espouse and advance an acceptable means of effecting property tax relief and reform through Federal legislation so that equity may be achieved and practical relief accomplished.

I would also like to take advantage of this opportunity to tell you a little bit about some of the things we have been trying to do in New Jersey which will require Federal assistance probably as we move into the more detailed aspects of the problem.

Our committee has a proposal to facilitate in New Jersey the conversion of existing apartments into condominiums as a means of giving dignified, long-term, stabilized relief to the renters, not only elderly tenants, but also other tenants in the building who choose to buy their apartments.

HOMESTEAD EXEMPTION PROMOTED

I personally do not think that segregated housing is a good thing for most older people. I should point out we have been promoting in New Jersey a genuine homestead exemption instead of the tokenism

embodied in the homestead bills pending in the New Jersey State Legislature during the past 2 years, and in the homestead exemption which are in effect in most States.

What we are proposing is that all residents 65 or more years old who own their own homes for at least 5 years and live in them in the same community for their sole enjoyment, and whose annual income does not exceed \$20,000 exclusive of all pensions, should be granted a homestead exemption equal to one-half of their annual real estate taxes.

You may say you think that is very high, and perhaps it would be necessary to compromise our proposal, but we are thoroughly convinced that the emphasis in our society, and in our legislature, and in the Congress on lumping older people in with the poor and the disabled is a very demeaning approach. We are strongly in favor of eliminating, to the extent it is politically possible, this business of a means test along with the relief, because what we are doing it seems to me, and very little is said about this, is creating a situation where the middle-income older people who have managed to save down through the years to provide for their declining years, are being forced to contemplate the possibility of having to go on relief, or to be pushed down into the very lower income people who do need assistance. I do not by any means mean to say that it is not necessary to have that assistance for the lower income people, but I think it is time that we began to think about the middle-income people who are being forced into the low-income category because of the creeping inflation, and the rising prices, and everything else, without anything being done, to speak of, for them. At the same time they are being excluded from the benefits that are being provided on a means test basis.

When you talk about a homestead exemption, you are immediately confronted with the idea that this does not help the renter, and the legislators seem to feel that politically they must do something for the renter at the same time, which I can understand and agree with.

We think that rent control in its usual forms is the way to promote deteriorating housing, although it may help as a temporary stopgap measure, since there are not at present any good alternatives.

The condominium idea which is usually misunderstood appears to be an answer on a long-term basis, and to solve the problems which rent control is supposed to solve, but does not.

Some States, such as New York and Pennsylvania, have laws providing that before an existing apartment building can be converted to a condominium, a certain percentage—ranging from 33-1/3 to 50 percent—of the apartments must be sold.

This, of course, is designed to prevent such conversion, and to deny the tenant and the property owner the benefits of individual condominium ownership.

In New Jersey, fortunately, we have no such requirement.

After consultation with a number of knowledgeable real estate brokers, I came up with the idea of promoting whatever legislation may be necessary to facilitate the conversion of existing apartments into condominiums.

As you probably know, condominium means an apartment house in which the apartment or dwelling units are individually owned, each

owner receiving a recordable deed and enabling him to sell, mortgage exchange, and so forth, his apartment independent of the owners of the other apartments in the building.

It also embodies joint ownership and responsibilities for certain areas of the building.

ADVANTAGES OF CONDOMINIUM PROPOSAL

Some of the advantages of our condominium proposal are:

(1) Existing apartments would be less expensive than new ones, which however could also be used.

(2) I have been advised that the unit rentals would provide funds for the maintenance and upkeep of the condominiums because approximately 30-35 percent of the annual gross effective income—excluding vacancies—of the apartment building goes for operating expenses. 15 to 30 percent for real estate taxes, leaving 35 to 55 percent to pay the mortgage and return on the landlord's equity investment.

(3) I am also assured that the individual apartment could probably be purchased—without a downpayment—by monthly payments, not exceeding present rentals in most cases—which means that housing cost would be stabilized—and not subject to continually increasing monthly payments, because the owners themselves would control the expenditures.

(4) If mortgage money could be made available for the elderly—and if the HUD funds, for example, were unfrozen—at a reasonable interest rate for long term periods—and that is one of the problems—that older people have difficulty in getting favorable mortgages—the former tenant, turned homeowner, would in effect get a reduction in his monthly payments, because his interest payments on the mortgage, and the real estate taxes allocable to his apartment would be deductible from his income tax federally.

(5) He would have an incentive to paint and otherwise maintain his apartment that he did not have as a tenant, because he is no longer subject to having his lease terminated and being ousted by the landlord; and

(6) Finally, his children would probably take more interest in him than many of them do now because he would be building up an equity in the apartment, in other words, an estate.

Much still needs to be done to perfect this idea, and probably some kind of agency or organization would be necessary to take over a building in the process of conversion—if the landlord was unwilling to do so—until the conversion was sufficiently along so that the condominium owners could take over themselves.

I would like to emphasize, I have talked to a number of knowledgeable people about this, and I have not yet found anyone who is knowledgeable about real estate who can find anything wrong with the plan.

On the other hand, the benefits of the plan are so numerous that it is hard to do justice to it in a short presentation like this, but we hope to simplify it in such a way as to make the benefits so obvious that the idea will sell itself.

Thank you.

Senator WILLIAMS. Thank you very much, Dr. Rice. You give us a lot of thoughtful comment in areas. Of course, we might have a chance to vote on a product, a legislative product, but this particular subcommittee cannot advance some of the tax proposals that you suggest, but it is very good, it is useful information, and I appreciate it.

Dr. RICE. I hope that maybe this condominium idea might be of some interest to your subcommittee, because it seems to me that it is a way to help protect some renters.

Senator WILLIAMS. Something else has to be added, because experience shows that where apartments now are going to condominiums, a lot of older people cannot afford, without some kind of support, to buy, and therefore are being displaced.

Dr. RICE. My point is that they will buy at the same rentals they are now paying.

Senator WILLIAMS. Yes, that has to be added.

Dr. RICE. And at a reduction in rent, because of the Federal income tax on the mortgage, interest, and the real estate taxes allocable to the apartment.

Senator WILLIAMS. Thank you very much.

I would like to call the remaining panel at this time.

Mr. Alvin E. Gershen, president, Alvin E. Gershen Associates; Mr. Richard DePalma, United Auto Workers Housing Corp.; Mr. James J. Pennestri, director, New Jersey State Office on Aging; Mrs. Vivian F. Carlin, staff member, New Jersey State Office on Aging; and John P. Renna, Jr., executive director of the New Jersey Housing Finance Agency.

We will hear first from Mr. John Renna, executive director of the New Jersey Housing Finance Agency.

STATEMENT OF JOHN P. RENNA, JR., EXECUTIVE DIRECTOR, NEW JERSEY HOUSING FINANCE AGENCY

Mr. RENNA. Thank you, Mr. Chairman. I appreciate the opportunity to be here. My remarks will be slightly different from those you have heard previously. Many of the speakers prior to me have spoken about public housing with reference to senior citizens.

The State of New Jersey has a program which is called the New Jersey Housing Finance Agency, Moderate and Middle Income program. The senior citizens housing,² which I will be discussing for a short period, will be dealing directly with the Housing Finance Agency, and the part that we play in the financing of the senior citizens housing in the State of New Jersey.

I was in Senator Williams' office about 3 or 4 weeks ago, and gave him some of my ideas at that time, and I am happy to be here this afternoon to give you a few more comments.

I would like to say, since its inception in 1967 the New Jersey Housing Finance Agency has served as the major vehicle for non-profit and limited dividend sponsors for the elderly in the State of New Jersey.

¹ See p. 656.

I do not know how many public housing units have been built in the last few years. I am not up on that figure.

MORATORIUM HURTING PROJECTS

However, I do not recall too many new units being constructed. I would like to say the agency in the Federal section 236 program and section 101 rent supplement programs, has financed many senior citizens projects specifically in the State. Of course we have committed other construction to be started shortly. The total units financed and under construction are 4,169 since 1968, and in addition we have a total of 41 projects that are at some sort of processing that cannot be financed because of the moratorium that has been imposed upon us, totaling some 6,122 units.

That gives us a total of some 10,291 units of senior citizen housing the New Jersey Housing Finance Agency would have put together providing we had the subsidized funds that we needed.

Now, I know that there are some programs that the Federal Government is thinking about, specifically, I think the section 202, and section 23, leased housing.

It seems that section 23, leased housing program is a program that has been at least advertised in the Federal Register and probably closest to being introduced.

Senator Williams, I am glad to see you back here. I remember speaking to you several weeks ago in your office. I mentioned some points under section 23 that would not work with reference to the New Jersey Housing Finance Agency or for any State agency. That we do have some 4,169 senior citizen housing units under construction, occupied, and committed through the New Jersey Housing Finance Agency. We are not a public housing agency, but a moderate to middle income housing agency.

These units have been put together through the use of section 236 interest subsidies, also section 101 rent supplement.

We have an additional 41 projects totaling 6,000 units which have been stopped at some sort of processing within our agency, because we do not have more subsidies, and because of the moratorium, so we could have had a total of 10,000 units if the freeze was not in effect.

Under section 23, which is to be the new program for the subsidized housing, as far as the State agency goes, I do not really see too much help.

We were told that the section 23 housing program will have a 20-year mortgage limit, and our mortgage is 48 years; we have been told that you have to pay for vacancies when you do not have a tenant.

We are told that you can only use 20 percent of a project with section 23, and the other 80 percent must be on market basis.

I am sure you can understand that in the urban cities, such as Newark, Camden, Paterson, Jersey City, Hoboken, et cetera, we cannot put a senior citizen project up with 20 percent, section 23 and have the other 80 percent market rent.

The increased cost in construction, the increased cost of materials, the shortage of materials, the environmental problems, the energy crunch, all of these have taken its toll.

SECURITY—EXPENSIVE ITEM

Even a section 202 program, I think, will be difficult in the future to administer with a 3-percent interest rate, because we are finding it difficult to even make a section 236 program work with 1-percent interest. One reason is, as you have heard before about the muggings, the robberies, and items like that, in the senior citizen projects, that we have to have security. Security is an annual expense, which is an expensive item to put in a project, and it is a cost that has to be paid yearly. When you put in round-the-clock security, it makes the rent out of reach with the 1-percent interest. So unless the Federal Government is prepared to have some sort of program to subsidize the security cost, it may be impossible to even build the senior citizen new construction projects I am talking about. Of course, I am talking about the State of New Jersey, where we feel the cost of housing is one of the highest in the country, especially counties as Essex, Hudson, Bergen, counties like that.

I completely agree with the previous statement about the housing allowance being way out of line and unworkable. I do not think it will provide one new unit, unless of course they take the housing allowance which they intended and give it to the State agency as a block grant, and have us administer the program and have the housing allowance pay for the rent, because nobody would build a project having to depend on allowances and not be sure they got it.

The same with section 23, it would probably eliminate any sponsor from coming in to build the project, because there are too many risks involved, especially when you have to worry about the vacancy factors, when you have to worry about paying rent you may not collect and all the other pitfalls and other problems.

In addition to that, I would think that a bonding company would not give us a clear letter to sell our bonds. As you are aware, the only reason we can have these 10,000 units is because of the State housing finance agencies in almost every State in the country, and at the present time there are 31 States with housing finance agencies. The only reason we are able to do this is because we have tax-free notes that we sell for construction money, and we have tax-free bonds that we float to pay off our notes, and the rent pays the bonds.

We are self-sustaining, costing the taxpayers no money. The benefit of our agency is the fact we have low-rate interest and long-term mortgages (48 years).

Our last bond sale was at 5.25 percent for 48 years.

Senator WILLIAMS. When was that?

Mr. RENNA. I think it was in November 1972 with an interest of 5.25 percent. That is because of our tax-exempt status.

We intend to go in May 1974 on another bond sale. Of course, that is not entirely senior citizens. We do finance family housing,

but the advantages of both are the long-term mortgage, and low-interest construction and permanent interest.

The mortgages are 50 years, 2 years for construction, and then 48 years for permanent and we have the tax-free bond.

With those two assets, and with the section 236 subsidies, we are at least getting the rent where people can afford to pay. If we did not have the subsidy, we could not afford to build for anybody. You cannot build a high rise building today without the subsidy.

Senator WILLIAMS. Without objection, the report of the New Jersey Housing Finance Agency will be inserted in the hearing record.

STATE OF NEW JERSEY--SENIOR CITIZENS HOUSING

Since its inception in 1967, the New Jersey Housing Finance Agency has served as the major financing vehicle for nonprofit and limited dividend sponsors of housing for the elderly. The Agency, through effective use of Federal Interest Reduction Subsidies under Section 236 of the National Housing Act of 1968, has financed senior citizens dwelling units with rentals ranging from \$120-\$160 per month. High construction costs and constantly escalating maintenance and operating costs have rendered virtually impossible the processing of senior citizens housing developments without the use of Federal Subsidies.

Under State of New Jersey Law, each municipality which wishes to finance housing by means of the Agency program must pass, through its legally elected representatives, a Resolution of Need stating clearly a requirement for moderate income housing. To date, 118 municipalities have passed and filed such a resolution with the Agency. However, the many Agency contacts with various local officials and groups have clearly shown that additional resolutions would be passed if adequate subsidy funds were available. Exhibit I, a listing of Agency financed senior citizens developments currently in a rental status, clearly indicates the large reserve of applicants for such housing.

The Agency, consistent with the availability of subsidy funds, has clearly responded to the housing needs of the elderly. Reference to Exhibit II shows that the Agency has financed 3,695 dwelling units of senior citizens housing at a total cost in excess of \$115 million. In addition, the Agency has also passed Resolutions of Commitment for two developments totalling 474 more dwelling units. It is noted that all of these units are financed with the assistance of Section 236 Interest Reduction Subsidies. (Approximately 10% of these units are additionally aided by Section 101 Rent Supplement).

Finally, forty-one additional applications, as shown in Exhibit III, have been received by the Agency for senior citizens housing. These applications, totalling more than 6,000 dwelling units, have been delayed indefinitely due to the absence of S. 236 Interest Reduction funds. Obviously, the release of such funds and the development of new programs of assistance to the elderly must be given high priority.

The U.S. Department of Housing & Urban Development is emphasizing its Section 23 Leased Housing program as the alternative to the Section 236 Interest Reduction program. While this program is workable in some areas certain difficulties arise due to the nature of the State Housing Finance Agency bond financing. First, the Section 23 Leased Housing program has a 20 year limitation on lease renewal. This, of course, is inconsistent with our requirement for bonds maturing after 40 years. Additionally, under the 23 Leased Housing program, full real estate taxes are paid. Without tax abatement agreements, costs and rentals can escalate rapidly. Thirdly, under the Leased Housing program, no payments are made if a unit is unoccupied. Consequently, vacancies could create a grave problem with respect to the bond program. Finally, the Department of Housing & Urban Development has indicated that preference will be given to those developments which contain no more than 20% leased housing. This type of program would be virtually impossible to administer on a feasible basis, particularly in urban areas.

The Agency is currently in the process of studying all of the above problems in an effort to make adjustments required to develop projects under the 23 Leased Housing program. In addition, consideration will be given to the Section 10C program which allows a 40 year lease and payments in lieu of taxes.

EXHIBIT I.—NEW JERSEY HOUSING FINANCE AGENCY

Housing Finance Agency No.	Project name	Location	Number of dwelling unit's	Number of dwelling unit's rented	Number on waiting list	1970 census population—Age: 60 years plus	Date rental commenced
232	Brookside.....	East Orange.....	202	202	150	14,842	
238	Federation Apartments.....	Paterson.....	142	142	51	22,796	
253	Poplar Village.....	Ocean Township.....	93	93	415	798	
252	Union Senior Residents.....	Union Township.....	155	155	519	10,377	
61	Asbury Towers.....	Asbury Park.....	350	82	24	4,186	November 1973.
259	High Street Senior Citizens.....	Perth Amboy.....	95	95	120	6,354	
307	Victorian Towers.....	Cape May.....	205	205	185	1,067	
367	West Orange Senior Citizens.....	West Orange.....	182	81	268	7,362	January 1974.

EXHIBIT II.—SENIOR CITIZENS HOUSING DEVELOPMENTS

Name	Location	Dwelling unit	Date of commitment	Under construction	Total development costs	Occupancy
Poplar Village.....	Ocean Township.....	93	Jan. 19, 1970	Jan. 14, 1972	\$1,962,000	93
Union Senior Residents.....	Union Township.....	156	June 16, 1970	Aug. 21, 1973	7,075,000	156
Brookside/Doddtown II.....	East Orange.....	202	Aug. 18, 1970	Dec. 15, 1970	5,705,000	202
Asbury Towers.....	Asbury Park.....	350	May 1, 1971	Dec. 16, 1971	9,285,000	76
High St. Senior Citizens.....	Perth Amboy.....	96	July 7, 1971	Nov. 19, 1971	2,465,000	92
Victorian Towers.....	Cape May.....	205	Aug. 17, 1971	Nov. 12, 1971	4,825,000	196
Federation Apts.....	Paterson.....	142	Sept. 17, 1971	Dec. 21, 1971	3,765,000	142
Roselle Senior Citizens.....	Roselle.....	170	Jan. 18, 1972	Oct. 26, 1972	4,015,000	
Bloomfield Senior Citizens.....	Bloomfield.....	148	do.....	Oct. 31, 1972	3,506,000	
Wayne Senior Citizens.....	Wayne.....	242	do.....	Sept. 27, 1972	6,920,000	
Elizabeth Senior Citizens.....	Elizabeth.....	193	June 1973	July 5, 1973	4,365,000	
Keyport Legion Sr. Citizens.....	Keyport Boro.....	209	Mar. 27, 1972	Oct. 24, 1972	5,478,000	
West Orange Sr. Citizens.....	West Orange.....	123	Apr. 25, 1972	Sept. 25, 1972	4,670,000	
Pond Run Apts.....	Hamilton Township.....	150	do.....	Jan. 25, 1973	3,546,900	
Colt Arms.....	Paterson.....	207	June 26, 1972		5,925,000	
Prospect Street Apartments.....	East Orange.....	220	do.....	Nov. 8, 1972	7,765,000	
Plainfield Sr. Citizens.....	Plainfield.....	141	Sept. 25, 1972	Jan. 6, 1973	3,495,000	
Bay Shore Village.....	Middletown.....	96	do.....	Jan. 9, 1973	1,977,419	
Ocean Towers.....	Jersey City.....	100	Jan. 23, 1972	June 21, 1973	2,925,000	
Community Haven.....	Atlantic City.....	267	Oct. 4, 1973		7,342,000	
Trent Center West.....	Trenton.....	245	Mar. 25, 1972	Jan. 31, 1973	6,740,902	
Grove St. (UNICO Tower).....	Jersey City.....	203	Apr. 5, 1973	Nov. 26, 1973	6,000,000	
Middle Road Village.....	Hazlet.....	212	Oct. 2, 1972	Nov. 14, 1973	5,760,000	
		4,169			115,512,419	

Summary	Number	Units
Projects committed and under construction.....	21	3,695
Projects committed and not under construction.....	2	474
Subtotal.....	23	4,169
Projects in process (delayed by S. 236).....	41	6,122
Total—all categories.....	64	10,291

EXHIBIT III.—SENIOR CITIZENS HOUSING DEVELOPMENTS—IN PROCESS

Name	Location	Dwelling units
Eatontown Senior Citizens.....	Eatontown.....	100
Millwater Housing.....	Newton.....	109
Good Neighbors of Bergenfield.....	Bergenfield.....	96
Valley Park Village.....	Salem City.....	192
Broadway, Whitman and Everett Sts.....	Camden.....	300
Forest Hill House.....	Newark.....	105
Cranford Senior Citizens.....	Cranford.....	100
Poplar Village II.....	Ocean Township.....	150
Metuchen Senior Housing.....	Metuchen.....	196
Westfield Senior Citizens.....	Westfield.....	150
Ridge Oak.....	Basking Ridge.....	250
Minnisink Village.....	Matawan.....	100
Haddon Heights Senior Towers.....	Haddon Heights.....	120
Cherry Hill Senior Citizens.....	Cherry Hill.....	220
Long Williams Apartments.....	Plainfield.....	72
Pequanock Township Senior Citizens.....	Pequanock Township.....	150
Farmingdale Village.....	Farmingdale.....	96
Windgate at Dover.....	Ocean City.....	200
Leonia Retirement Housing.....	Leonia.....	81
Parsippany-Troy Hills.....	Parsippany.....	250
Jewish Federation Camden City.....	Cherry Hill.....	144
Paulus Hook II.....	Jersey City.....	204
Orange United Auto Workers Senior Citizens.....	Orange.....	100
Somerville Senior Citizens.....	Somerville.....	153
West Long Branch Senior Citizens.....	West Long Branch.....	150
Bethany Manor II.....	Hazlet.....	230
Denville Senior Citizens.....	Denville.....	100
Pompton Grove Village.....	Cedar Grove.....	36
Monmouth Council C.S. Senior Citizens.....	Atlantic Highlands.....	97
Greenbrook Towers.....	Plainfield.....	230
Charles Wise Towers.....	Audubon.....	160
Court Street Apartments.....	Newark.....	221
Pompton Lakes Senior Citizens.....	Pompton Lakes.....	133
Jewish Community Develop.....	West Orange.....	112
Golden Age Village.....	Demarest.....	80
Verona Senior Citizens.....	Verona.....	175
Fair Haven Senior Citizens.....	Fair Haven.....	100
Governor Paterson Tower IV.....	Paterson.....	112
Little Ferry Senior Citizens.....	Little Ferry.....	48
Madison Township Rotary.....	Madison Township-South Am- boy.....	500
Total.....		6,122

Senator WILLIAMS. Thank you. Let us continue through the panel.

**STATEMENT OF ALVIN E. GERSHEN, PRESIDENT,
ALVIN E. GERSHEN ASSOCIATES**

Mr. GERSHEN. My name is Alvin E. Gershen, president of Alvin E. Gershen Associates.

We have been advisors to a number of nonprofit and limited dividend housing corporations in New Jersey, and we have been responsible for the construction of over 5,000 units of housing, a good portion which has been housing for the elderly.

Although I realize we are testifying before the Subcommittee on Housing for the Elderly of the Special Committee on Aging of the U.S. Senate, I think you know it is impossible to separate housing for the elderly from general environmental problems, and housing problems in general.

I will try to aim the thrust of my remarks at housing for the elderly, but I think it is fair to say there will be some overlap with housing in general.

The production of and the management and maintenance of adequate safe sanitary housing for all our people in the State is most important.

My position is that the Federal housing subsidy program generally has been effective.

I speak specifically of the section 236 and section 235 programs. The same point can be made much more strongly for the old section 202 program. This program probably was the most successful housing program in the history of this Nation.

These programs have been responsible for the production of more housing in less time than any other programs in the history of this country.

True, there have been some abuses, and there have been some failures. Incidentally, none of the section 236 programs in New Jersey that I know of have failed, and clearly there has been more successes nationally than there have been failures.

EXPERIMENTS SPONSORED BY HUD

I do admit that there are other methods for providing for low and moderate housing and housing for the elderly. Some experimentation is going on.

One hears of such experiments. They are now going on in a series of experiments sponsored by HUD.

I would encourage the evaluation of these experiments. Where the experiments prove to be effective, I would urge their adoption.

Where they do not prove to be effective, I would urge their elimination and further experimentation.

At the moment, there are three experimentations in housing allowances. What strikes me as being very interesting, is that while these three experimentations are going on, the national Government now calls for the implementation of the studies long before the results are in.

To the best of my knowledge, the three experiments have been funded for about a year. Some are still in the design stage and are about to become operational. The experiments include the demand side of housing, the supply side of housing, and the administrative mechanism available for the delivery of housing assistance payments.

On the demand side, the studies are trying to measure how housing allowances affect demand. The experiments are being tried in Pittsburgh and Phoenix, and is being funded and sponsored by HUD, and conducted by a firm from Boston, Mass.

Second, on the supply side, the study concerns itself with what happens to rents when there are housing allowances in a community.

SENIOR CITIZEN PROJECTS

City	Named developer	Began construction	Initial mortgage	Closing mortgage	Percentage increase	Rents	
						Initial	Closing
Easton, Pa., 98 dwelling units.	Dec. 10, 1968	Oct. 11, 1972	\$907,469	\$1,323,300	45	\$98.40 efficiency...	\$114.00
Williamsport, Pa., 100 dwelling units.	Oct. 9, 1968	Dec. 5, 1973	1,183,141	1,607,400	36	\$107.1 bedroom...	123.37
Perth Amboy, N.J., 96 dwelling units.	Aug. 1, 1969	Dec. 2, 1971	2,100,000	2,364,000	13	\$101.25 efficiency...	133.00
						\$112.50 1 bedroom...	151.00
						\$85 efficiency.....	135.00
						\$119.1 bedroom...	174.00
						Average	
					34	\$95.00 efficiency..	127.00
					32	\$113.00 1 bedroom.	149.00

Processing halted because of moratorium:
 Perth Amboy, N.J., 100 dwelling units.
 Boonton, N.J., 100 dwelling units.
 Linden, N.J., 150 dwelling units.
 Orange, N.J., 100 dwelling units.
 North Brunswick, N.J., 100 dwelling units.
 Plainfield, N.J., 100 dwelling units.
 Franklin Township, N.J., 300 dwelling units.

Lost due to moratorium:
 Syracuse, N.Y., 200 dwelling units.
 Buffalo, N.Y., 300 dwelling units.
 Lost due to delays in processing:
 Newark, N.J., 105 dwelling units.
 Elizabeth, N.J., 105 dwelling units.

Earlier testimony this afternoon, Senator, gave some conjecture on what would happen in this area. HUD is attempting to study the actual effects, what will happen to rents and the supply side where housing allowances are present in a community.

It is being conducted by the Rand Corp., and by the Mathematica Corp. from Princeton, N.J. It will be conducted in Green Bay, Wis.

Third, there are studies on the administrative sources available for payments of housing allowances. These studies are also being conducted by Clark Associates to try to determine what the best administrative vehicle should be, such as local housing authority and nonprofit corporations, or some other vehicle.

This experiment will go on in eight sites. I am suggesting that until these results are in, it would not be prudent, it seems to me, to drop all other forms of housing assistance. To try implementing housing allowances on a broad basis, before the techniques have been evaluated may prove to be wasteful.

Bear in mind—and I am sure these other gentlemen here will agree—that the production of a unit of housing can take anywhere from 2 years to 5 years, from the date of initial inception. I am not advocating that it should take that long. I am observing that it does. I am not suggesting that anybody is to blame for this time lag. But the pure fact is it takes that long from the inception until the tenant moves in. Bearing this in mind one does not discontinue successful housing programs—such as section 236 is and section 202 has been—and try to experiment with something else when there is a probability that the experiment may not work.

2 MILLION HOUSING UNITS NEEDED YEARLY

The net effect of such a posture may very well be no housing at all in an era where we need 2 million housing units a year.

I would urge the national administration as well as every State in this Union, to use their present delivery systems for financing this much needed housing and not to dismantle these systems.

In New Jersey we created our housing finance agency in 1967 and we were the second one created. So, you see, Senator, there has been great progress in the last few years since we now have 31 HFA's in America.

I urge every State in the Union to actively pursue for themselves new experiments and new techniques in providing housing for their citizens.

I think that we should never forget that housing cannot be taken as an isolated and insulated commodity. It is related to the environment, it is related to mass transportation, and this is particularly true about housing for the elderly.

This is also true about sewers, water supply, and other important areas of community development, I would urge the total "total approach" to our communities be continued by the national administration and not fragmented.

If the work in the last 35 years has proved anything, it is that housing must be considered as part of our total environment. We began in the mid-1930's by considering housing in a separate agency called public housing administration. We soon discovered that housing must be treated as an integral part of community living, and again, I stress and emphasize with the elderly, this is all the more true.

Let me address myself to the bills presently before the Congress. I agree that there should be established an Office of Security at HUD, but I would emphasize, that once the Office is established, it should be adequately funded.

I would like to bring to the committee's attention an experiment recently completed in our State in Jersey City.

Much has been written about the public housing in Newark, particularly the project known as Stella Wright.

NO FUNDS FOR NEW PUBLIC HOUSING

Recently, as a result of a rent strike and court action, a county court judge said that he felt these buildings should be torn down. Let me observe, parenthetically, that if such were the solution—which I do not agree is a just solution—it is the wrong time for such a solution. No funds exist for constructing new public housing. Since we have high rise public housing projects in every major city in the State—Camden, Trenton, Elizabeth, New Brunswick, Atlantic City, Newark, Paterson—the net effect is that it amounts to low-income housing genocide.

To tear these buildings down only because they are high rise, at a time when we have a moratorium on new construction, and at a time when no State program in public housing, would result in no housing at all for the dislocated folks.

Another witness testified a moment ago, that we have 6,000 units in the production pipeline in New Jersey. But we cannot proceed notwithstanding the fact that HFA bonds have been sold at relatively low interest rates—approximately 5 percent for 50-year terms. Even at these rates we still cannot produce housing for low and moderate-income families, and this is also particularly true for

housing for the elderly. We are talking here of one-bedroom units and efficiencies, and not two- and three-bedroom units.

To return to the Jersey City experiment. Much has been written about the so-called failings in Newark and of high rise housing—although many myths exist which are convenient in condemning anything that is high rise.

A recent program has been undertaken by the housing authority of the city of Jersey City. A pilot project of rehabilitation, and this goes very much to the bill you have introduced, Senator, this program was conducted in a high rise project known as the Harry A. Moor project. It has proven to be exceptionally successful.

Incidentally, not a word in the newspapers about this project, not a word mentioned anywhere about the fact that this project has been successfully rehabilitated. Of course we advertise the failures nationally. But successes are very quickly shunted to the side.

The cost of the program averaged \$200 a unit. The project is in seven buildings. Each building has 96 units on 12 floors. A building was rehabilitated for about \$20,000.

The most visible and most characteristic problem of public housing today is improper maintenance due to inadequate rent payments.

Many factors contribute to these maintenance problems. One problem is the astronomical cost of maintaining these buildings. The attitude of the management and management staff as well as the responsiveness of the residents themselves contributes in large measure to the despondent conditions found in our public projects.

In Jersey City, these pilot programs began last summer. Its ingredients are as follows:

No. 1, a commitment from the city administration to do something about the housing problem.

No. 2, a new and competent executive director of the housing authority.

No. 3, participation and support from the local police department, and

No. 4—probably as important as any of the first three—was a social involvement of the tenants themselves in the buildings.

The housing authority sent organizers from their staff into the building, into this first high rise building. It was the worst building with the highest incidence of crime, the highest amount of nonpayment of rents and the least sought after building in the entire city.

It was forcefully suggested to the tenants at a meeting that when most of the tenants were interested in doing something, that is, with their own floor, and their public places, the authority staff would help to see that it was done.

The authority expended no funds until 95 percent of the tenants came to a meeting and pledged their support. Public halls and stairs were unbelievable filthy with garbage, with no lights, no heat, smells of urine dominating the scene. Rent collections were down, crime was up, as were vacancies.

“TENANT PATROL” PROGRAM

The most important, the most successful program the administration initiated was the “tenant patrol” program. The authority there in Jersey City used this program as a key to again make pub-

lic housing in Jersey City a form of decent, safe sanitary housing for persons of low income.

This housing was initially very well built. It is good housing. It has good initial design.

When windows were broken in public halls, steel plates were put in their place. Lights were knocked out and never replaced. The question became, how could good folks ever make their ways in those public halls, and then came the deterioration.

Tenant patrols and organizations of building residents themselves who monitored security and maintained their own buildings, that was part of the solution.

There are major phases of the tenant patrol; in organizing the tenants of the building, and, incidentally, it is now socially desirable to try to be a member of a tenant patrol.

People vie for the privilege of sitting and monitoring the building. Everything I will say about this program will not be adequate. I recommend to you, Senator, and to your subcommittee, that you visit with the folks in Jersey City and see this building yourself to realize how inadequate I am in being able to explain and describe the excellent results that have been achieved by that authority.

Tenant patrols are no more than a recognition of the fact that unless there is a sense of cooperation between management and the tenants, public housing like any other type of housing is doomed to failure.

The Jersey City housing authority with its knowledge to improve the conditions of its nine housing projects has had good foresight. At the same time the authority has sought from the tenants some commitments to indicate that an environment of cooperation exists.

Let me suggest that what is happening in Jersey City has been a transformation over the period of 3 months, from the worst building to the best building, from a building that had the highest amount of noncollected rents, to one with the least amount of noncollected rents, and I have a series of pictures that will clearly demonstrate the conditions before and the conditions after this modest rehabilitation of basically the public spaces.

The involvement was by the tenants themselves after being given an opportunity to participate. The tenants have provided pictures and wall hangings and decorations and flowers in those halls.

I feel so certain about this program, that I would suggest that if anybody visited there this evening, or tomorrow, they would find what I speak of is a fact. And after a period of these many months, it has remained in that good condition. I suggest that here is a program, an expansion of what you are suggesting, the establishment of the Office of Security at HUD, a working tool for the first time with the States themselves.

HOUSING AUTHORITIES CREATED

The history of public housing is a history that shows the States without a role in housing. In the 1930's, when the program began there was a bypassing of the States as a unit of government. You have the Federal Government relating to local units of government, with the State government having as its only function, the passing

of enabling legislation that permitted municipalities to create housing authorities.

Currently there is little involvement from the State. The State provides no funds, no supervision. It seems to me one of the things that we ought to speak of when we speak of the new federalism is not an abandonment by the Federal Government of these programs but the initiation by the State of a role in housing since the State is that much more close to local government.

It seems to me, you should enlarge S. 2180 to include and give some additional dollars to States which provide training and financing to public housing.

Do not remove all the Federal funds and say to the States, "do it yourself."

Senator WILLIAMS. On this comment, John Edie was at Harry Moore before, and since, and he verifies what you say. It is my understanding you do not overstate the miracle brought to bear, and that everything you say is true.

Mr. GERSHEN. In Newark we talked about abandoning those buildings and tearing them down, and there is no need for it. I am thinking of the folks living there, not of the mileage you get in a newspaper, and I am thinking of institutionalizing the Jersey City success.

I believe in saving the investments we have in housing; it is an investment in housing, and more importantly an investment in people.

I am suggesting we do not damn everything that has happened in public housing over the past 40 years.

Of course, there have been failures, but there are many more successes than even among us here now.

Let me talk about the section 202 program. There is no Democratic or Republican way of destroying housing programs. The section 202 program was turned off, during the Johnson administration and not the succeeding administrations. The section 202 program was administered at that time, by the old Community Facilities Administration (CFA).

One of its problems was that every time there was an investment made, in a mortgage, it was considered a grant (an expense) and not an investment by the Federal Government.

SECTION 202 PROGRAM PRAISED

If you take a \$100 million and invest it in mortgages, the cost to the Government will not be a \$100 million. It will be the difference between the interest rate that the Government borrows the money at and the interest rate at which it is lent. I commend you for trying to reinstitute the section 202 program.

It was free of many of the biases that you find in other housing programs. It established a new lexicon in the field of housing, it created some good housing in our State, and I am sure across the country, and I was sorry to see it turned back during 1967-1968. I hope you are able to have the program resurrected.

Even though it were to be returned, however I do feel there should be a continuation of section 236 as well.

I say that because my basic premise is more than one program should be tried all at the same time.

The more successful ones will tend, like cream, to come to the top.

I would like to see competitive forces in Government try to finance housing. I think the CFA and FHA competed with each other. There was competition in Government and the people gained. I think this is true of our public housing, and I would like to see that continued.

Let me wrap up very quickly. I would like to leave this with you. One of the problems with housing is that we are dependent too much on the conventional methods of financing in this country. I mean the conventional banking system. I addressed the American Management Association a number of years ago and I proposed to them a new system of housing financing. I called that National Urban Bonds. I am submitting the report I developed at that time with the hope that you and your staff may study it.³

I thank you, Senator, for the opportunity of testifying before you. As others have stated before me, it is awfully difficult to cover so broad a field in so short a time.

I do hope some of the material can be studied. We would welcome the opportunity to sit with you and your staff to further discuss this when time is more plentiful.

Senator WILLIAMS. We will avail ourselves, sir, of that. You have opened up to me a lot of doors, your statement has been profound and very helpful.

Our next speaker is Richard DePalma, United Auto Workers Housing Corporation.

STATEMENT OF MR. RICHARD DePALMA, UNITED AUTO WORKERS HOUSING CORPORATION

Mr. DePALMA. Senator, my testimony today will be limited to the day to day problems that we encounter with the section 236 program, the obstacles we have had to overcome and hopefully a resolution to some of those problems.

The region 9, UAW Housing Corporation is a nonprofit corporation which is involved in the development and ownership of both multifamily and senior citizen housing in the States of New Jersey, New York, and Pennsylvania.

At the present time we have six projects under our sponsorship; three of which are senior citizen projects. We have one project in Perth Amboy, N.J., completed and fully occupied, and two senior citizen projects in Pennsylvania (one of which will be completed in April 1974).

To say that the moratorium imposed by the present administration in Washington has had a disastrous effect on meeting the housing needs of the elderly would be a gross understatement. The complete and callous disregard for the senior citizens of New Jersey and America by the present administration is reflected in the fact that a program that was in operation was completely cutoff without

³ Retained in committee files.

an immediate alternate program ready to be put in its place. Many projects that were in various stages of processing with HUD (but had not yet received feasibility approval) had to be abandoned because of the moratorium.

The UAW had approximately 1,500 units of senior citizen housing in process prior to the moratorium and lost all but 350 because HUD refused to process the applications.

DELAYS IN PROCESSING APPLICATIONS

There are many problems that confronted sponsors and developers with the federally administered section 236 program. The worst in our opinion was delays caused in the processing of applications. To cite a few examples: in Easton, Pa., we began processing an application for a senior citizen project of 100 units in December 1968. Because of the inexcusable delays in processing of HUD and the phase out of section 202 to section 236, we finally began construction in October 1972. At the time we initiated the application the mortgage amount was \$907,000. By the time we got to close (because of increased construction costs) the mortgage amount was \$1,323,000 which represents an increase of 45 percent. In Williamsport, Pa., we initiated an application in October 1968 for a 100 unit senior citizen project. Again because of the delays in processing we finally closed the job in December 1973. At the time the application was initiated the mortgage amount was \$1,183,000 by the time we got to construction the amount was \$1,607,000 which represents a 36 percent increase in costs. In Perth Amboy, N.J., we initiated an application in October 1969, and began construction on the project in December 1971. The initial mortgage on the project was \$2,100,000 and when we closed the job the mortgage was \$2,364,000 which represents a 13 percent increase.

The average rents for these projects was \$95 for an efficiency apartment at the time we initiated the application. By the time we got to closing the average rent for an efficiency was \$127 which represents a 34 percent increase in rent. The average rent for a one-bedroom apartment was \$113 at the beginning of the job and by the time we closed the rent was \$149 which represents a 32 percent increase.

Another one of the more serious problems that arose in the section 236 program was in the area of management. There are many cases where absent management corporations manage projects and have no regard for the social problems and personal welfare of the senior citizens who reside in the project.

The UAW as a socially conscious union believes that the sponsor should take an active role in trying to meet the needs of senior citizen residents. For example, in our Perth Amboy project we were successful in working out a program with the Roosevelt Hospital in Metuchen, N.J., which offered the following to the tenants in that project:

(1) Annual complete physical examination for each senior citizen which includes: Social service interview, dental examination, complete examination and medical history, EKG, chest X-ray, complete

blood count, urinalysis, biochemical screening test, pap smear for females and other special tests as indicated. The results of this examination will be sent to the family physicians of each senior citizen. The cost of this examination will be based on a sliding scale according to their financial status.

(2) Transportation will be provided as required.

(3) Medication will be provided by our pharmacy on a sliding scale basis according to each individual's financial status.

We believe that this is the kind of tenant-owner relationship that makes a project successful. In addition, our retired workers department is prepared to work with our senior citizens socially and politically.

ALTERNATIVE PROPOSALS

We believe that there are several alternatives open to the Federal Government that can be substituted for the bureaucracy ridden and costly section 236 program. One alternative would be to make block grants to the State and allow the State Housing Finance Agency to administer the program without any Federal interference, subject, of course, to Federal audit.

The other alternative would be to reactivate the section 202 (Direct Low Cost Loan program) and thereby eliminate the interest subsidy, financing fees, filing fees and so forth. Elimination of these fees and a reduced rate of interest such as 3 percent would in turn reduce the rents to a rate that the senior citizen who is living on a fixed income could afford. At the present time, with increased construction costs, there is no way possible that senior citizen projects can be built at a rent that the senior citizen can afford without a subsidy.

The statistics have all been compiled and there is no question that there is a crying need for senior citizen housing all over America. In the 1970 census of New Jersey there were approximately 700,000 citizens over the age of 65. The estimated housing need was approximately 70,000 units. At the current proportionate rate of growth, the need is even greater.

Senator, we thank you for the opportunity of allowing us to appear before your committee to highlight some of the problems that have existed in the current programs. We commend you and your staff in the work you have been doing to try to get a program moving in an attempt to resolve the problem of housing for the elderly. We hope that you will be successful in reactivating the section 202 program and the UAW wholeheartedly supports your efforts.

We hope that the Congress will not delay any longer in enacting legislation that will get housing built for the senior citizens of America.

Senator WILLIAMS. We will now hear from Charles Gallagher of the United Auto Workers.

STATEMENT OF THOMAS V. GALLAGHER, CODIRECTOR, REGION 9, UAW HOUSING CORPORATION

Mr. GALLAGHER. Good afternoon Senator. My name is Thomas Gallagher. I am codirector of the region 9; UAW Housing Corporation.

We appreciate the opportunity to testify on the problems of housing for senior citizens and the efforts being made to remedy these problems.

An earlier witness commented about the administration's proposal to rely heavily upon housing allowances to meet the shelter needs of the elderly. We feel the administration is ill-advised to have an housing allowance as a major part of its housing program before analyzing the results of the Experimental Housing Allowance program authorized under the Housing and Urban Development Act of 1970. It is our understanding that this research program has really just begun and preliminary data will not be available until the end of the year and definitive data will not be available for 3 years. It seems inconceivable to us that the administration would promote, as a major program, an activity whose feasibility is still being tested.

With respect to housing allowances, we feel strongly that it will not promote new construction or even rehabilitation of existing structures. Since it will not increase the supply of standard housing, we feel it will have an inflationary effect on existing rentals. If demand exceeded supply, unscrupulous landlords could raise rents and reduce services. The administrative policing would be an impossible task.

It is ironic that the administration cut an existing housing allowance program and yet promotes a new one. The rent supplement program, which senior citizen witnesses here today have heartily endorsed is, in fact, an effective housing allowance program which is used to promote new and substantially rehabilitated housing.

WELFARE: PERPETUATOR OF SLUM HOUSING

Another housing allowance program is public welfare. The welfare program provides an allowance for housing and the welfare recipient is permitted to use this grant to live wherever they please. There are not enough social workers checking on the housing and there is no housing available to relocate them. In view of this, it is our opinion that welfare is the biggest perpetuator of slum housing in this country. When we talk of housing allowance, we should consider this:

This leads us to the point where we would like to stress the wholehearted endorsement of the UAW for your Senate bills 2179, 2180, and 2185. It is our opinion that a direct loan program is the most effective way to produce housing. We feel that the section 202 program was, without a doubt, the most successful housing program which the Nation has had. We understand that Federal accounting techniques require a Government purchase of a mortgage to be treated as an expenditure in the year of purchase with no credit for the mortgage, which is an asset. The effect is a substantial increase in the apparent Government deficit for the year in question. We feel that the accounting procedures should reflect the mortgage and Congress should consider that interest subsidies are lost forever, whereby direct loans are repaid as the mortgage is amortized.

If we compare section 236 with its 1 percent interest to section 202 with its 3 percent, it might appear that section 202 was more expensive and would have higher rents. We do not think this is the case.

For example, if the cost of construction and land were constant, the actual cost, as reflected in the mortgage (assuming a 1 year construction period), would be over 10 percent greater under the section 236 program. This is due to the carrying costs during construction, which are percentages based on the mortgage.

	Section 236	Section 202	Difference
	Percent		
Interest cost.....	18½	3	5.5
Financing fee.....	2	0	2
Inspection fee.....	.5	0	.5
Mortgage interest premium.....	.5	0	.5
Examination fee.....	.3	0	.3
GNMA fee.....	1.5	0	1.5
Total difference.....			10.3

¹ Market.

This additional 10.3 percent increase in land and construction cost, as reflected in the mortgage, would not be offset by the lower interest rate on the permanent financing and would result in a higher rent to the elderly recipient. This is due primarily to the fact that the 3 percent loan is amortized over 50 years as opposed to the 40 year amortization of the 1 percent loan.

Senator, you mentioned that the Federal Government looks upon the section 202 program as a grant program rather than an investment program. This allows the budgetary experts to show a lower Federal deficit, but we feel this is misleading. What is not taken into consideration is that the private lender under section 236 only lends for the construction period and sells the mortgage to GNMA. In other words, after the private sphere obtains its 8½ percent plus its 2 percent financing fee; the Federal Government (through GNMA) buys back the mortgage. If this is not a direct loan, in essence then, will someone tell me just what it is? Although we are aware that a GAO study indicated section 236 housing was more expensive than section 202, it seems to me that the effect on rents has never been considered. We trust that your committee will develop this further.

WATER AND SEWER PROGRAMS NEEDED

We would like to point out that there is a great need for water and sewer programs which will help to make suitable land available for housing purposes.

The last point I want to discuss is prompted by Dr. Rice's comment on taxes. One of the impediments to housing is the effect that housing developments will have on the local taxes. We propose the use of Federal impact funds which are now used to offset the impact of Federal employees on a local school district. This program is theoretically sound in that the Federal installations were exempt from local realty taxes but the Federal employees had a serious effect on the local school taxes. In practice, however, the greatest amount of Federal impact tax funds are channeled to the richest communities (the counties in Maryland and Virginia surrounding

the District of Columbia and Houston for example). Our proposal is that impact funds would be applied wherever there is federally assisted housing. This would stretch the concept to include not only Federal employees, but people housed with Federal subsidies.

In closing, we feel that the moratorium has been disastrous and will become increasingly so. You cannot produce housing by turning on a spigot as you would for water. With water you can turn off the spigot and when you turn it on water will flow immediately. If you shut off the spigot for housing it will not produce housing immediately after it is turned on, since the lead time is at least 2 years. In other words, the worst effect of the moratorium is yet to be seen.

Senator, we thank you for your time, and we applaud your efforts. We hope they will be fruitful and you can be assured of our support.

Senator WILLIAMS. Thank you very much for your excellent testimony. Very helpful. I wish we had more time to discuss some of these points in greater depth but I am going to get in trouble with your new Governor. We are running up overtime charges on this building.

Our next witness is James J. Pennestri, director, State Office on Aging, Department of Community Affairs.

STATEMENT OF JAMES J. PENNESTRI, DIRECTOR, NEW JERSEY STATE OFFICE ON AGING

Mr. PENNESTRI. Sidney Willis asked me to convey to you his pardon for not being able to stay. He is in full agreement and trusts the eventual outcome of the hearings will be beneficial to the citizens of New Jersey.

I am James J. Pennestri, director of the New Jersey State Office on Aging and chairman of our State commission on aging.

I appreciate this opportunity to testify at this hearing before the distinguished chairman, Senator Williams of New Jersey, and the many persons of note who are gathered here this afternoon.

Housing has been, is, and will remain one of the most pressing problems in New Jersey. Former Gov. William T. Cahill called for action on housing in each of his annual messages to the legislature. In addition, he delivered two special messages to our lawmakers on the critical shortages and the need for action.

Governor Brendan T. Byrne has on many occasions evidenced his very deep concern about the need to come to grips with the housing shortage, and only this past Tuesday in his inaugural address this point was reemphasized.

The department of community affairs, of which the State office on aging is a component, has given top priority to the providing of new or rehabilitated housing.

In all of this effort to overcome what at times appears to be an insoluble problem, I am glad to say that housing for the elderly has received the prominence it deserves.

But I am sorry to say that the demand continues to outstrip the supply—not only continues to do so, but at an ever accelerating pace.

It is not my intention to delve into the statistics that would substantiate these statements. I have asked Mrs. Vivian Carlin, our staff consultant on housing for the elderly, to do that in her testimony.

SHORTFALL IN SUPPORTIVE SERVICES

I have chosen instead to call attention to another shortfall in housing for the elderly, and that is providing of supportive services. Building properly designed housing for our seniors is one thing; stashing them away in it and ignoring their day-to-day needs is quite another.

That is where supportive services come into focus. But again the subject is too vast to cover in a short period of time, and in any event our agency has documented this need and its various aspects through an "Aging and Housing" conference in October 1972 and in the published report of the proceedings.

Specifically, my topic, in brief, is what we call Outreach.

Outreach is just what it says—a reaching out from a central point to those who are in need of counseling, advice, guidance and, in the good, old American tradition, the extending of a helping hand.

Our first venture into the funding of Outreach with title III Older Americans Act moneys and a local share came in East Orange. To describe it, and just one or two of its rewarding accomplishments, I am going to quote liberally from an article scheduled for the February issue of our monthly publication, "Added Years."

Outreach starts with the recruitment of seniors as low-salaried workers, inspired much more by an understanding of isolation and sympathy for those who are isolated than by any consideration of personal gain. They are trained to become paraprofessionals, equipped with the ability to recognize the problems and the knowledge of what to do to solve the problems.

Mrs. Janet Baker, director of the East Orange Outreach project, the first to be funded by the State office on aging, describes her paraprofessionals as "a special breed" who "for a very small wage become most efficient and dedicated workers who save money for the taxpayers, bring aid and comfort to the lonely and uninformed aged, and have a good time doing it."

The East Orange project began in senior citizens housing complexes. That part of it, expected to take a full year, took only a few months. Then the Outreach project was extended to the entire community.

TRANSPORTATION—A PROBLEM

Numerous and varied discoveries were made, but probably the most important was that many of the problems revolved around transportation—or the lack of it. Again with the aid of a grant from the State office on aging, a 12-passenger van was purchased for the project's use.

Here are some of the problems uncovered and solutions provided, again according to Mrs. Baker:

Mrs. D. called the office after receiving an Outreach folder in the mail. She was in great physical distress because of an ulcerated leg and had not been able to leave her apartment for 3 months. Outreach contacted the city health department and met with a visiting nurse at the apartment, who recommended hospitalization. It took the Outreach worker an hour to get Mrs. D. to agree. Finally a physician was contacted, her family was notified, and she went to a hospital. Later our Outreach worker received a letter from her expressing thanks for a "second chance" to live. She asked to become active in our program upon her release from the hospital.

Miss B. is a retired teacher who became a recluse—and an eccentric one at that. Her family contacted Outreach and asked for help, saying that she would not allow anyone to visit her. Our Outreach worker was not only warmly welcomed, but was able to persuade her to use our transportation service to get hospital treatment for an infected foot. Our Outreach worker is the only bridge to reality for Miss B.

Miss M. is a spinster living in a low-income building on a most inadequate income but ineligible for any benefits because of money she has in the bank "for her burial." After many contacts the Outreach worker persuaded her to prepay her funeral expenses and she became eligible for the Supplemental Security Income benefits.

By happenstance, the first three cities in which our State agency established Outreach projects were East Orange, Atlantic City, and Trenton—the three cities chosen by the Senate subcommittee for these hearings.

I should further note that Outreach springs from a Trenton project that received its first title III Older Americans Act funding approximately 7 years ago. It was the Mercer Street Friends Center Home Visitor project, and its goals were similar to those of our Outreach projects, only more limited.

Before concluding, I would like the record of this hearing to show our appreciation of and support for Senator Williams' long list of accomplishments as a strong advocate of a better life for our older citizens. As chairman of the State commission on aging, I recently had the pleasure of conveying to him the full support of the commission in his efforts to revive section 202 and section 236 as follows:

This is to respectfully inform you that the New Jersey State Commission on Aging did, at its regular meeting on October 17, 1973, unanimously voice its full support for your efforts in the area of housing for the elderly, and that I so notify you.

In particular, the Commission supports your bill (S. 2185) authorizing an appropriation of \$750 million in order to restore the section 202 housing for the elderly and the handicapped program to full and effective operation.

The commission also supports your bill (S. 2179) which would establish a demonstration program to provide direct financing of housing for the elderly under section 236 of the National Housing Act.

It is imperative that massive Federal funding of new housing for the elderly be implemented with the least possible delay—for every day of delay worsens an already acute shortage.

Governor Byrne has made abundantly clear his firm commitment in this area. To quote a paragraph from his Inaugural Address, he said:

*** There is much more to be done. People are without jobs and hope; a rail system must be rebuilt; a magnificent shoreline is in danger; crime saps the vitality from our cities; more housing must be built, senior citizens should be given the opportunity to live in dignity. . . .

He further stated:

*** I cannot promise that this administration will leave nothing undone, but I can promise an end to the politics of impotency that drowns itself in surveys and commissions but fails to carry out meaningful reforms. . . .

From the testimony given here today, and what will be given in the next 2 days, it will be evident that enough surveys and statistics have been made and it is time for meaningful reforms in the area of housing for the elderly.

Senator WILLIAMS. We will now hear from Mrs. Vivian F. Carlin, staff member, New Jersey State Office on Aging.

STATEMENT OF VIVIAN F. CARLIN, NEW JERSEY STATE OFFICE ON AGING

Mrs. CARLIN. Thank you, Mr. Chairman.

I certainly appreciate the opportunity to appear before you, but since you have a copy of my testimony,⁴ and the hour is late, I am just going to say a couple of things.

You have heard the speakers today pretty much touch on all the major reasons why the elderly need funding on the part of the Federal Government to satisfy their housing needs.

I want to just briefly summarize those reasons as we see it in our office. I mention five reasons in my testimony. The first and most important is obviously that the elderly are living on limited fixed incomes and cannot compete in the housing market.

In that connection, I would like to refer you to my testimony in which I have analyzed the Social Security increases over the last few years, and found, as I am sure you well know, that this does not basically affect the elderly's requirement for housing. It still keeps them near the poverty level, and does not take them out of the housing poor bracket.

Another factor contributing to the elderly's housing plight is the extremely low vacancy rates, which has been alluded to, and as you know, it is 1.48 in New Jersey.

Senator WILLIAMS. That is more critical than the rest of the country, is it not?

Mrs. CARLIN. Yes, it is one of the more critical ones, and in our major cities it is even worse. It is under 1 percent.

As far as the cost of housing, I would like to call your attention to what it cost at the end of 1972 to build an average small apartment in the State of New Jersey. The average rent was \$224.35, and in many cases it excluded gas and electricity. I have calculated that at the end of 1972 it would have required an income of \$10,800 on the basis of 25 percent of income for rent. As you saw in what we presented, only 17 percent of the elderly had incomes over \$10,000, so there are not many that could really afford private market housing.

SPECIALIZED HOUSING UNITS

Another point I would like to make is that I certainly agree that housing allowances could not begin to solve the elderly's problem, for all of the reasons that everybody has already given. However, one thing that was not mentioned is that so many elderly, whether they have low or moderate incomes or even more affluent, do require specialized housing units, not in terms of institutionalization but in terms of design. You have heard reference to the bathtub as one of them. However, I will not discuss the necessary design features since we have given Princeton University a grant to explore this

⁴ See statement, p. 674.

problem and we expect the results in the fall. We feel that even if the housing allowance program were operating where a high vacancy rate existed, that the available private market housing could not produce the special features. We feel that the housing allowance program helps minimally low and moderate income families, but with the elderly it does not work at all.

Last, I want to say, that I feel that because of the financial situation in the State, and the local governments, we must have a major commitment on the part of the Federal Government in order to provide the kinds of housing that we should be building. We estimate a deficit of 78,000 low- and moderate-income units for the elderly by the year 1980 just in the State of New Jersey, alone. I would like to end on that, and say that the elderly cannot afford to pay their way.

Senator WILLIAMS. Thank you very much, Mrs. Carlin. I would like to say at this time, and I will probably say it again tomorrow and again Saturday that you people in the State office of aging have been just exemplary in the assistance you have given us in our subcommittee in getting these hearings together. I greatly appreciate it.

Mrs. CARLIN. Thank you. We thank you for the opportunity to do it.

Senator WILLIAMS. We will see you tomorrow.

Mrs. CARLIN. Yes, we will be there.

Senator WILLIAMS. Very good. Thanks again. Your prepared statement will appear in the record of this hearing.

PREPARED STATEMENT OF VIVIAN F. CARLIN

I am Vivian F. Carlin, consultant, housing for the elderly of the New Jersey State Office on Aging. I appreciate the opportunity to appear before you to comment on the housing needs of New Jersey's elderly population.

Many of the witnesses today have touched on the reasons why the elderly have a housing problem. The most important reasons, in my opinion, are:

(1) Older people are on limited fixed incomes and cannot compete in the private housing market. Many, therefore, are living in unsuitable or too expensive quarters.

(2) The present housing market has the greatest scarcity of low and moderate income units and an extremely low vacancy rate.

(3) Due to changes in life styles, and size of family, and physical and psychological needs, many elderly require specially designed housing, which can be best provided under some form of Government-sponsored programs.

(4) The January 1973 Federal moratorium on housing funds has virtually brought to a halt the efforts to provide adequate housing for the elderly at prices they can afford.

(5) The bureaucracy and enormous amount of paperwork plus local municipal obstacles in the form of zoning and building code restrictions and property taxes, and community resistance to low and moderate multiunit developments has caused delays as long as 10 years in building suitable projects for the elderly.

An analysis of the reasons which I have just given indicate that the solution lies in a major Federal commitment. The States and municipalities do not have, and are not likely to have, revenue sources adequate to provide more than limited support in housing for the elderly.

Now, let us go back and look at the supporting data for each of my points.

(1) Limited income of elderly.—In 1970, the 65-plus population constituted approximately 10 percent of the total population in New Jersey, but the households with the head 65 plus were 18 percent of the total households in New Jersey. If we look at income distribution in New Jersey we see that in 1970, 125,824 elderly or 18.1 percent were at or below the poverty level.

In that year, poverty was defined as \$1,749 maximum income for singles and \$2,194 for couples. 46.3 percent of elderly households had total incomes of below \$3,000 and 15.8 percent were between \$3,000 and \$4,999 or more than three-fifths of all elderly had incomes under \$5,000. The poorest group were those living with children or other younger heads, since almost 88 percent of them had less than \$3,000 income a year. Of the 65 plus renters with incomes below \$3,000, almost 76 percent were paying more than 35 percent of their income for rent.

Since there have been three substantial Social Security increases since 1970, the last of which becomes effective with the June 1974 check, I took the average Social Security check paid in New Jersey in 1970 of \$128.33 and found that the average older recipient in June 1974 would be getting \$188.50 a month or \$2,262 a year. Since in July 1973 the poverty level was defined as \$2,200 for single persons and \$2,900 for a couple, the average Social Security recipient is still near or below the poverty level. This is especially true, since approximately 84 percent of all persons 65 plus in New Jersey were receiving Social Security payments and these payments are a major source of income for most elderly.

Even if we include the new supplemental security income which started January 1, and the New Jersey supplements, we find a maximum annual income of \$2,424 for singles and \$3,240 for couples. Therefore, the numbers of elderly with incomes of under \$5,000 remains essentially the same. These new increases have not appreciably affected their ability to compete in the private housing market.

In addition to looking at income and percent of income spent for housing, I want to comment briefly on the Government subsidized special units for the elderly. A survey of all elderly State and Federal units completed by this Office in January 1973, showed that there were 15,619 units designed for and occupied by senior citizens. Of these, 12,439 are low rent public housing, 2,619 are other federally supported, and 451 are funded by the State. There is currently a total of 4,355 units of subsidized housing for the elderly under construction. This study revealed a total of 21,368 eligible elderly on waiting lists for these units. These lists only represent the communities where elderly housing exists, and therefore this report does not indicate the need in other municipalities. Even in the communities with subsidized housing, we feel that the figure of 21,368 represents only a minimum need, since many older people, due to the length of the waiting lists and relatively low turnover, feel it hopeless and do not even bother to apply.

(2) Scarcity of low and moderate income housing units.—We know that inflation has caused the cost of land, labor, and materials and interest rates to spiral, pricing homes and rental units out of range for the low and moderate income person. In New Jersey at the end of 1972, the average monthly rent for a new multifamily apartment was \$224.35. On the basis of paying 25 percent of income for rent, this would require an annual income of \$10,800. (As of 1970, only 17.6 percent of all elderly had incomes of over \$10,000.)

In addition to the high cost of housing, the vacancy rate in New Jersey in 1970 was 1.85 percent and most of the cities were lower, many being below 1 percent. At levels such as these, one can say, in essence, that housing choice is nonexistent, particularly in view of the fact that this rate incorporates substandard but habitable units which may represent between 25 and 50 percent of vacant units. As a result, no effective housing market can be said to function.

(3) My third point is obvious.—The elderly have special housing needs due to reduction in size of family, retirement from work, physical and psychological losses, etc.

(4) As a result of the January, 1973 housing moratorium, no new public housing, 236 or 101 applications have been processed. However, in addition, this moratorium has adversely affected the New Jersey Housing Finance Agency, the New Jersey State housing program, since without at least some type of 236 Federal assistance, no nonprofit State housing for the low and moderate income elderly can be built. Previous testimony has revealed that many such projects have been stalled or lost due to the Federal housing moratorium.

(5) Bureaucracy and local resistance.—Both Federal and State housing programs require such enormous amounts of paperwork that a great deal of

time is consumed and expensive consultants are necessary. In addition, community resistance in the form of zoning and building codes which require features not applicable to elderly housing, such as size of rooms, parking space, etc., makes local acceptance difficult. In almost every elderly project, it is necessary to apply for zoning variances. In many of these cases, I have been asked to testify on behalf of the housing sponsor re the need for such housing in the community and in every case there has been tremendous opposition due to fears that the housing will cause an influx of out-of-towners, will open the door to multiunit family housing with school children and adversely affect property taxes, etc.

Because of the magnitude of the problems briefly outlined above, I feel that it is necessary for the Federal Government to provide the resources for building the specially designed housing required. Due to the low vacancy rate, a housing allowance program alone will not help elderly to find suitable housing. In May, 1973, the New Jersey State Office on Aging estimated a housing need of 73,721 units of low and moderate income housing for the elderly by 1980. Since the number of units needed is obviously so much greater than can be built, it is necessary to also provide some form of Federal assistance to the homeowner to enable him to stay in his own home.

Housing takes a long time to build. The moratorium has caused further delays. Many of the elderly will not live long enough to get an apartment.

ADDENDUM

In order to determine the impact of the public housing program on the elderly's housing costs, an analysis of income and percent of income paid for rent was completed. Data was based on the 1970 Sixth Count Census Housing Tapes and a comparison made in four counties, i.e., Atlantic, Cumberland, Essex, and Passaic. These counties were included for the following reasons: (1) They have public housing units for the elderly, and (2) relevant data was available for all the municipalities within the county where public housing exists.

For the purpose of this report, poor elderly households are defined as having total annual incomes of under \$5,000.

LIMITATIONS

Among the limitations are the following:

- (1) This analysis excludes those counties where comparable rental figures are not available for the municipalities with public housing for the elderly.
- (2) In 1969, the Brooke amendment was not in effect, and therefore not all public housing tenants were paying less than 25 percent of income for rent.

RESULTS

If we refer to Table 1, column A includes four counties and also those cities within each county that had occupied public housing units for the elderly as of 1969. By comparing column 4 with column 1, and column 5 with column 2, it is readily apparent that the elderly poor, who are fortunate enough to pay less than 25 percent of their income for rent, constitute a very small percentage of all elderly poor renters.

In table 1, the percent column refers to the ratio of the number of elderly poor households in these cities to the number of elderly poor households in the county. It is obvious that the median percent in column 6 is significantly higher than the one in column 3, demonstrating that more of the elderly poor in these counties who pay less than 25 percent of their income for rent live in cities. This is equally true for each of the counties.

CONCLUSION

Since all the low-rent public housing units for the elderly within each county are found only in the cities referred to in table 1, and since we can assume that almost all of the elderly poor who pay less than 25 percent of income for rent live in this public housing, this study clearly documents that without the public housing program, most elderly poor are not able to live in decent housing they can afford.

TABLE 1

Name of county and cities	Rental households with incomes under \$5,000			Rental households with incomes under \$5,000, paying less than 25 percent of income for rent		
	County	City	Percent	County	City	Percent
Atlantic: Atlantic City	5,437	4,114	75.7	679	617	90.9
Cumberland: Bridgeton, Millville, Vineland	1,617	1,331	81.8	240	207	86.3
Essex: East Orange, Irvington, Newark	21,465	15,910	74.1	1,662	1,495	90.0
Passaic: Passaic, Paterson	8,951	6,248	69.8	593	480	80.9
Total	37,480	27,603	74.9	3,174	2,799	88.1

Senator WILLIAMS: That does conclude our hearing for today.

Mr. PAKMAN: Mr. Chairman, I would like to say something. May I have your attention please? I have a letter here that I was going to write to you in person. I am greatly honored to speak to you. I will say, my dear Senator, whenever my wife and I are in any difficulties we write to you to seek your advice, and you never failed to advise us. I am 79 years old. My wife is 77. Our incomes are very limited, and with this present high cost of living with food prices rising higher every week, we try to buy the cheapest food items we can buy. But since President Nixon abolished rent controls, we apartment dwellers became the victims, and at the mercy of the landlords. My wife and I are living in a one-bedroom apartment, with limited space. The ceilings are cracked, the paint is peeling from a leaky roof, and at most times there is no hot water to take a bath. There are 287 apartments in the project where I rent, and that project is 40 years old. The landlord is raising our rent unmercifully. My rent was raised on February 1, 1973, and again on September 1, 1973, and on December 28, 1973, I received notice that on February 1, 1974, my rent will be raised again. A raise of \$10 a month. That means that my rent was raised three times in 12 months. My dear Senator Williams, my wife and I are depriving ourselves from all luxuries of food, we cut down on medicines prescribed by our doctor. But these three raises in rent in 12 months is more than we can possibly afford. I visited the Internal Revenue Service to seek their help. I was told that since President Nixon abolished all rent controls, there is nothing they can do to help me. My dear Senator, is there anything that you can do for us that will prevent the unmerciful landlord from raising my rent three times in 12 months? It is just not humanly done.

Senator WILLIAMS: May I ask what percentage of your income does go for rent?

Mr. PAKMAN: I really don't know. I get Social Security, and I get a small pension from my shop. I think it would be a little over \$300 a month.

Senator WILLIAMS: What do you pay for rent, with the three increases?

Mr. PAKMAN: We paid up to a year ago, we paid \$115. Now she raised it \$20, so that we are going to pay in February 1974, \$134, and if you complain that the ceilings are leaking, you do not like it, she says "move."

Senator WILLIAMS. When the Social Security increase goes into effect you are in a position where you might get another increase?

Mr. PAKMAN. I think it is this, your honor, I do not want to take up your time. There is no limit. They keep on raising it every year and every year. We get a raise of Social Security, and they take it away from us, and what about the high cost of living. Thank you, Senator.

Senator WILLIAMS. I appreciate your statement.

The subcommittee stands in recess.

[Whereupon, the subcommittee was recessed at 5:30 p.m.]

APPENDIXES

Appendix 1

Letters and statements were received in response to the following letter sent by Senator Harrison A. Williams, chairman of the subcommittee:

Your interest in housing for the elderly leads me to believe that you may be interested in the action taken on legislation I introduced earlier this year. As the enclosed summary indicates, some progress toward enactment has occurred.

Welcome as this action is, I believe that much more must be done to alert New Jersey and the entire Nation to the very substantial problems related to housing needs of older Americans. For that reason, I would like to invite you to submit a statement in which you discuss your own concerns about that subject. Specifically, I would like your views on: (1) Effects of the moratorium on most housing programs that had been authorized for action by the Department of Housing and Urban Development, (2) status of your own efforts on behalf of housing for the elderly, and (3) your views on whether housing allowances, unsupported by production subsidies, are likely to meet housing needs of older persons and other Americans.

The following replies were received:

BAY GARDENS HOUSING ASSOCIATION,
Cape May, N.J., January 15, 1974.

DEAR SENATOR WILLIAMS: Thank you for your most informative and productive letter of January 9, 1974.

We feel that this is our first opportunity to have responsible authority listen to the problems associated with the three topics outlined in your letter. Therefore, at your kind request, we would like to bring to your attention the following:

(1) Unless a person, firm, corporation, or association has been involved in the preparation of an application for governmental funding for housing projects, no conception of the magnitude of the work can be generated. Under normal circumstances, housing programs authorized for action by the Department of Housing and Urban Development, would be recognized as tantamount to final approval. Based on commitments made and statements offered, a cessation of funds in the midst of a project being generated, is disastrous in terms, particularly of money expended. We here, know that the magnitude of our problem must be multiplied hundreds of times over when the full picture of such a move is examined. The monetary impact on such individuals, firms and others is tremendous, but further and over and above all this, the funds now committed and spent for proposed projects will never bear fruit and must be considered as housing potential never to be constructed. Most important, we feel, are the attitudes of those people who have the capacity and capability of producing the needed housing. In face of such decisions made to effect this moratorium, assurances, other than experiences just recently exhibited, must be given in order that these persons who can produce needed housing will participate.

(2) Our association, by its very name, certainly indicates our depth of involvement and our cognizance of the problem of housing for the senior

(679)

citizen. In this particular area of New Jersey, as you know, the ratio of senior citizen to those younger is very, very high. The need for housing is distinct and well defined in this area. Such a moratorium, when declared, has taken the very heart out of the hopes of those who could foresee the day when their housing fears could have been eliminated. Among the many mountains of information generated by our research comes on glaring fact, well documented and substantiated, "that the life span of those now living in subsidized housing, in their own "community," as it were, has increased by 3 to 5 years. Please imagine the impact on those people now effected by such moves.

(3) It is further our contention that housing allowances, unsupported by production subsidies will never meet the needs of housing for the elderly. Not only do we make such a broad statement, but we feel that the potential for housing inequities and inadequacies is unlimited. We understand the elderly and we say that this person should not be compelled to "shop" for his housing needs. Neither do we believe that this sort of involvement does anything to promote the general well being of the person with whom we concern ourselves. We exhibit a deep desire to assist the Senior Citizen at the same time we abandon him.

We sincerely hope that this brief review of feelings regarding the current status of the senior citizen and his housing problem will be of some benefit and value in your pursuit of an equitable position for such sorely needed housing.

Sincerely yours,

JOHN S. NEEDLES.

CLEMENTON HOUSING AUTHORITY,
Clementon, N.J., January 16, 1974.

DEAR SENATOR WILLIAMS: Pursuant to your correspondence of January 9th, I am pleased to be given the opportunity to comment on the subject of the housing need for the elderly.

My thoughts regarding the effect of a moratorium on housing programs are as follows:

(1) To freeze or hold up "housing for the low-rent or low-income" area pending the enactment of the proposed "Community Development Assistance Act of 1973" S. 1744 would seem reasonable at this time providing this enactment is forthcoming. To put moneys within State jurisdiction in this category, can have a more direct benefit in my opinion.

(2) To enact a moratorium on housing for the elderly, when the need is so severe, is ill timed and unwarranted at this time. To entrust this under S. 1744 is, in my opinion, ridiculous. Of all programs that I have been privileged to have been associated with, the program for housing for the elderly has been, by far, the most successful. To deter this is like being against "motherhood and chocolate ice cream."

Regarding the status of our efforts concerning housing for the elderly, please be advised that we have completed and are now under management 70 units in our borough. Our waiting list has now grown to 245 and we could reasonably use another 200 units as of yesterday. We have proven, beyond a doubt, that Government moneys directed toward this end are well spent and very well accepted. To delay a program of this type and put it in the hands of local and State jurisdiction is, in my mind, a step in the wrong direction. I would sincerely advocate that the program be continued in the near foreseeable future and that the present situation be evaluated in a more comprehensive manner.

There is undoubtedly some benefits to "housing allowances" for those elderly in a position to take advantage of same. I again, however, repeat that the majority of elderly display a true need under the present program.

In closing, may I say, that when State and local governments begin to appoint those people directly involved in these programs, much more can be accomplished. To appoint personalities of organizations and political prestige has not shown its value. Why not consider people directly involved with the program regardless of affiliations?

I congratulate you for your continued interest and advancement of the problems on aging. Please accept my offer of assistance in whatever capacity you deem desirable.

Very truly yours,

THEODORE W. GIBBS, JR.
Executive Director.

HOUSING AUTHORITY OF THE CITY OF OCEAN CITY,
Salem, N.J., January 16, 1974.

DEAR SENATOR: Replying to your letter of January 10, 1974, particularly as to the second paragraph, item 1.

(1) Our authority feels that the housing program, as far as new construction for the elderly, has been brought to a standstill and is doing great harm to the entire housing industry. One of the ways to make more housing available for family units is to provide units especially designed for the elderly, giving them an opportunity to sell or rent larger homes that are a financial burden and for which they no longer have use or are able to care for.

(2) The housing authority of the city of Salem has advertised for bids for the erection of a new 54-unit medium rise apartment. Bids were received about the time the freeze was put on. The bids were from responsible bidders and in line with our cost estimates, but we are not able to proceed with construction, disappointing many senior citizens in the area. If we had borrowed money to prepare the application instead of preparing it ourselves, we would have had a good opportunity to proceed. Simultaneously, an urban renewal project calling for restoration of colonial homes in Salem and the construction of townhouses for middle income citizens was frozen and all work stopped. This was after a year's effort in qualifying for recertification of a workable program.

(3) In my opinion the housing allowance programs unsupported by production subsidies will result in inadequate housing program, further delays and disappointment to those of us who are truly interested in the plight of the elderly with low income.

Yours very truly,

HENRY D. YOUNG,
Executive Director.

HOUSING AUTHORITY OF THE CITY OF OCEAN CITY,
Ocean City, N.J., January 17, 1974.

DEAR SENATOR WILLIAMS: In reference to your letter dated January 10, 1974, indeed I am interested in legislation that you have introduced.

Fortunately, the housing program that I was most interested in beat the moratorium by a few days. Our building for the elderly is now under construction.

I do not feel that present allowances or subsidies meet housing needs of the elderly and steps must be taken to eliminate the present situation.

Thank you for your good wishes, I wish you the same.

Sincerely,

SCOTT L. WILLIS,
Executive Director.

DEPARTMENT OF THE OFFICE ON AGING,
COUNTY OF MORRIS,
Morristown, N.J., January 17, 1974.

DEAR SENATOR WILLIAMS: I was very pleased to receive your letter of January 9, 1974, which explained your upcoming hearing on the Adequacy of Federal Response to Housing Needs of the Elderly in New Jersey.

We in Morris County have difficulty helping our elderly find economic housing because of the great shortage of housing units.

Our senior population 65 years of age and older as of the April 1970 Census was over 28,000. We have only 300 units of senior citizen housing built and occupied as of this date. Our senior citizens' fixed incomes cannot afford the high rentals which exist in Morris County.

I am enclosing copies of laws for 1946 which were helpful in resolving housing shortages for World War II veterans in New Jersey.*

Our present housing shortage, especially for low income senior citizens, is as critical as the shortage for our veterans after World War II.

May I please ask that these laws be reviewed for possible usage in resolving our present housing shortage?

Thank you for your assistance to our elderly.

Sincerely yours,

NORMAN E. VAN HOUTEN,
Executive Director.

HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG,
Guttenberg, N.J., January 18, 1974.

DEAR SENATOR WILLIAMS: In answer to your invitation to submit a statement in relation to our housing needs I am making the following comments.

In reference to the measures in behalf of the elderly I congratulate you. It is a very good start and I am hoping for an early enactment.

In reference to President Nixon's moratorium I think it was a great injustice especially to a community such as ours where the majority of the inhabitants are elderly. Our housing authority consists of 154 units in which we accommodate approximately 60 senior citizen families. In our section 23 leased program of 100 units we accommodate about 75 senior citizen families. The leased program is merely a stopgap measure. While all apartments comply with local codes, the majority are not up to optimum, besides, we are forced to pay an unjust rent to most landlords or else terminate the lease, thus causing the tenant to return to a predicament from which he was rescued in the first place.

Our answer is more public housing for senior citizens. An application for a 100 unit senior citizen building made in August 1972 is one of those caught in the moratorium. We have a waiting list of over 200 senior citizens families, plus the many in our leased program who certainly deserve better living quarters. Actually this authority won't see the light until 200 new senior citizen units become a reality.

Yours truly,

JOHN R. MACALUSO,
Executive Director.

HOUSING AUTHORITY OF THE CITY OF ELIZABETH,
Elizabeth, N.J., January 18, 1974.

DEAR SENATOR: I am in receipt of your communication of January 9, 1974, requesting a reply on three questions of great importance today.

(1) Effects of the moratorium on housing programs: The effect has been disastrous, especially for senior citizens. Elizabeth has practically no vacancies and our applicant pool is building up to the figure of 900. This authority also had an approved preliminary loan for 50 units of section 23 new construction type housing which the Newark area office of HUD now tells us is "dead," at least for the present.

(2) Status of our efforts: Presently we have written to the Regional Director of HUD Mr. William S. Green, to arrange a meeting with him, Mayor-Senator (N.J.) Dunn, and our commissioners to discuss and try to obtain our 300 units of senior citizen housing, and possibly a priority for development of new housing, when authorized, at a site known as Trumbull Street-Division Street. (copy attached).

(3) Housing allowances: Housing allowances unsupported by production subsidies would be useless. I repeat, in Elizabeth there are no suitable avail-

*Retained in committee files.

able dwellings which could be utilized under a Housing Allowance program. We need new construction, Turnkey, subsidized, to fill the need for shelter and services for our elderly.

Hoping this is of some assistance, and with best personal regards and wishes, I remain,

Very truly yours,

J. WILLIAM FARLEY, JR.
Executive Director.

[Enclosure]

JANUARY 17, 1974.

HON. WILLIAM S. GREEN,
*Regional Director, Department of Housing and Urban Development,
26 Federal Plaza, New York, N.Y.*

DEAR SIR: This authority has a very severe shortage of low rent housing units for senior citizens. As a matter of fact, this authority has over 800 apparently eligible applications on file, with uncounted numbers being filed each day.

Since 1968 we have been appealing for approval of 300 units of additional senior citizen housing units.

For some time it was the emphasis on "family housing units" which delayed approval of our application, then it became the "Presidential freeze" on funding which has been in effect until the present time.

U.S. Senator Harrison A. Williams, our representative in the U.S. Senate, has tried every means at his disposal to obtain the approval of our application, or at least a statement from HUD as to this authority's status with regard to whatever "priority" we have been allocated, so that when there is a lift of the moratorium we won't have to be involved in a scramble.

Would you kindly regard this letter as a formal request for approval of our 300 units of senior citizen, and possibly indicate whatever priority we may be allocated.

In this manner, when the "go ahead" is given by HUD Washington, the only factors we shall have to contend with will be "upgrading" our resolutions and statistics, if necessary.

Thanking you for your kind consideration and indulgence, and with best wishes, I remain,

Very truly yours,

J. WILLIAM FARLEY, JR.
Executive Director.

UNITED METHODIST CHURCH,
Leonia, N.J., January 18, 1974.

MY DEAR SENATOR WILLIAMS: My thanks for your letter of January 8 to which I am responding herewith.

I am not aware of anything with regard to the effects of the moratorium on housing programming that had been authorized for action, because our project had not gotten that far.

Our own efforts are progressing apace. We have gotten preliminary approval of the mayor and town council for leasing an excellent tract of land in the middle of town, wooded and wonderful. We have gotten approval of a special committee of the planning board and of the planning board itself and after hearings all summer and autumn before the local board of adjustment we have been successful there as well with all the variances required. We are now finishing up legal action with regard to the actual leasing of the aforementioned borough-owned property from the town council. We have a splendid set of plans produced especially for this site by Gruzen and Partners of New York and Newark. We have a construction company ready to work with us on the project. We are going to meet next week with our lawyer and housing consultant (Schafer and Associates, 15 Park Row, Room 1120, New York, N.Y. 10038) to explore further methods of financing since Mr. Nixon's moratorium. Thus far our expenses have been borne by the churches and synagogues of Leonia (mostly by the United Methodist Church here) and by the annual gifts from the borough Community Chest.

With regard to your last question we feel that if the housing allowances are sufficient, that is, if enough money is provided in housing allowances equal to the sum total of local, State and Federal subsidies, including 23G and rent supplements, then housing allowances unsupported by production subsidies might work. But let me make this point perfectly clear (to quote someone we both know). The amount of housing allowances is the crucial factor. If enough is provided then we will be able to meet the housing needs of older persons and other Americans. If the amount is slight, then the future here will be dim for these people.

Thanking you for your concern with this issue and in particular with your concern with our position, I remain,

Very sincerely yours,

FRANK R. OSTERTAG, *Treasurer,*
Leonia Retirement Housing Association, Inc.

BOROUGH OF SOUTH RIVER,
Middlesex County, N.J., January 18, 1974.

DEAR SENATOR: In reply to your letter dated, January 10, 1974, I would like to state my personal opinions on the subject you are interested in.

(1) Effects of the moratorium: The most fantastic backward step our government could possibly have taken! Our country is so far behind in housing units for all age groups, that shutting off funds on housing units for the elderly was a cruel, unjust action against a group who is unable to help themselves.

(2) My efforts on behalf of housing for the elderly:

(a) I have tried for 8 years to convince my fellow townsmen that the aged need help, and one important area I stress is housing.

(b) Our town permits cold water flats; many of our elderly are living in these old houses—they are inadequately heated, the aged are crippled by the taxes and burdened with the maintenance and upkeep of them.

(c) Our widows are forced to double or triple-up in units; feedback has been dissatisfaction and difficulty in getting along with one another, petty quarrels, loss of individuality, suppression of feelings leading to illnesses such as high blood pressure, ulcers, etc.

(d) Eviction cases forcing the aged to find new quarters are hardest to solve. There is no housing for these aged to move into. Available units run \$200 to \$300 per month and are inaccessible (money wise) to the average retiree. This forces the evicted victim to settle on renting a room (sometimes with or without kitchen privileges) as a temporary measure, leading eventually to the unhappy permanent situation expressed in part (2), section (c).

(e) Temporary housing lists (unit available in town) has not been successful. Feed in is spasmodic.

(f) A permanent municipal housing authority for our township geared to solve the gaps in housing, geared to plan and provide for open spaces and overall township growth and development would solve many of the housing and other problems.

(g) Taxes and rent controls for the elderly would be a wise and immediate stop-gap for their housing difficulties.

(3) Housing allowances and production subsidies:

(a) Housing allowances for the elderly is a temporary measure, a relief from the pressure of the "no" unit availability and is not a cure for the housing shortage.

(b) Let production subsidies be the measure you work for. Coordinating Federal, State, and local governments to produce housing units for the elderly must be an all out effort especially if we would utilize the same type of efficiency and know-how our country musters when it wants to for important events (i.e., World War II, the space program). Our profitmaking construction companies and housing groups are not going to produce low cost housing units without incentives—our townships will not push for low cost housing units without incentives. Please find these incentives. Let us get into production and stop this acute housing shortage.

I hope my views are helpful to you.

Respectfully submitted,

ANTOINETTE AMATO, *Director,*
Neighborhood Office on Aging.

HERITAGE COMMUNITY SERVICES PLANNING CORP.,
Rutherford, N.J., January 18, 1974.

DEAR SENATOR WILLIAMS: Thank you for your invitation to present Heritage's experience in trying to create housing with services for seniors and the disabled, some of whom are war veterans. I am also enclosing a number of supporting documents,* from which I will quote.

You ask about: (1) The effects of the moratorium on most housing programs that have been authorized for action by the Department of Housing and Urban Development. While most of Heritage's experience has been with the N.J. Housing Finance Agency, I believe that my comments are likely to apply also to participation directly with HUD.

As it has elsewhere, the Nixon moratorium has brought all Heritage housing efforts to a halt. Probably only nonprofit efforts can bring about the kind of housing with services that is needed by the seniors and the disabled at a price closest to what they can afford. By nature, this requires special financial assistance. Both the seniors and the disabled, who have been forced by society to try to get along on reduced income, are unable to meet escalating costs and cannot find answers to their increasing needs of such help as shopping, psychological support, and housekeeping. These can and must be provided by special government financial help.

Yet, my experience is that even those municipal bodies that attempt to provide senior housing generally will not include the service program that oneday someone will have to provide. As one councilman of a town that has applied for HUD financing of its senior housing said to me today, there is great timidity about attempting the services program. And even those who know best the needs of the seniors, the seniors themselves, tend to avoid fighting for services—because of the feared impact upon their Social Security and/or welfare checks. However unrealistic one may feel such fears to be, the fact is that they do exist and are strong negative motivating forces.

You ask also: (2) The status of [our] efforts in behalf of housing for the elderly. In general, this can, even under the best of past circumstances, be described as close to fighting the establishment.

For example, few otherwise dedicated competent nonprofits are equipped to finance the heavy fronted costs of getting a project rolling. On Heritage's Hackensack project (financed by the N.J. Housing Finance Agency), we ran into instances such as prolonged delays in getting both decisions and money. In one instance, after I asked an editor of *The Record* for help in learning why a decision was taking so long, I was told by the grapevine that the official in charge had been holding the matter—that he was reported to have said that because of the newspaper's inquiry he could no longer hold the question to "the bottom of the pile." Heritage was fortunate that it had the help that rooted this out—but how many times does it go undetected.

Another example: In spite of a contract covering payments to be made for appropriate services in getting the Hackensack project going, the attorney was never paid for his services, Heritage was paid only in part for legitimate expenses, and one professional had to sue to get even part payment. If one complains, as was said by one of those unpaid for work done, he finds it increasingly difficult—if not impossible—to get a friendly reception next time.

And still another example: Heritage as well as others has had its troubles with property owners who welcome ratable development but balk at seniors living near them. Note the photocopy* of the letter from Frank Bovino to Heritage, offering to sell his building, then in construction, for use by seniors. At the board of adjustment meeting on Heritage's project, Mr. Bovino and others got up to say that "we have no objection to senior housing but it should be built somewhere else."

Property owners are known to attack senior housing on such grounds as "a strain on police, fire, and hospital facilities" (see photocopy #6*). Yet, the kind of housing that Heritage sought to build would have provided the very services that were cited. Other property owners ask "why should [our community] become a dumping ground for the elderly" (see photocopy #13*).

*Retained in committee files.

One town councilman (a different town) wondered to me as to whether "this kind of housing will be needed in 20 years." Such attitudes appear to be widespread and are exceedingly difficult to combat.

What is needed is an all-out campaign in the press, on TV, in the schools, in municipal offices, and in public places—similar to that given to the stop smoking campaign—where the point is that there is no attractive way to avoid becoming a senior citizen, that you harm your own future when you try to stop housing with services for seniors, and that seniors can be of great value to a community because of their stored knowledge and skills.

A division of both HEW and HUD should be created to provide help to nonprofit groups—similar to the Exempt Organization Branch in Internal Revenue Service. More than one official in the E.O.B. has gone out of his way to help Heritage achieve its objectives. HEW and HUD should be funded to provide this kind of help also.

As for the unwise past conditions within HUD that required nonprofit groups to prepay many costs on the expectation that HUD would reimburse them, this in itself is enough to prevent otherwise dedicated and competent efforts from being attempted. When property owners will not hold a site without immediate option payment, when real estate brokers and property owners will not deal with those working under government financing, when HUD filing fees mount into the thousands of dollars, when good housing consultants and other professionals will not work without advance payment, and when the nonprofit group cannot provide the tens of thousands of dollars of frontend money, HUD should guarantee payment. And that guarantee must stick. And no less in the case of others, Heritage has lost good project opportunities because of the long delay in getting project commitment and even longer delayed cash. Why should property owners and professionals put up with such unending delays? They know full well that there is probably a profit-minded builder around the corner who does have the cash.

Site approval should be guaranteed within 10 days of submission. Option money should be on hand for the site within another 7 days. In the case of Heritage's Hackensack project, I was told in December that the options would, in the eyes of the New Jersey Housing Finance Agency, start running as of late December. Since NJHFA had not advanced payment for the options and the property owners were threatening to pull out, I had to take my life savings with which to buy the options. Nine months and much pressure for payment elapsed before official payment was finally made. Even at that, I was warned not to attempt this again—which has virtually made options impossible.

Too much of a burden is put on nonprofit efforts in another way. The profit-minded builder, who often could not care less what happens to a building and its occupants after he has been paid, is permitted a profit allowance. Yet those who care most about the fate of the building and its residents are denied the opportunity to use a similar amount of money from the financing authority for services either to a project's residents or for helping another nonprofit project get started. Surely, this is unwise.

As for the disinclination of municipal authorities—and sometimes government authorities—to include HUD-recommended services in housing for seniors, HUD should mandate the total package concept. Where there is senior housing there should be built in those services that advancing age will require. Appropriate senior housing provides the better nutrition, the psychological support from one's peers, the health awareness of residents by staff, and the many activities that tend to increase interest in living. Senior housing should not become a warehouse for the declining. It should, as in the case of the Daughters of Miriam effort in Clifton, N.J., tend to prolong the lifespan by an average of 10 years. Dr. Solomon Geld, its director and a member of the New Jersey Office on Aging, for example, reports that the average age of his residents is ninety. Why should municipal officials or anyone else be financed by an agency whose recommendations for the inclusion of services is ignored. Services should be mandatory.

And, when seniors prefer to remain in their own homes as long as possible, funds should be made available to help them meet their added costs for hiring someone to do the chores that declining physical abilities no longer permit them to do. One thinks readily of the difficulties of shopping, even light

building and grounds maintenance, transportation, etc. Volunteers might help some. But in these days of escalating living costs, even volunteers look for some small return on their time.

Finally, you ask about: [our] views on whether housing allowances, unsupported by production subsidies, are likely to meet housing needs of older persons and [the disabled]. In Heritage's experience, the answer is emphatically: No. A building's costs are largely determined by its occupants' needs. In addition, land-unit cost is put at a required low figure. With both land and construction increasing, therefore, both density and building construction are adversely affected as far as the seniors' ability to pay is concerned. Older housing is unsuited to the longterm needs of seniors and the disabled since it is not adaptable to physical decline. Equally important is the inability of seniors and the disabled to "shop" for housing. At this time of energy shortage, the demand from prospective tenants more attractive to landlords prevents most conveniently located housing from coming into the market place in sufficient quantity to take care of seniors and the disabled.

To summarize: Heritage's experience has shown that the most troublesome obstacles to nonprofit production of housing with services for seniors and the disabled revolves around the following:

(1) The general unwillingness of many outside of government to work under government-financed programs because of the length of time required to obtain decisions and payments.

(2) The fact that too many decisions must be made by those who are either not themselves seniors or disabled or who lack genuine interest in appropriate senior housing. All too often, the decision is based upon how little we make it cost now—with no thought to what program reduction will mean in unavoidable higher cost tomorrow.

(3) The "feudom" attitude of too many municipal officials who, for one reason or another, insist upon having things done their way—however inappropriate. (In Hackensack, for example, parking ratios for privately-built senior projects are set at as much as six or seven times that permitted to municipal senior projects.)

(4) The clout that profit-minded builders are able to wield in the decision-making centers. Non-profit groups seldom can match this, so frequently get by-passed in favor of the profit-minded-builder. If all that were done to help the profit-minded builder were done to help the nonprofit group, much would improve.

Does all this sound as though the nonprofit entrepreneur feels that the cards may be stacked against him? If you ask them, I believe most will tell you that they feel exactly that way.

Yet when one looks at the record, nonprofit groups are almost without peer in the success of their operation.

Sincerely,

FLORENCE V. BRUNNING.

SECAUCUS HOUSING AUTHORITY,
Secaucus, N.J., January 21, 1974.

DEAR SENATOR WILLIAMS: This is in response to your letter of January 10 requesting a statement regarding the Federal Government's role in providing housing for the elderly. I regret that I was unable to attend any of the hearings scheduled in this matter since it is a matter of great concern to all the officials of the town of Secaucus. I am enclosing for your copy of my remarks recently given at the groundbreaking for 100 units of section 23 housing for the elderly on January 19, 1974.

As reflected in the enclosed statement, it is regretful that the Federal Government at this time has taken such a benign position on the urgent matter of providing housing for the elderly. We are particularly concerned that new changes promulgated for the section 23 program will make it unworkable and that the end result will be the end of the Federal Government's role in providing housing.

Specific items of concern regarding the revisions I have referred to can best be pointed out by the section 23 Leased Housing Association, having its offices at Suite 707, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

This organization composed of local housing authorities and others involved with the section 23 program is well versed in the practical aspects of the program and is well equipped to point out the problems that will be presented through the revisions being made. I strongly urge you to secure the association's comments in this report.

With best regards, I remain
Yours very truly,

PHILIP J. KIEFFER,
Executive Director.

[Enclosure]

JANUARY 19, 1974.

The freshly broken ground of today's brief ceremony signifies the new era of promise beginning for the present and future generations of Secaucus residents.

In a very real sense, groundbreaking is a climax as well as a new beginning. It is a climax to the years of hope and hard work that often seemed doomed, only to be symbolized by a monumental pile of pounds of paper and fruitless frustrations. Yet, the ground has been broken this afternoon, and the success and happiness we feel can never be conveyed in mere words.

The story of "The Elms" might well be called "by the skin of our teeth." The fact that we are commencing construction of these 100 units of elderly housing is indeed a remarkable event.

At a time when our nation is wallowing in the disenchantment and despair brought about by the crisis of national leadership that has haunted us for so long. The "Elms" will symbolize a renewed confidence in government's ability to meet the critical needs of society.

It was on an 8 a.m. flight out of LaGuardia Airport bound for Atlanta in December of 1972 when I read of the President's moratorium on public housing funds. Having just submitted a new application for the funding of our project, I knew that it would be a miracle if anything could be done to go ahead with our plans.

The miracle became a reality. Within 3 months of the submission of that application we were assured of the funds. Not only had we been successful in securing what amounts to \$200,000 for the next 20 years in rent subsidies, but we had been successful in gaining approval for what is to be the first bond financed building ever constructed in the State of New Jersey under the section 23 leased housing program.

This innovative program, largely made possible through the legislative efforts of New Jersey Congressman Widnall, permits a great deal of flexibility in the manner in which housing units are produced. Even the skeptical experts within the Department of Housing and Urban Development concede that section 23 has been the most successful housing program sponsored by the Federal Government.

The future of the Federal Government's involvement in housing is most uncertain at this time. Besides a lack of moral commitment to deal with the pressing social needs and problems that confront the American people, the administration is promulgating changes in the section 23 program that may well doom its success.

The approval of our funding signaled another downpour of paper work and countless hours of time to bring us to this joyful event we witnessed today.

"The skin of our teeth" is also apparent in the tightness of today's economic conditions. The ability to produce the building we are planning may very well be nigh to impossible in future years if the financial circumstances continue to decline.

In selecting Donald H. Levin as our developer and Arthur Lubelz as our architect, the Secaucus Housing Authority and the Leased Housing Corporation have made a strong commitment to the social well being of our present and future elderly citizens.

This is a commitment which we feel is unique in the sense of community that the design of this building will inspire and foster. Our objective and goal is the construction of a viable neighborhood unto itself, not just a building which stores people.

Architectural design can influence the possibility of gaining the potential of mutual concern within the living environment it creates. This concept was

probably best expressed in the words of Kahlil Gibran: "Your house is your larger body."

And so my friends, Secaucus is proud of the steps it is taking today to meet the needs and burdens of our elderly citizens. In a land of great wealth, our elderly citizens need not live in poverty or want. In an economy of spiraling costs, our elderly citizens need not bear a greater burden.

Men, both young and old, have asked themselves the meaning of a "great life." I can think of no better response than: "It is the dream of youth realized in old age."

This potential was expressed in the words of Longfellow, when he wrote:

"Age is opportunity no less
Than youth itself, though in another dress,
And as the evening twilight fades away,
The sky is filled with stars, invisible by day."

We are grateful for the support and encouragement we have received along the way. Thank you for your many words of well wishes as we commence this important beginning.

I have been deeply moved by the opportunity to play a small part in launching this venture. I am sure that I have probably told many of you about my personal commitment to this cause. I don't see "The Elms" as 100 apartments, but rather as 100 homes that will meet the urgent needs of many, many elderly people for today and many tomorrows.

The frustrations and failures of a career in public office will always be overshadowed by the triumph of moments like this.

My sentiments and remarks can well be summed up in reminding you of words that inspired me years ago, when listening to the closing words of the inaugural address of President John Kennedy:

"With a good conscience our only sure reward, with history the final judge of our deeds, Let us go forth to lead the land we love, asking His blessing and His help, but knowing that here on earth God's work must truly be our own."

HOUSING AUTHORITY OF THE TOWNSHIP OF LAKEWOOD,
Lakewood, N.J., January 17, 1974.

DEAR SENATOR: In reply to your request for my statement and views concerning my involvement in programs of housing for the elderly and the moratorium on Federal housing imposed by the Department of Housing and Urban Development, my views are as follows:

The housing moratorium imposed by the Department of Housing and Urban Development has done great harm and set back housing authorities, especially the Lakewood Housing Authority, of which I am director, in their attempts to provide sorely needed housing for the elderly residents of our Community.

The Lakewood Housing Authority presently operates 206 elderly units of housing and has a waiting list of approximately 200 elderly citizens waiting for an apartment. The turnover among elderly citizens is virtually nil and therefore there is a tremendously long wait upon the part of the senior citizen applicant until they can receive an apartment from the Lakewood Housing Authority. Those senior citizens that do apply for public housing units, while living in fairly decent accommodations, cannot cope with the ever increasing cost of rent and inflation and find it ever so difficult to make ends meet on their Social Security checks.

I also feel that the 200 applications the housing authority has in its files belies the actual amount of people requiring a need for senior citizens public housing as many senior citizens have not, and do not file an application because of the long wait involved before they can be offered an apartment.

I strongly doubt that housing allowances are the answer for providing housing, not only for our senior citizens but also for our economically poor people. While housing allowances may overcome the financial aspects in paying the high rents being asked for private accommodations, I seriously doubt the

availability of sufficient private accommodations to meet the needs of those people requiring housing assistance.

I also feel that our senior citizens living on fixed incomes sometimes need more than just a living unit; they need the amenities such as community space and recreation space that the housing authorities normally provide for them. They require in many instances special attention which housing authorities usually give. These amenities and special attention would not, I believe, be available under a housing allowance program where the senior citizens will be required to find their own apartment.

I also have noted that one of the enclosures attached to your letter was Senate bill S. 2180 which calls for the establishment of an Office of Security in the Department of Housing and Urban Development, which office will make grants and enter into contracts to provide security for senior citizen projects developed under the Department of Housing and Urban Development programs.

I strongly support a bill of this nature as I feel that the security of senior citizen tenants is a very important demand on their part and that while in Lakewood to date we have not had reasons for requiring security personnel, the problem has been brought up to me by many of our senior citizen tenants: from time to time, and while the local police department does provide as much assistance as possible, they cannot give us the full security protection we need, and all our attempts to obtain funds from the Department of Housing and Urban Development have been failures due to the lack of obtaining funds for local housing authorities.

I sincerely hope that you and the Subcommittee on Housing for the Elderly will extend every effort to reinstate the Department of Housing and Urban Development programs for housing for our elderly senior citizens.

Very truly yours,

HOWARD GOLDBERG,
Executive Director.

HOUSING AUTHORITY OF THE BOROUGH OF HIGHLAND PARK,
Highland Park, N.J., January 16, 1974.

DEAR SIR: In response to yours of the 10th inst, please note that we are greatly concerned over the effects of the HUD moratorium on senior citizens housing in this area which has been little short of tragic. We have been awaiting a decision to proceed for over three years due to different procedures injected into the program and now we are caught in an environmental dispute which appears to be holding up the project indefinitely.

When we first embarked on the project in 1970, we had a list of 100 senior citizens available for the housing. Many were trying to keep their homes which they could ill afford at the time and with rising prices an increasing number of elderly on Social Security and small pensions are now finding it almost impossible to meet expenses. Highland Park has the highest tax rate in Middlesex County. Others are living in deteriorated flats and apartments where rents are unstable and likely to increase any time, despite our efforts at rent control.

We are not a deteriorated community nor do we have many at poverty level, but the need of these elderly in the low income bracket is great as we have in our present project room for 12.

It is our opinion that the proposed plan for home allowances unsupported by production subsidies leaves the door wide open for competitive scrambling for scarce housing at moderate cost and price gouging by sellers and builders.

We had hoped that because of our unique position special consideration would be given us by HUD as our Borough is only 1.8 square miles and there are not many spaces left on which to build housing of any kind. Any assistance you may give us at this time will be greatly appreciated.

Sincerely yours,

HELEN G. HURD,
Councilwoman.
CECELIA HEXT,
Executive Director.

HOUSING AUTHORITY OF THE TOWN OF PHILLIPSBURG,
Phillipsburg, N.J., January 16, 1974.

DEAR SENATOR WILLIAMS: We welcome the opportunity to respond to your letter of January 10, 1974 to express our concerns about the housing needs of older Americans.

The moratorium on housing programs has pretty much frozen older citizens where they are. In some instances, in dilapidated housing; in others, in rental units with skyrocketing rents; and in still others, in homes where the elderly find themselves unable to cope with the increasing load of property taxes, fuel and maintenance costs, etc.

The longer the moratorium remains in effect, the more severe the housing crunch on older Americans.

With regard to our efforts on behalf of housing for the elderly, the housing authority of the town of Phillipsburg made application for a 100-unit project for the elderly in 1969. We received a program reservation, executed a preliminary loan contract, received tentative site approval, submitted a development program with completion tentatively set for October 1972.

With the cooperation of the housing authority, the Rotary Club of the town of Phillipsburg decided to pursue the development of 100 units of housing under section 236 utilizing the remaining portion of the site tentatively approved for our project. Strong support for both projects was received from the town council, and the Phillipsburg area Chamber of Commerce.

There ensued a series of frustrating events beginning with withdrawal of tentative site approval; a change in project site selection criteria; and finally, in September 1973, a letter from John J. Collins, Assistant to the Executive Assistant Commissioner of HUD, advising that all funds for projects under consideration had been expended. Any new funding is contingent upon an act of Congress, according to Mr. Collins.

The moratorium, in effect, eliminated 200 units of housing for low, moderate income and handicapped persons in Phillipsburg.

With regard to housing allowances unsupported by production subsidies, we do not believe that housing allowances will work. The problem is a shortage of dwelling units. Housing allowances will not stimulate construction of housing for low and moderate income people. Housing allowances, we believe, will tend to raise the rent floor, will drive up the price of substandard housing, and line the pockets of slum landlords.

Sincerely,

JACINTO F. GAMMINO,
Executive Director.

UNION COUNTY OFFICE ON AGING,
Elizabeth, N.J., January 15, 1974.

DEAR SENATOR WILLIAMS: I am enclosing herewith a housing study I made on the needs of seniors in Union County. The study was made shortly after my acceptance of my current position as director of the Union County Office on Aging.

The study shows a need of 5,454 units, with 1,800 units existing and in planning giving a shortage of 3,654. The shortage of 3,654 is still an accurate figure.

In regard to your specific question:

(1) Effects of the moratorium: Housing planning for Cranford and Westfield has been delayed. Proposed additional housing for Union Township has been delayed. Proposed housing in Summit has been delayed. This planning came to a standstill with the moratorium announcement.

(2) Status of my efforts: Discussions with my advisory council on aging have not been deferred in reference to housing in view of the moratorium. We do plan to draw up a specific approach to all municipalities and the county in reference to how a leased housing program would affect them as well as to encourage continued planning by municipalities and the county.

(3) I feel housing allowances would meet a need for some people, however they would be limited in their benefit and not meet the overall existing shortage which also requires new construction.

Lack of housing for seniors is one of our major problems in Union County and the long waiting lists in each senior housing project attest to this.

*Number on
waiting list
for senior
housing¹*

Name of housing authority with senior housing projects:

Elizabeth Housing Authority	800
Linden Housing Authority	35
Rahway Housing Authority	198

¹ As of January 14, 1974.

These waiting lists are not true indicators of need either because most people feel it is useless to file an application because it won't do them any good anyway.

In our office on aging we find it most frustrating whenever any older person presents a housing need. Under present conditions all we can do is sympathize, tell them the hard cold facts and pray that conditions will change.

Very sincerely,

PETER M. SHIELDS,
Executive Director.

[Enclosure]

MEMORANDUM

To: Freeholder Walter E. Ulrich, chairman, Department of Public Affairs and General Welfare.

From: Peter M. Shields, Executive Director, Office on Aging.

Date: October 10, 1972.

Re: Housing study.

I have made a study of the housing needs of the elderly in Union County in order to be able to better assist and advise municipalities and interested groups in this area.

For purposes of the study it was presupposed that on the average at least 10 per cent of those over 65 need subsidized housing.

As of June 1972 Union County has a population of 540,000. The estimated housing need is 5,400 units; 1,800 units are either in existence or planned for construction. The result is a shortage of approximately 3,600 units.

My study, including two statistical tables, is attached.

Table 1 shows the existing and planned units for the elderly under Low-rent public and moderate income state or federal subsidized by town.

Table 2 gives a breakdown of the shortage by town. These guessed-at shortages are just that—estimated guesses. However, there is no doubt of an overall shortage. Actual specifics would have to be gathered for each community on detailed surveys.

STUDY ON NEED FOR ELDERLY HOUSING IN UNION COUNTY

Ten percent of today's Americans, some 20 million people, are at least 65 years of age. If the present growth rate continues there will be 25 million senior citizens by 1985 and 30 million in the year 2000.

In New Jersey the number of senior citizens has increased from 394,000 in 1950 to 700,000 in 1970.

In Union County we have over 54,000 seniors over 65 and over 80,000 over age 60. Our over-65 seniors represent 10 percent of the population while in 1960 they only represented 8 percent.

Nationally, 25 percent of our senior citizens have incomes below the poverty levels of \$1,576 to \$1,862 for an individual or \$1,972 to \$2,349 for a couple. Recent 1970 Census figures show that Union County is among the top 25 richest counties in the United States in average family income, however 8,379 of our seniors 65 and over (15 percent) have incomes below the poverty level.

A conservative rule of thumb used to indicate need for subsidized housing has been 10 percent of the age 65+ seniors. In 1960 there was an estimated need of 58,000 units (70,000 units needed—15,000 units built).

In Union County the 1970 population figures indicate a need for 5,400 units. Only 1,800 units have been built or planned leaving a shortage of 3,600 units.

Table 1 attached shows the existing and planned units for the elderly in Union County under low-rent housing public and moderate income State or Federal subsidized by town.

Table 2 gives a breakdown of the shortage by town.

TABLE 1.—LOW-RENT PUBLIC EXISTING AND PLANNED SUBSIDIZED HOUSING UNITS BY TOWN

Town	Existing	Planned	Totals
Elizabeth.....	250		
	125		
	126		
Linden.....	200		
Plainfield.....	16	225	
	25		
Rahway.....	36		
	48		
Subtotal.....	826	225	1,051
Moderate income State and/or Federal subsidized			
Roselle.....		170	
Union.....	156		
Elizabeth.....		193	
Plainfield.....		230	
Subtotal.....	156	593	749
Total.....	982	818	1,800

¹ Low-Rent Public total units.

² Moderate income, total units.

³ Total units, existing and planned.

TABLE II

- Berkeley Heights.**—Has 3,300 residential buildings of which 117 have senior citizen tax exemptions due to 117 senior citizen homeowners with incomes of less than \$5,000. Population increased from 8,761 in 1960 to 13,078 in 1970. They have an over-65 population of 874 with an estimated housing need of 870. There has been no publicized action on senior citizens housing.
- Clark.**—Has 4,440 residential buildings of which 191 have senior citizen tax exemptions due to 191 senior citizen homeowners with incomes of less than \$5,000. Population increased from 12,195 in 1960 to 18,829 in 1970. They have an over-65 population of 921 with an estimated housing need of 92. There has been no publicized action on senior citizens housing.
- Cranford.**—Has 6,819 residential buildings with 526 senior citizen tax exemptions due to 526 senior citizen homeowners with incomes of less than \$5,000. Population increased from 26,424 in 1960 to 27,391 in 1970. They have an over-65 population of 2,537 with an estimated housing need of 253. Last publicized housing action was on March 13, 1972 when "a proposed 100 unit senior citizen project faced zoning board test."
- Elizabeth.**—Has 13,696 residential buildings of which 2,197 have senior citizen homeowners with less than \$5,000 income. Population increased from 107,698 in 1960 to 112,654 in 1970. They have 13,414 over-65 with an estimated housing need of 1,341. They have 501 existing units plus 193 approved and expected by late 1973. This leaves a shortage of 647. The Elizabeth Housing Authority has requested a 300-unit approval from HUD to alleviate some of the shortages because they have 800 on their waiting list. (The 193 approved and expected is a private moderate income project proposed for West Grand Street by Royal Camp Enterprises).
- Fanwood.**—Has 2,380 residential buildings of which 85 have senior citizen tax exemptions due to 85 senior citizens with incomes of less than \$5,000. Population has increased from 7,963 in 1960 to 8,920 in 1970. They have an over-65 population of 493 with an estimated housing need for 49. There has been no publicized action on senior housing.
- Garwood.**—Has 1,181 residential buildings of which 160 have senior citizen tax exemptions due to 160 senior citizens with incomes of less than \$5,000. Population decreased from 5,425 in 1960 to 5,260 in 1970. They have an

over-65 population of 494 with an estimated housing need of 49. There has been no publicized action on senior housing.

Hillside.—Has 5,456 residential buildings of which 713 have senior citizen exemptions due to 713 senior citizens with incomes of less than \$5,000. Population decreased from 22,304 in 1960 to 21,636 in 1970. They have 2,587 over-65 population with an estimated need of 258. Recent publicity indicates that the mayor has appointed a second committee to study senior housing needs.

Kenilworth.—Has 2,392 residential buildings of which 214 have senior citizen tax exemptions due to 214 senior citizen homeowners with incomes of less than \$5,000. Population has increased from 8,379 in 1960 to 9,165 in 1970. They have an over-65 population of 611 with an estimated need of 61 units. There has been no publicized action on senior housing.

Linden.—Has 9,160 residential buildings of which 1,184 have senior citizen exemptions due to incomes of less than \$5,000. Population increased from 39,931 in 1960 to 41,409 in 1970. They have an over-65 population of 3,638 with an estimated need of 363 units. They do have a 200-unit Peach Orchard Towers leaving a shortage of 163 units.

65—Population	54,000
Estimated Housing Need	5,400
Existing and Planned	1,800
Shortage	3,600

Town	Existing and in planning	Estimated housing need	Shortage
Berkeley Heights		87	87
Clark		92	92
Cranford		253	253
Elizabeth	694	1,341	647
Fanwood		49	49
Garwood		49	49
Hillside		258	258
Kenilworth		61	61
Linden	200	363	163
Mountainside		62	62
New Providence		76	76
Plainfield	496	523	27
Rahway	84	259	175
Roselle	170	220	50
Roselle Park		142	142
Scotch Plains		139	139
Springfield		207	207
Summit		300	300
Union	156	661	505
Westfield		298	298
Winfield		14	14
Totals	1,800	5,454	3,654

MEMORANDUM

To: Freeholder Walter E. Ulrich, chairman, Department of Public Affairs and General Welfare.

From: Peter M. Shields, executive director, Office on Aging.

Date: October 24, 1972.

Re: Addendum to housing study, dated October 10, 1972.

Mountainside.—Has 2,266 residential buildings of which 84 have senior citizen tax exemptions due to 84 senior citizens with incomes of less than \$5,000. Population has increased from 6,325 in 1960 to 7,520 in 1970. They have an over-65 population of 626 with an estimated housing need of 62. There has been no publicized action on senior housing.

New Providence.—Has 3,302 residential buildings of which 110 have senior citizen tax exemptions due to 110 senior citizens with an income of less than \$5,000. Population has increased from 10,243 in 1960 to 13,796 in 1970. They have an over-65 population of 763 with an estimated housing need of 76. There has been no publicized action on senior housing however. I did meet with representatives of a Mayor's Committee along with Vivian Carlin, consultant on living accommodations for the elderly at the State Office on Aging, about 2 months ago to discuss the needs on housing.

- Plainfield.—Has 8,768 residential buildings of which 729 have senior citizen tax exemptions due to 729 senior citizens with incomes of less than \$5,000. Population has increased from 45,330 in 1960 to 46,862 in 1970. They have an over-65 population of 5,238 with an estimated housing need of 523. Plainfield is expecting private construction under State financing sponsored by the Mount Carmel Guild. It should cover 230 units and will be complete sometime late 1973. They also have HUD approval for low-income public housing for senior citizens. It will be a 225-unit structure. We estimate completion late 1973 also. The construction of these two units should take care of the senior citizen housing needs in the City of Plainfield.
- Rahway.—Has 6,838 residential buildings of which 682 have senior citizens tax exemptions due to 682 senior citizens with incomes of less than \$5,000. Population increased from 72,699 in 1960 to 29,114 in 1970. They have an over-65 population of 2,594 with an estimated housing need of 259. There has been no publicized action on senior housing.
- Roselle.—Has 4,685 residential buildings of which 573 have senior citizen tax exemptions due to 573 senior citizens with incomes of less than \$5,000. Population has increased from 21,032 in 1960 to 22,585 in 1970. They have over-65 population of 2,200 with an estimated housing need of 220. There has been approval for private construction of senior citizen housing under State funds for 170 units. Ground-breaking will take place in October 1972, estimated completion late 1973.
- Roselle Park.—Has 3,113 residential buildings of which 401 have senior citizen tax exemptions due to 401 senior citizens with incomes of less than \$5,000. Population increased from 12,546 in 1960 to 14,277 in 1970. They have an over-65 population of 1,425 with an estimated housing need of 142. There has been discussion on forming a non-profit senior citizen housing corporation. I met with the Roselle Park mayor and Vivian Carlin, consultant, to discuss this in June 1972.
- Scotch Plains.—Has 5,826 residential buildings of which 298 have senior citizen tax exemptions due to 298 senior citizens with income of less than \$5,000. Population has increased from 18,491 in 1960 to 22,279 in 1970. They have an over-65 population of 1,390 with an estimated housing need of 139. There has been no publicized action on senior housing.
- Springfield.—Has 3,763 residential buildings of which 314 have senior citizen tax exemptions due to 314 senior citizens with incomes of less than \$5,000. Population has increased from 14,467 in 1960 to 15,740 in 1970. They have an over-65 population of 2,077 with an estimated housing need of 207. We understand a housing committee has been formed to determine the housing needs.
- Summit.—Has 5,327 residential buildings of which 339 have senior citizen tax exemptions due to 339 senior citizens with incomes of less than \$5,000. Population increased from 23,677 in 1960 to 23,620 in 1970. They have an over-65 population of 3,000 with an estimated housing need of 300. We understand they expect to start considering the possibility of senior citizen housing in Summit.
- Union.—Has 14,351 residential buildings of which 2,148 have senior citizen tax exemptions due to 2,148 senior citizens with income of less than \$5,000. Population has increased from 51,409 in 1960 to 53,077 in 1970. They have an over-65 population of 6,617 with an estimated housing need of 661. Union has an existing senior citizen housing project. It consists of 150 units which were constructed under State funds. We understand the town is now considering the possibility of constructing a second senior citizen housing unit with State funds.
- Westfield.—Has 8,446 residential buildings of which 410 have senior citizen tax exemptions due to 410 senior citizens with incomes of less than \$5,000. Population has increased from 31,447 in 1960 to 33,720 in 1970. They have an over-65 population of 2,986 with an estimated housing need of 298.
- Winfield.—No comment

DEMOCRAT FOR ASSEMBLY, DISTRICT 22.

Scotch Plains, N.J., January 19, 1974.

DEAR SENATOR WILLIAMS: You are to be commended for your sensitivity to the needs of our aging population as demonstrated through your recent hearings on the "Adequacy of Federal Response to Housing Needs of Older Ameri-

cans." I found the session that I attended in East Orange today both informative and helpful.

Please accept the enclosed statement from me for entry into the record of those hearings.

Sincerely,

BETTY WILSON,
*Member of New Jersey General Assembly, District 22,
 Majority Whip, Vice-Chairperson of Committee
 on Institutions, Health and Welfare.*

[Enclosure]

STATEMENT OF BETTY WILSON

The special needs and problems of senior citizens are relatively new in our industrial-technical society. Increased mobility separates families from their elderly relatives; earlier retirements as well as greater longevity provide more years of leisure for the aging. However, this period of "leisure" often represents a time of harsh struggle to survive on a fixed income during times of soaring living costs.

Members of our aging population ought to be able to expect, as a matter of right, that government is responsive to their needs and will initiate programs that do not deny them dignity and self-respect. Our senior citizens have made contributions to our society throughout their lives and ought to be able to continue as fully participating members of their communities.

Government officials should rise to the challenge by initiating new programs to satisfy the changing needs of people as they grow older.

I believe that the right to a roof over one's head is as basic to a person as life, freedom and the pursuit of happiness. When laws of supply and demand or reasons of advanced age prevent people from being able to afford a home that meets accepted standards of health, comfort and dignity, government must intervene.

Elderly citizens who are often struggling to survive on fixed incomes have special housing needs. Some of our aged would choose to live in some form of rental unit if it were available while others prefer to remain in their own homes. Senior citizens, as all other people, should have the right to choose where they will live. When the choice is not available, governmental action is required to create suitable housing at a reasonable cost.

A portion of revenue sharing money should be allocated by the State for the purpose of funding such programs. A recent national survey conducted by the Washington Post showed that during the past year less than 1 percent of revenue sharing money was used for programs for the aged and poor. Since direct federal aid for such programs has been cut back, it is imperative for the States through revenue sharing to assume their new responsibilities by initiating replacement programs. New Jersey should be no exception.

However, the States cannot and should not be expected to go it alone. Our senior citizen needs are part of national change; therefore, the federal government must assume its share of the burden if we are to meet the changing needs of our aging population.

The States need:

Direct aid programs to build low cost housing.

Interest subsidies for construction of moderate income senior citizen housing.

Rent subsidies for persons to live in senior citizen housing or other rental units that are available.

Programs to rehabilitate substandard housing. (According to the Technical Interim Report: Union County Housing Study, April 18, 1973. Union County has over 5,000 substandard dwelling units. A program of rehabilitation would open the housing market to senior citizens as well as all other people who are unable to find suitable housing in New Jersey because of our extremely low statewide vacancy rate of only 1.3 percent.

Incentives to private contractors to build more general housing and rehabilitate substandard housing.

In conclusion, I believe that government has a responsibility to address itself to all of the problems and needs of our growing senior citizen population. If government provides programs that permit the aging to preserve their independence and dignity, our whole society will benefit.

HOUSING AUTHORITY OF THE CITY OF NEW BRUNSWICK,
New Brunswick, N.J., January 22, 1974.

DEAR SENATOR WILLIAMS: I am pleased to respond to your letter of January 10, 1974 inviting me to present my views on the following items set forth in paragraph two of such letter:

(1) Effects of the Moratorium on Housing Programs: Fortunately the city of New Brunswick has not been adversely affected by the moratorium. During the moratorium this authority has received HUD approval on interest subsidies and rent supplement funds for a section 236 (HFA financed) housing project consisting of 206 townhouse and garden apartment units; this project is presently under construction and initial occupancy is scheduled for June 1, 1974. 72 of the units under construction are of the one bedroom type and will be made available to senior citizens on a first come, first served basis.

(2) Senior citizen housing efforts: This authority was also fortunate in that it has received HUD approval of a neighborhood development program during the moratorium period. We propose to acquire and clear the area within the NDP project by October 31, 1974 and to sell off such cleared land for the development of possibly 80 units of senior citizen housing. We are hopeful that Section 23 rent subsidies will be provided for same.

It is also to be noted that this authority has received grant money from the State of New Jersey to assist in the rehabilitation of 20 existing units within the NDP area; many of these units are occupied by senior citizens.

(3) Housing allowances for senior citizens: This authority is of the opinion that housing allowances, unsupported by production subsidies, will not be adequate to meet the housing needs of our older citizens. We are also of the opinion that the most workable senior citizen housing program would be the section 23 leased housing program provided that HUD develops an acceptable method for determining the fair market rents on which rent subsidies will be based, and also eliminate the provision in the proposed section 23 regulations that prohibits payment of rent subsidies on unoccupied units since such provision will make it difficult for developers of new and rehabilitated housing to obtain the required financing for the development of same. It is also recommended that the leasing period for new construction under section 23 be extended to 30 years (5 year initial lease and 5 additional 5 year renewals) in order to assure financing for the development of such housing.

Sincerely yours,

RICHARD M. KEEFE,
Executive Director.

HOUSING AUTHORITY OF THE CITY OF RAHWAY,
Rahway, N.J., January 22, 1974

MY DEAR SENATOR: The housing authority of the city of Rahway, elected officials, and numerous civic organizations are in a complete state of frustration regarding the predicament of senior citizens within our locality, as well as our nation.

In 1970, the Department of Housing and Urban Development cancelled a reservation of 100 units of senior citizens' housing in our locality, as the acquisition cost of property for the complex placed the unit cost of construction above the prototype cost, as established within the guide lines of the Department of HUD.

It is needless to say that these proto-type costs can never be met in the metropolitan area due to the shortage of space, high construction and materials costs, during this day and age. The authority, since this time, has located a site that would be conducive for senior citizens' housing and has attempted to have HUD reinstate its' original reservation or make application for a new reservation. However, we have been informed that a moratorium is in effect on the type of housing we are requesting and is not available.

We have attempted to take advantage of the leasing program for the elderly and find it is an impossibility due to the lack of facilities available, the high rentals charged for those few that would be available, and the low vacancy ratio within the city of Rahway, N. J.

We are not fortunate to have row or town houses available that could be converted into living quarters for seniors. Most of the homes in this city are large single or two-family units, with four to six room apartments, consisting of one kitchen and one bathroom. Thus, conversion costs would prove to be excessive and require spot zoning; this, in effect, is contrary to the planning requirements of the federal government, who, in turn, have set specific guidelines for the redevelopment of communities, leaving us, once again, in a state of frustration.

It is our contention that housing for the elderly cannot become a reality without adequate housing allowances and supported subsidies for construction and operation.

Presently, we have 195 applicants on our waiting list, dating back to 1966. Many have walked out of office without making application, with the remark, "I'll be dead before you can give me an apartment."

It is truly regrettable that this country cannot help its elderly, while we constantly make billions available to other nations. It might be advisable for your committee to play the recording "The Americans" to the House, Senate and the White House, in order that they can be awakened to the fact that we Americans are fed up with so much assistance being given to others while our needs at home are so great.

I have before me an application from a Mrs. Geraldine Barford, who interrupted this letter with a telephone call to me, requesting action on her application for senior housing. Mrs. Barford filed an application in August of 1972. She is 52 years of age, disabled, and receiving Social Security benefits of \$189.50 per month. Her present rent is \$185 per month, including utilities. Mrs. Barford has sold all of her jewelry and most of her furniture in order to stay alive. She presently weighs 78 pounds. When asked if she had applied for public assistance from welfare, she informed me that she was told that her son was capable of assisting her and was therefore refused assistance. Her son will not assist her in any way and does not even bother to return her calls to him.

Checking further, I find that Mrs. Barford is a direct descendent of Abraham Clark, U. S. Representative of New Jersey, 1791-1794, and was one of the signers of the Declaration of Independence.

I wish your committee would convey this tale of woe to the members of the House, Senate and the White House, as I am sure that others suffer in a similar manner.

When this country of ours can permit such situations as this to exist, I wonder what our forefathers fought for and how our legislators can say that they are serving the people.

It is truly regrettable that you are but one fighting this cause and I hope that you will be of some assistance to those who have helped make this country what it is today—OUR ELDERLY AND DISABLED.

Very truly yours,

W. SCHAFFHAUSER,
Executive Director.

HOUSING AUTHORITY OF THE TOWNSHIP OF HADDON,
Westmont, N.J., January 22, 1974.

DEAR SENATOR: Your letter of January 9, 1974 in reference to housing for the elderly addressed to Mr. Adolph Siegel has been turned over to me for answer. Mr. Siegel died rather suddenly on November 28, 1973 and I have been appointed acting director of the Haddon Township Housing Authority. We are very pleased to hear of your interest in, and activities for, the senior citizens of our State. You ask for our views on certain specific matters.

First we believe the moratorium on funds for the housing program is a mistake. Our present senior citizen facility was filled to capacity as soon as it was open for occupancy and we have never had a vacancy since. We have a long list of senior citizens waiting for an apartment to become available. We made application to HUD for a second facility over a year ago and received preliminary approval. However when the freeze on funds was announced, HUD returned our application and plans with the note that no Federal money was available at this time and we would have to make our

application again at a later date. We have many senior citizens of this community living on fixed incomes who are fighting a losing battle in attempting to maintain a decent standard of living in the face of the constantly rising costs of everything. Housing in this community, the rent of which would fall within their means, is practically nonexistent.

We believe that production subsidies which will enable communities such as ours to construct new facilities specifically built to meet the needs of elderly persons is the permanent answer to the problem of housing for senior citizens rather than housing allowances. Housing allowances can be immediately effective but we can't see it as an effective solution. The construction subsidy is the real answer.

Very truly yours,

JOSEPH S. VAN NORT,
Acting Executive Director.

CRAFORD HOUSING BOARD, INC.,
Cranford, N.J., January 22, 1974.

DEAR SENATOR WILLIAMS: On behalf of the Cranford Housing Board, may I say how encouraged we are to learn of the hearings which you have begun in the area of senior citizens' housing.

We, in Cranford, have been working on our senior citizens' project for nearly 6 years. After a very detailed feasibility study and a very careful and well-planned program, the Cranford Housing Board received the final approval for a 100-unit project about one week after the Federal funds were frozen. This very careful planning on our part probably resulted in an inexcusable delay in our entire project. If anything, we found ourselves in a position where our pace was too measured, our research and planning was too detailed and the net result is that the old people of Cranford have suffered.

In the past year, while Federal funds were frozen, we have investigated the possibility of obtaining private funding. This has proved to be not feasible since it would result in extremely high rents for the senior citizens. It is obvious that if we as a municipality are to provide reasonable housing for our older citizens at reasonable rents, Federal funding must be used.

May I urge that you bring the pressures of your good office to bear and urge the release of frozen funds without delay. If this is not possible, may I urge you to take the appropriate action to develop the necessary program which will provide the required funds.

My housing board, and I am sure the entire community, are anxiously awaiting your comment on this matter.

Thank you very much for the interest you have already shown.

Very truly yours,

E. K. GILL,
President.

MAPLEWOOD SENIOR HOUSING CORPORATION,
Maplewood, N.J., January 19, 1974.

DEAR SENATOR WILLIAMS: Your special delivery letter of January 11 to Dr. Richard Feige, president of the Corporation above, received in Maplewood on January 17, was discussed by the board of directors yesterday evening—too late for participating in your East Orange hearing this morning.

Therefore, on the board's instructions, I provide this brief history of the corporation's 3 years of frustrations (both time-consuming and expensive) in its effort to provide much-needed senior housing to this community. Our problems were of course compounded by the Federal administration's impounding of certain housing appropriations. Incidentally, Maplewood's experience and difficulties contrast with the successes of senior projects in other nearby north Jersey communities, such as Union, etc.

Maplewood has about 4,000 social security recipients among its population of 25,000. About 500 of these are currently members of two active senior clubs.

In March of 1971, a social concerns commission of the local Morrow Memorial Methodist Church sensed the potential loss to the community of some of the long-time senior residents who are forced unwillingly to seek suitable elderly housing elsewhere. Morrow Church took steps with four other local church groups (Catholic, Jewish, Episcopal, and Presbyterian): they organized a New Jersey nonprofit corporation, registered in early 1972 by the New Jersey Secretary of State.

Subsequently, the New Jersey Housing Finance Agency gave its approval to a selected 2.7 acre site in the town's central area; the agency also approved the board's selections of architect, counsel, consultant, and contractor—all experienced in providing senior housing projects elsewhere in northern New Jersey.

The Maplewood Township government itself passed a resolution of need for senior housing in Maplewood. A confirming survey was made by a consultant. The architect drew plans for 133 apartments.

The local board of adjustment was requested to grant a variance for a multiresidence structure. Opposition developed from a small ad hoc group of residents living near the proposed site who called for "open space" or "green acres" to conform with their interpretation of a local so-called "master plan." After hearings, the board of adjustment voted 3 to 2 *against* the requested variance.

The corporation then appealed this decision in the Superior Court in Newark (Judge H. Curtiss Meanor). This court remanded the question to the board of adjustment for reconsideration, citing the inapplicability of the so-called "master plan" argument. Whereupon, the board of adjustment reversed its original ruling by a 3 to 2 vote *in favor* of the requested variance for this corporation's project.

The "master plan" opposition group then appealed, and in December, 1973 another Superior Court judge (Arthur C. Dwyer) returned the variance question directly to the Maplewood Township committee to record its decision for or against its board of adjustment's favorable variance ruling.

On December 16, 1973, the township committee ruled 3 votes to 2 to deny the variance. It issued a resolution of four pages to that effect, citing among other more minor objections the current unavailability of Federal or State low interest mortgage money to finance the senior housing project.

This second reversal of a ruling by the township government is now being appealed.

Generally, as well as in the interest of its own project, the Maplewood Senior Housing Corporation unanimously supports your efforts (through your Senate bills 2179, 2180, 2185 or otherwise) you receive Federal low-interest mortgage support for needed Senior Housing projects, reversing the present administration's moratorium on such funds as were previously provided under NHA-HUD sections 236 and 202.

We look forward to the success of our dedication to the housing interests of our senior citizens.

Sincerely,

H. B. ALLINSMITH,
Secretary, Board of Directors.

BOROUGH OF METUCHEN, MIDDLESEX COUNTY.

Metuchen, N.J., January 21, 1974.

DEAR SENATOR WILLIAMS: The Metuchen Senior Citizens Housing Corporation, in response to your letter of January 9, 1974 wishes to go on record concerning senior citizen housing.

The Federal moratorium on the 236 program has proved disastrous for senior citizen housing in Metuchen. Since 1968 the people of Metuchen have been committed to a senior citizen housing project. The route taken was the creation of a nonprofit Senior Citizen Housing Corporation which would obtain financing through the New Jersey Housing Finance Agency, and would be dependent upon mortgage funds from the federally funded 236 program. After searching several years for suitable land at a reasonable cost, options were finally obtained and the project submitted for approval to the New Jersey Finance Agency. The moratorium on the 236 program stopped the project, leaving the members of the corporation and many senior citizens frustrated.

Unless the land can be acquired by the State of New Jersey and kept as a holding operation until a new Federal program is available 5 years of effort by Metuchen citizens to obtain housing for the elderly will have gone down the drain.

Sincerely,

HOWARD GOODENOUGH,
Chairman.

HOUSING AUTHORITY OF THE CITY OF HOBOKEN,
Hoboken, N.J., January 21, 1974.

DEAR SENATOR WILLIAMS: In reply to your letter of January 10, 1974, please be advised as follows:

(1) Since lead time is necessary for the development of any continuous housing program a moratorium, or freezing of funds, has the obvious disastrous effect of terminating all federally aided programs. Start-up time for a resumption of these programs will of necessity encompass increased costs rendering such programs economically unfeasible. The obligation of our government as stated in the preambles of Housing Laws since 1937 cannot therefore be fulfilled, placing the creditability of the intent of the Congress in serious question.

(2) More than half of our 1,323 public housing units are presently occupied by elderly families of which 528 were specially designed and constructed for senior citizens. While public housing for the elderly in Hoboken fulfills a great physical need, this seemingly is insufficient.

For sometime, we have endeavored to obtain social, medical and nutritional services through HUD grants but the State of New Jersey through whom these funds were to have been channeled "never got off the ground." It is hoped that under the new administration on State levels will accomplish this much desired assistance. To round out the needs of our elderly citizens, adequate security and maintenance are also necessary. The recent Brooke amendment has crippled our financial ability to provide even the barest of physical services.

(3) Housing allowances can only serve to fatten the coffers of the *slumlords*, and will not produce additional housing. Every study reveals that the great shortage in housing exists at the low and moderate income levels. The millions of units needed to eliminate this shortage can only be satisfied by production involving subsidies in amounts necessary to provide decent, safe and sanitary shelter at rents or prices these families can meet.

Sincerely,

M. EDWARD DE FAZIO,
Executive Director.

ST. ANASTASIA CHURCH,
Teaneck, N.J., January 21, 1974.

DEAR MR. WILLIAMS: St. Anastasia Church in Teaneck, N.J., is most concerned over the non-existence of senior citizen housing subsidies.

Our parish council has authorized: (1) Participation by St. Anastasia along with other churches and organizations in an ecumenically sponsored project for senior citizens, and (2) a completely separate venture whereby some of our parish land would be made available for a senior citizen housing project sponsored solely by St. Anastasia's.

Both of the above projects have received endorsements by separate town council resolutions. Architects, attorneys and housing consultants have been formed into the necessary teams. Now the moratorium on funds has totally stopped these projects. Furthermore, St. Anastasia's parish has borrowed funds for the acquisition of several properties adjoining the church which were purchased with a view to rounding out the area needed for housing. This is money spent uselessly unless senior citizen housing construction subsidies become available soon.

I definitely do not feel that housing allowances, unsupported by production subsidies, will in any way meet the housing needs of older persons. I serve on the Teaneck Coordinating Committee of the Housing Authority of Bergen County and through contacts in this office and in parochial work it is most

apparent that there is a need right now for rental apartments within the financial reach of these people. Without subsidies it is not possible to build senior citizen housing units attainable by lower and middle means people.

Sincerely,

REV. JOEL SCHEVERS,
O. Carm.

HOUSING AUTHORITY OF THE BOROUGH OF PRINCETON,
Princeton, N.J., January 21, 1974.

DEAR SENATOR WILLIAMS: I appreciate this opportunity to respond to your request for a statement concerning housing needs of older Americans, and the adequacy of Federal response to those needs.

My unhesitating reaction is that the response of the Federal administration is totally inadequate, indeed callous and indifferent. The word "freeze" has been used to denote the withholding of funds already allocated for construction of subsidized housing. The word encompasses far more, however, it symbolizes the lack of understanding and sensitivity toward our fellow citizens, especially the poor and elderly, which characterizes much present Federal action.

While the national effects of the moratorium are readily visible and understood by anyone at all cognizant of housing conditions and needs in this country, I can respond more specifically to its effect on our local subsidized housing program.

Although Princeton is not an area usually associated with extreme poverty, many of its citizens, especially those older, experience the serious problems of low incomes and increasingly high living costs, particularly those of inadequate and expensive housing.

In 1967, 50 units of housing for the elderly were completed in the borough of Princeton by the housing authority. Since that time, efforts have been directed toward acquiring low income housing for the township of Princeton, and on March 1, 1972, approval was received from HUD to construct 100 units, 50 of which would be designed for elderly residents. A developer was promptly selected, and approved by HUD, and a preliminary loan was authorized.

With the active help of many local citizens and legislators like yourself the housing moratorium of January 5, 1973 was eventually lifted from this project (see attached memorandum entitled Brief Summary for the Year 1973). But the delays it engendered, and subsequent stumbling blocks, including HUD's receptivity to the efforts of a small but well organized local group to halt the project, have brought us to a point where rapidly escalating construction costs, an asking land price almost doubled, and many other factors make the successful continuation of this program highly uncertain.

The situation in Princeton offers a miniscule example of what is happening throughout the country as a direct result of longstanding and worsening disregard for the crucial needs of elderly people. We have 50 units of elderly housing, and a permanent waiting list of approximately 70 applications. Since we have had 3 vacancies in each of the last 2 years, it can readily be seen that the large majority of our applicants will never be able to enjoy the peace of mind which comes from the security of having comfortable housing at a price they can afford.

You solicit views on whether housing allowances, unsupported by production subsidies, are likely to meet housing needs of older persons and other Americans. In Princeton, and I would assume most other places, the need is not only for lower cost housing, but for *more and better* housing. By granting allowances without adding to the housing supply one would add only to the competition for the existing housing, and would, in my opinion, do nothing to meet basic housing needs.

I hope that the legislation which you have introduced to establish a demonstration program to provide direct financing of housing for the elderly will be enacted, and even more important, that the hearings you are conducting will bring us an awareness of what many of our fellow Americans are facing.

and awaken us to the disastrous consequences of continuing to ignore their needs.

Sincerely,

E. KARIN SLABY,
Executive Director.

[Enclosure]

BRIEF SUMMARY FOR THE YEAR 1973 AND OUTLOOK FOR THE YEAR 1974

HOUSING AUTHORITY POLICY AND MANAGEMENT MATTERS

The progress of turnkey project NJ-27-3 for 100 units of housing to be built in Princeton Township, originally approved by HUD (Housing and Urban Development) in May, 1972, was brought to a virtual halt this past year.

On January 5 a Federal moratorium was placed on further construction of subsidized housing. Although we were informed verbally that our project would be able to continue, it was not until March 5 that a clarifying directive was issued by HUD, Washington, authorizing the continued processing of projects where a developer had been selected and a preliminary loan had been approved. At this point we were informed that our specific project had been "lost," when a list of those projects eligible to continue had been sent to Washington. Following resubmission by Camden, the project was "found" and approved for continued development on April 18.

During this interim the New Jersey State Department of Environmental Protection had issued, on February 20, a ban on any additional connections to the sewer system in Princeton Township and Borough, due to major inadequacies in the system. The housing authority appealed this ban, and on June 1 the State granted us an exception for the construction of the project.

This was not the end of our problems, however. On April 19 we were informed by the Camden area office that a "major environmental impact statement" was being required to be done on the project, in place of the "special environmental study" normally required for projects of this size and nature, and which was in progress at that time. The justification given by the HUD Central office in Washington was the "controversial" nature of the site—based on the opposition of 107 residents, who had threatened HUD with legal action. The consensus of the Camden area office was that a major study was unwarranted, and in fact they had never found it necessary to carry out such a study even on projects far larger and more complex than the Princeton units.

Large scale support from the community evidently helped to persuade HUD in Washington to decide that the so-called "special environmental study" would suffice, if it proved to be favorable, without any negative findings.

However, due to the extended delay caused by rampant bureaucracy, the developer's option on the land expired, and the owner of the property refused to renegotiate the option for a suitable length of time, and at a fair market price.

At this time, with the help and support of some Princeton citizens, negotiations have been reopened, and are now in progress to regain control of the property, and HUD is completing its "special environmental study." If these proceedings may be completed favorably, we may be able to continue, and hopefully overcome any additional obstacles, so that we may finally win the prolonged struggle to provide 100 families of our community with decent reasonably priced housing.

Other matters: Catharine Wood was reappointed to the housing authority by Mayor Cawley for a 5-year term on August 15, 1973. Barbara Sigmund who has served as liaison member to the housing authority from the borough council for the year 1973, merits appreciation for her enthusiasm and interest in the work and purposes of the authority, and for her instigation and support of measures designed to help alleviate the housing needs of her fellow citizens.

Apartments vacated and reassigned to new tenants were: one at Hageman Homes, three at Lloyd Terrace, and one at Franklin Terrace, a total of five new families being admitted.

The tentatively eligible applications total 115, of which 69 are from elderly applicants, as of November 30.

The rent balances due for Hageman Homes and Lloyd Terrace as of November 30 were \$545. While this indicates a considerable increase over last year at this time, when the balances were \$75, it is anticipated that it is a temporary situation, since most of the balances are of short term duration, and should be taken care of promptly.

Our payment in lieu of taxes to the borough of Princeton was \$3,844.28 for Hageman Homes and Lloyd Terrace combined, for the fiscal year ending June 30, 1973. The payment for Franklin Terrace, which ends its fiscal year on December 31, is estimated to be \$734.

At the annual meeting of the housing authority held on December 13, 1972, the slate of officers put into nomination was re-elected unanimously for the calendar year 1973, as follows: chairman, Joseph J. Redding; vice-chairman, Kenneth M. Rendall, Jr.; treasurer, Esther C. Dilworth.

Extraordinary maintenance undertaken at Franklin Terrace included a major upgrading of the electrical service. The work included installation of meters, main panels and breaker panels, wiring for same, and additional outlets in each apartment, at a total cost of \$4,500. The job was done by R. F. Johnson Inc.

During the past several months we have encountered two plumbing problems of sufficient magnitude to cause distress to our present budget. It cost \$6,188 to repair leakage in underground hot water pipes at Hageman Homes, necessitating ripping up a section of driveway, digging to the apartment affected, and breaking through the floor in the kitchen and storage room. For cleaning a sewer stoppage at Lloyd Terrace, the cost, not including the necessary blacktopping, was \$1,485.

S. D. Leidesdorf was selected as the independent auditor to do the three year audit which HUD requires. The estimate submitted by them was in the amount of \$1,280. The work is scheduled to be completed before the end of this calendar year.

OUTLOOK FOR THE COMING YEAR

The coming year presages some difficulties, both in management and development. If the option can be regained, and the environmental study brought to a satisfactory conclusion, we will be in a position to move on to the next phase of processing of the proposed turnkey project. These are large ifs, which will only be determined by future developments.

In management, we are faced with the same problems that many institutions are confronting in this period of excessively high cost of both labor and materials, shortages, etc. The problems are aggravated for us by the withdrawal of adequate financial assistance from the Federal Government, which, combined with the age of the Hageman Homes project, keeps us from doing proper preventative maintenance, the most urgent need in this area being rehabilitation of the heating plant. According to conservative estimates, doing this even to a minimal degree of necessity would involve an outlay of \$50,000, and funding in this amount, representing almost two-thirds of our annual budget, can only come from special Government assistance programs, which have been suspended or ended.

Our budget for the fiscal year July 1973 to June 1974 showed projected income of \$76,940, of which \$76,240 was derived from rents. Our estimated expenditures were in the amount of \$90,510. Our request for a subsidy to make up the difference of \$13,570 was approved by HUD, and is being dispensed on a quarterly basis. An additional subsidy of \$5,631 was allocated to us to augment our reserve account, bringing that up to \$11,931. It can be seen that outlays such as those occasioned by the plumbing emergencies, previously mentioned, totaling \$7,673, can quickly use up the small reserve we have. HUD has advised us to seriously consider increasing our *Percentage of Income for Rent Purposes*, which has remained at 21.8 percent since 1967. While our rent income has increased every year, this is due to higher tenant incomes, rather than any increase in percentage of income paid in rent. While we are reluctant to make this move, we may be forced to do so, in the light of escalating costs and aging equipment.

The activities at Lloyd Terrace continue to be enjoyed by all participants, and serve to bring together the residents there and other members of the

community. Especially appreciated are the functions and services contributed by the Friends of the United Methodist Church, who have created an ongoing relationship which provides mutual fellowship and satisfaction. The monthly luncheons for senior citizens sponsored by the Red Cross, the regional schools and the Council for Community Services, which are held at the Littlebrook School, are participated in and greatly enjoyed by a number of residents of Lloyd Terrace and Hageman Homes.

Although the overall picture of our operations could be considered discouraging, our problems still remain smaller and easier to overcome than those faced by many larger, urban authorities. We have a responsible, stable community of tenants, the large majority of whom value their homes and show understanding of our mutual problems and attempts to resolve them.

Since the new year is traditionally a time of promise and optimism, we look forward to the resolution of those obstacles that stand in the way of providing good housing for Princeton families, finding new ways where the old ways are no longer effective or possible.

HOUSING AUTHORITY OF THE BOROUGH OF RED BANK,
Red Bank, N.J. January 21, 1974.

DEAR MR. WILLIAMS: Thank you very much for your letter dated January 10, 1974. We believe that the following would be the kind of information you need.

In a town which has an admirable low-income senior citizen's housing project, where the mayor and council has endorsed expansion, in which there is a great need for such expansion; we have been stymied in an approved project of eighty units, as well as any plans for expansion, based on needs, because of HUD cut off of funds.

We received a letter dated January 18, 1973, from the HUD office stating applications would not be processed further until funds were forth coming. The application itself was delayed for eighteen months previous because of lack of funds.

Please call us at any time for any additional information you may desire.

Sincerely,

MARGARET W. PRIES,
Executive Director

HOUSING AUTHORITY OF THE CITY OF PASSAIC,
Passaic, N.J. January 22, 1974.

DEAR SENATOR WILLIAMS: The local housing authority of the city of Passaic respectfully submits the following statement in conjunction with the hearings you recently conducted in New Jersey on "Adequacy of Federal Response to Housing Needs of the Elderly."

(1) The effects of the moratorium on most housing programs had no immediate effect on Passaic because of the following reasons.

(a) The LHA had their last program approved in August of 1972 and since we had no programs planned in 1973 we did not become effected. This is not to say that public housing for the elderly as well as families is not an urgent necessity.

(b) The city council has continually rejected the LHA proposals for turn-key housing.

We can well imagine, however, that the same does not hold for other authorities throughout the country. Housing stocks in urban centers are deteriorating rapidly, physically, while rentals are increasing more rapidly than limited income families can cope with them.

(2) As to the status of our own efforts on behalf of housing for the elderly, we have been very successful only because of our foresight and your tremendous cooperation and help, in getting our last program of 200 units of leased housing section 23 new construction for the elderly; previous to the implementation of the moratorium.

At present the LHA has 452 Units of Family Units, 373 Units of Leased Elderly Units and 148 Units of Elderly Housing.

(3) In our considered judgment, housing allowance, if by direct payment to limited income families, or elderly, would represent an extension of welfare. Direct allowances could also serve, as an unintended subsidy for substandard housing of which urban centers especially have plenty.

Based on past experience, the LHA is opposed to block grants or additional revenue sharing to the city. The housing authority is supposed to be a partial recipient of these funds at the discretion of the city. Based on our past experience such is nor would be the case. We have never received any funds from present revenue Sharing and received one employee, part time, from EEA funds.

Any subsidies or payments for rent or operating budgets should be made directly to the LHA or specifically earmarked for the LHA.

If we can be of any further assistance to you do not hesitate to ask as we feel that you are doing a tremendous job in trying to help our situation and our Elderly Residents and we will be more than glad to cooperate in any way we can.

MAURICE J. MILLER.

Chairman.

PAUL A. MARGUGLIO,

Executive Director.

FIRST EVANGELICAL LUTHERAN CHURCH,
Clifton, N.J. January 24, 1974.

DEAR SENATOR WILLIAMS: Thank you for your letter of January 10 regarding my interest in senior citizen housing in the city of Clifton. I shall make my remarks as brief and to the point as possible.

Some years ago, 14 to be exact, when I began my ministry in the city of Clifton, I noted the absence of a hospital, nursing care facilities and senior citizen housing. Attempts to build a hospital were thwarted. Groups of doctors who sought to build nursing care facilities encountered many difficulties. It took me 2 years to have the city council pass a resolution of need for senior citizen housing. The sociological dimension in this city is lacking both in the minds of the people and the leadership.

Three years ago our congregation established a nonprofit group entitled, Clifton Lutheran Housing. Our first objective was to build senior citizen housing followed hopefully by a nursing care facility. We decided to take the Housing Finance Agency route to accomplish our goal. Sites were selected and rejected. We finally had State approval to build a small 80-unit building next to the church building. We had plans drawn and were all set to take them to the zoning board in the city of Clifton. Just a few days prior to this meeting we were told by the State of New Jersey that the President of the United States had withdrawn all FHA funding for this kind of project and without the kind of subsidies this provided our costs would be excessive. With 100 percent financing from the State of New Jersey but no FHA subsidies we would have to charge \$250 a month for a one-bedroom apartment. At this figure we would not be able to serve those who really needed this kind of housing and care. Since then our plans have been in limbo. We are presently considering a co-op with private financing but with mortgage rates what they are this is not a very likely possibility. In addition, construction costs are so high that to build at this time without any kind of subsidy would be risky indeed.

Housing allowances, unsupported by production subsidies will not in my estimation do what has to be done. There is a shortage of housing in this area first of all. People have to reach almost poverty level before they can get rent subsidies. Those who benefit the most are owners of the property who offer only a roof over the heads of people but no real care or concern for their personal needs as well as psychological ones. Housing allowances are more of a blessing to the property owners than to the elderly.

At the moment I have 300 applications for senior citizen housing. All of these people would qualify under any program that we have had so far. The State of New Jersey tells me that a city the size of Clifton would have a need of about 1,400 such units. I feel certain that if we started to build tomorrow our applications would at least double.

I believe the church is here to serve the community, the total community, not just her own constituency. We cannot do this alone without some kind of help. It seems that only the Federal Government has the wherewithal to take up the gap of what people can afford to pay for such living conditions and the high costs of construction.

Having just returned from a trip to Sweden and examining the care older citizens get in that country and comparing this to what we have in this city leaves one with a shocking comparison. We seem to have plenty of money for guns and bullets but when it comes to the needs of older people our leadership both locally and federally lack interest and initiative.

Respectfully yours,

EARL R. MODEAN,
Pastor.

GENERAL ASSEMBLY OF NEW JERSEY,
Woodbury, N.J., January 22, 1974.

DEAR SENATOR WILLIAMS: Per our conversation in the auditorium at Trenton, I would like you to include on the committee's record the following information.

In Gloucester, housing for the elderly is relatively nonexistent. The township of Deptford having created a housing authority several years ago to this date has been unable to receive any funding for sorely needed housing. The county of Gloucester also having formed a county housing authority is in the same set of circumstances and, oddly enough, many of the Gloucester County senior citizens are finding themselves having to move to such areas as Cape May where it is unconscionable in this era of human need that the President of the United States would see fit to freeze funds for such assorted needed projects.

Respectfully,

KENNETH A. GEWERTZ,
Assemblyman, District 3B.

ABRAHAM J. ISSERMAN,
CONSULTANT ON HOUSING PROGRAMS,
New York, N. Y., February 6, 1974.

DEAR SENATOR WILLIAMS: Please accept my statement on the housing legislation for the elderly which includes comment on the bills you have introduced. It is a few days late, principally due to my absence from the city.

Perhaps in further hearings you might consider giving the NCBA time for testimony on its special concern for the black elderly.

Perhaps, at some time in the future, you might desire to hold another conference with the Special Committee on Housing for the Black Elderly, which you convened on a previous occasion.

If any of the suggestions contained in the enclosed statement warrant further discussion with members of your staff, we would be happy to participate.

With kindest regards,
Sincerely,

ABRAHAM J. ISSERMAN.

[Enclosure]

STATEMENT OF ABRAHAM J. ISSERMAN, ESQ., CONSULTANT ON HOUSING PROGRAMS,
BEFORE HOUSING SUBCOMMITTEE, COMMITTEE ON BANKING, HOUSING AND URBAN
AFFAIRS, U.S. SENATE, APRIL 3, 1973

Mr. Chairman and members of the subcommittee, I am here on behalf of the National Ad Hoc Housing Coalition and the National Council of Senior Citizens.

I am chairman of the housing committee of the National Council of Senior Citizens.

The National Council is a national organization with 3,000 affiliated groups in communities throughout the United States which have a combined membership of over 3 million senior citizens—I might say all of them are voting age.

I am a member of the board of the National Caucus of the Aged Black. I was the presiding co-chairman of the housing section of the 1971 White House Conference on Aging and a member of its Post Conference Board which is scheduled to complete its work at the end of this month. In the private sector I am consultant to a number of non-profit sponsors of senior citizens housing projects and the interracial Douglass Urban Corporation of New York City which is currently engaged in the construction of approximately 2,500 housing units within the city of New York which will house a substantial number of elderly citizens.

Housing, perhaps next to income and health, is the most important factor affecting the well being of our elderly citizens. We join in the expression of dismay and deep concern over the moratorium in housing programs, the abolition of many housing and supporting programs, the sharp curtailment of others and the elimination of support for nonprofit sponsors which have played a major role in the well being of the elderly in such projects.

Basically we hold that the charges of inefficiencies, unnecessary duplication and even corruption, some well founded, do not justify the moratorium. We agree fully with the findings of Anthony Downs (previously mentioned at this hearing) the widely acknowledged housing expert who recently completed a study of Federal housing subsidies for the Real Estate Research Corporation. (Summary Report: Federal Housing Subsidies: Their Nature and Effectiveness and What We Should Do About Them). The study shows that "both the section 235 and section 236 programs are effective instruments for meeting the key objectives of housing subsidies." Also that, "a preponderant majority of the more than one-half million housing units made available under these programs have been of good quality and have been well received both by their occupants and the surrounding communities." He finds that the extant criticisms of the basic nature of these programs "have proven upon examination to be either false or capable of being responded to" without fundamental change in the basic structure.

We fully support these findings. Unfortunately some of us have accepted the charge that these basic programs are ineffective and are seeking panaceas and substitutes for the interest subsidy programs which presumably would be geared to new concepts, guaranteeing efficiency and armored against corruption. This acceptance of the Administration's position is harmful to the continuation of the much needed Federal housing assistance.

The present problems lie with the *administration* of the sections 235 and 236 programs. For this HUD is responsible. We would wholly support a move to streamline the HUD functions to make them more responsive in the effective and speedy administration of housing programs. Frankly to us the moratorium is simply a budgetary device for the immediate stoppage of the vitally necessary heretofore pledged Federal expenditures on housing. It presages a disastrous withdrawal of the Federal Government from its oft declared responsibility and commitments made to the people of this country and particularly to the elderly for whom I speak—commitments not yet fulfilled. The motivation is alleged to be economy. The result is an abnegation of our social responsibility and a denigration of our humanity.

Need I call attention to the current charges of gross inefficiency and worse levied against our Department of Defense in its contract relations with the large corporations supplying our military hardware and weapons of destruction. The President has not urged the curtailment of these wasteful expenditures which take so much of our national wealth. An increase of over \$4 billion is projected by the administration. Critics of the wasteful procedures have been discharged from their government positions, put under pressure or otherwise disciplined. There has been no suggestion that we declare a moratorium on our military expenditures or an abandonment of defense programs while the problems of inefficiency are under study.

President Nixon declared a short time ago with bland self-assurance that the "urban crisis is over." If it was not the President who made this declaration I would say that it was errant nonsense. The truth of the matter is that we have only scratched the surface in alleviating the recognized shortage.

We have not begun to implement our goal of 26 million new dwelling units in 10 years or 120,000 annually for the elderly as is recommended by the

Senate's Special Committee on Aging and the 1971 White House Conference On Aging. The average American cannot afford to live in the dwelling units which he requires with the decent accommodations and wholesome environment to which he and his family is entitled. The blue-collar worker working full time will rarely earn more than \$10,000 a year before deductions. He cannot without subsidy either pay the "market rental" for an apartment in New York City, at \$100 per room or more, or purchase a house in the suburbs where \$30,000 is below the average price. Even junior executives and professionals earning \$15,000 to \$20,000 per year find it difficult or impossible to carry the burden of a house in the suburbs with its attendant costs of taxes and transportation, etc. The New York City service employees working full time in New York City's hospitals and in other institutions, or in business enterprises rarely earn over \$150 a week before taxes, little enough to take care of the daily needs of themselves and families. Housing accommodations within 25 percent of their income and within reasonable reach of their employment or even beyond it are impossible to obtain without some form of subsidy.

Housing needed for the elderly, the disabled poor, the unemployed and underemployed, the large fatherless families and others is totally out of the question, without subsidy. Shall we abandon these people to the tender mercies of slum landlords, and to the hazards of life in the inner city where community organizations and social service programs are being deprived of Federal support? Shall we, with President Nixon, insist that the elderly with their diminished and diminishing incomes extricate themselves from their substandard living conditions through "self reliance"?

I was the presiding co-chairman of the housing section at the 1971 White House Conference On Aging held in Washington in December of that year. It was attended by some 4,000 delegates representing state and local governments, national, regional and local community organizations and some business enterprises. They came after much discussion of issues involving the elderly, proposed and spurred by the White House Conference staff and with a determination to achieve concrete results from this much heralded conference.

There was no question that the recommendations of this conference not only fully emphasized the long acknowledged need for elderly housing but that its recommendations were to the point. However, the Nixon administration is sweeping those recommendations under the rug. They are completely inconsistent with the President's present intentions to abandon the elderly.

The letter of transmittal from Elliot L. Richardson, then Secretary of HEW is undated, as is the foreword signed by Arthur S. Flemming, Conference chairman and now Special Consultant to the President on the elderly, and the preface signed by John B. Martin (formerly of AoA) as Conference director. The report to the President was required under the congressional mandate which authorized the Conference.

There was no public presentation of the report to the President, no statement issued, no press release covering the issuance of the final report and of its presentation to the President. As the three prefatory statements describe the accommodations as "remarkably practicable" and pointed to the need for immediate action to implement the recommendations, it is understandable that the administration would avoid embarrassment by ignoring the report and recommendations. It seems certain that the administration will not use the Conference findings as a "continuing source of guidance in the immediate future."

I wish to remind Congress and the Administration of the President's commitment made to the 4,000 White House Conference delegates in his address to them on December 7, 1971. In conclusion he said:

"In a real sense, this Conference is just beginning. For all of us are going home with promises to keep. As we keep those promises—as we fulfill our commitments to action—we will make this Conference the great New Beginning you have talked about this week. And we will help make the last days the best days for all of our countrymen."

No promise has been kept. No commitment to the elderly has been fulfilled and the "great new beginning" has been frozen in a moratorium and is destined to die aborning under the new Nixon policies.

The moratorium is deadly and devastating. Hundreds of thousands of dollars, if not millions, and months and years of time have been spent by sponsoring organizations and State housing agencies, and under the urban renewal programs in planning housing for the elderly. These plans cannot be put on a shelf and pulled down at a future time. Building costs rise, options run out, sponsors disband, houses for rehabilitation deteriorate beyond repair—chaos results. A complete retooling is needed. In my opinion an 18-month moratorium actually means a delay of three to five years in the delivery of housing programs.

An informal check made yesterday with the New York State Urban Development Corporation indicates that some 10,000 to 12,000 housing units in the pipeline will have to be abandoned. The financing for these units with New York State funds would approximate \$350 million—a tremendous setback for the construction industry. The public housing authority of New York City indicated that its program for 14,000 housing units (part of a program of 50,000 units) would similarly have to be abandoned. The Douglass Urban Corporation has in its pipeline projects totaling several thousand units, some with nonprofit sponsorships and some sponsored by limited dividend enterprises. These too, will have to be abandoned. The National Council itself is sponsoring a prototype senior citizens' residence center at Cabin John on MacArthur Boulevard, near Bethesda, Md., which would be a guide to senior citizens housing throughout the country. That project under way for several years cannot survive the moratorium. The repercussions from such abandonments throughout the nation will have a devastating effect upon the economy.

The destruction of OEO and the community organizations and the withdrawal of support from all of the delivery systems of social services to the poor, elderly, and minorities is another fatal blow to the development of viable communities, both in urban and rural areas.

Our basic position is that the moratorium should be lifted immediately; that all housing programs should be continued and accelerated.

In the meantime there should be an administrative and congressional review of present housing programs and a discussion of possible improved methods of delivering housing to the people of this country at the earliest possible time and at lowest costs.

NOTE: I am offering for the committee's consideration two documents which are pertinent to this subcommittee's investigation: a memorandum dated March 22, 1973 which I sent to the section officers of the housing section of the White House Conference On Aging and a study entitled "Housing For The Aged Blacks" which I presented at the meeting of the Gerontological Society, at San Juan, Puerto Rico, on December 16, 1972.

STATEMENT BY ABRAHAM J. ISSERMAN, COUNSEL AND HOUSING CONSULTANT TO THE NATIONAL CAUCUS OF THE BLACK AGED, PRESENTED TO THE SENATE SUBCOMMITTEE ON HOUSING FOR THE ELDERLY, SENATOR HARRISON A. WILLIAMS, CHAIRMAN, JANUARY 25, 1974

The subject of the current hearings is the "Adequacy of Federal Response to Housing Needs of the Elderly."

I believe that these hearings should more appropriately be entitled the "Inadequacy of the Federal Response" rather than its "Adequacy."

In my capacity as chairman of the housing section of the White House Conference on Aging and a member of the housing study panel of the Post-Conference Board, I have a full awareness of the recommendations on housing adopted by the 1971 White House Conference on Aging. President Nixon at the closing session of that Conference pledged full support to implementing these and other recommendations of the Conference. But soon thereafter, his response was distressingly negative by impounding the funds appropriated to carry on the existing housing and other programs designed to help the poor and the elderly.

This wholly uncalled for and arbitrary moratorium on our housing programs declared by the President as most of us believe, illegally, struck a devastating blow at all housing programs not sparing the long established, acutely necessary, Public Housing Program hitting directly at the poor and the elderly, as always, most severely affecting the black elderly. The majority

of the black elderly being poor, have the greatest need for assistance to obtain the decent housing which has been the promise and alleged goal of our national administration and embodied in our national housing laws.

The effects of the moratorium on which our comment has been requested were fully set forth in my testimony before the Housing Subcommittee of the Senate Banking, Housing and Urban Affairs Committee at its initial hearing on Housing held on April 3, 1973. I attach hereto a copy of my statement filed on behalf of the National Ad Hoc Housing Coalition, for which I appeared.

The months since that time have served only to emphasize the destructive blow to housing programs created by the moratorium. Many projects sponsored by community organizations all over the nation have been irrevocably ruined, often after many months and even years of untiring efforts by these organizations.

First and foremost, all of us interested in providing the decent housing promised to all Americans have been urging in every agency and forum and our legislative representatives to reinstitute the current housing programs, to release impounded funds and to provide such additional funds as may be necessary to carry on the halted programs.

New legislation is required as exemplified by the bills introduced by Senator Williams and other legislators. Such legislation should provide for a massive infusion of new funds for additional new construction where required, for large scale revitalization of entire neighborhoods with emphasis on saving the existing stock of housing and creating all the necessary amenities for secure and decent living and utilizing the enormous foreclosed housing stock now held by the FHA. With a war budget approaching \$9 billion, allocating funds without restraint for every type of military hardware, often obsolescent before the prototype is completed, with large increases in the Viet Nam budget for military expenditures now that "peace" has been proclaimed, funds must be generated by economies in that budget and elsewhere to provide the necessary financing for adequate housing programs. At some point, the welfare of our people should take precedence over supporting such undemocratic puppet regimes in faraway lands, particularly when these funds are placed in the hands of unscrupulous tyrannical leaders and devoted to destruction or often diverted for their own private aggrandizement.

Need? Without ever having ascertained the outward limits of need we are all in accord that whatever resources we will devote to fulfilling that need in the coming period that it will continue to exist for many years to come. At present, with constant deterioration of housing stock, we are falling behind. Decent housing for the poor and persons of lower and middle incomes is not obtainable or has been priced out of the market. No need to repeat the statistics here. I refer only to the "working paper" prepared by this committee (April 1973) on "Housing for the Elderly—A Status Report." Waiting lists of the elderly for public housing, the Report states, are 32,000 for New York and 12,000 for Chicago—and these lists are by no means complete. The report reiterates its previous recommendation supported also by the 1971 White House Conference recommendations; a "minimum annual production rate of 120,000 units" per year as "an integral part of a comprehensive National policy for housing the elderly." Just another example taken from the HUD Newsletter of December 10, 1973: the Metro Planning Commission of Nashville, Tenn., reports that "94,000 Nashvillians live in structurally substandard housing and that 66,000 persons live in overcrowded conditions." Included in these numbers are unconscionably large percentages of the elderly and even more so of the black elderly. Recently, the AFL-CIO has projected a need for 550,000 units of public housing, alone.

We welcome the proposed extension of section 202 housing for the elderly as provided in S. 2185. However, the NCBA has pointed out to HUD and we restate it here that the section 202 program has not reached the black elderly. It has been authoritatively established that only 3 percent of section 202 housing is occupied by black elderly and that in the white-sponsored elderly projects, the occupancy by blacks is only 1 percent. In conferences held with HUD officials it was admitted that there has been no encouragement and no technical assistance offered to black community organizations desirous of sponsoring housing projects under section 202. In fact, such efforts were dis-

couraged. It needs affirmative action, both legislatively and administratively, to correct this inequity. We have, on occasion, submitted specifics on how this could be done. The NCBA is most willing to confer on these specifics and to develop procedures in connection with section 202 housing which would eliminate or minimize these inequities.

It has become abundantly clear that the provisions of the bill introduced by Senator Williams, i.e. The Housing Security Act of 1973 (S. 2180) are most essential to the well-being of all persons in federally assisted housing projects. Most important in the establishment of security provisions is the involvement of the occupants themselves, including the teenagers, in the development of security programs. This has been done with a substantial measure of success by the New York City Public Housing Authority through the establishment of Tenant Patrols and through the use of a number of innovative procedures.

It is the considered opinion of the NCBA that the involvement of the tenants and of the sponsoring community organizations, together with a paid security force and with close relations with the local police authorities will provide strong motivation and effective action in preventing vandalism, preserving the physical properties of the projects and providing real "collective security" for the occupants.

We agree fully with the spirit and the objectives of the Intermediate Housing for the Elderly and Handicapped Act (S. 2181). The conversion of single family dwellings into a partially congregate facility for a number of tenants is most desirable. However, the local zoning ordinance and building code may need amendment to permit such arrangements. However, grouping compatible persons for congregate living in its fullest sense, (including the provisions for common meals, etc.), would create "voluntary" or "simulated" nonblood related families which have received some court recognition as being legal families from the standpoint of local zoning codes. A full development of this concept requires substantial study from the economic, architectural and social aspects. It should be undertaken under the auspices of your committee. The NCBA is ready, able and willing to organize and to participate in such a study.

An extension of this concept would be the grouping of a number of one-family buildings (or rehabilitated apartment units) in a neighborhood, under one nonprofit sponsor. This sponsor would undertake the management and maintenance of these buildings and provide the counselling and guidance necessary to develop the optimum life-style of these "families." One or more of the buildings involved in the group would be converted to provide the offices for the nonprofit sponsor and for the neighborhood facilities needed for such a project. The occupants would be brought together through their own organizations. Training courses would be provided to enable the occupants to join in the successful operation of such projects.

A congressional mandate should be given to HUD requiring that its tremendous stock of foreclosed housing, both one-family and multifamily, be made available for elderly housing (and nonelderly, for that matter) under such auspices as are here suggested. HUD has the power presently to transfer such housing at nominal cost to nonprofit organizations. Sufficient mortgage money should be made available for the necessary rehabilitation in the units to be turned over and for the restructuring of some of them for community purposes. With a low rate of interest on such loans, the rentals would be within reach of the elderly poor, black or white.

Adequate regulations with supervision, and substantial participation of the nonprofit community sponsor, would do much to prevent fraudulent practices and exploitation by unscrupulous persons of the opportunities provided under this program.

Coupled with such a program, the housing allowance program might well be used as a form of rent supplement. Absent such organization and absent the necessary rehabilitation, the housing allowances would serve only to profit the slum landlords and compel many of the poor (with little bargaining power) to accept apartments in substandard houses which perhaps would be given some "cosmetic" treatment by the owners. Community counselling should be provided to guide the recipient of the housing allowance in his search for an appropriate apartment, in checking the violations if any, and in dealing with the prospective landlord.

Unless provisions are made for the rehabilitation of the existing deteriorated or deteriorating housing stock, housing allowances will not provide decent housing.

Congressional investigation and study should also be made of the various urban homesteading proposals. Involved in urban homesteading are these problems: securing title where housing has been abandoned and not foreclosed; elimination of back taxes and tax relief provisions; the purchase of individual housing and/or apartment units subject to "gut" rehabilitation at approximately \$1,000.00 per unit; providing for a "neighborhood" approach in the designation of special "homestead areas"; provide for nonprofit community organizations to act as sponsors and supervisors of the "homestead areas"; provide for low interest loans and grants to the nonprofit sponsors for community facilities.

The homestead proposals, if accompanied by proper safe-guards, could provide a partial answer to the urban housing problems. However, without such safeguards, the applicant seeking to use the homestead provisions might find himself deeply ensnared in a host of problems beyond his capacity to solve.

The NCBA has been deeply interested in a prototype residential center for the elderly with the ancillary facilities, as recommended by the White House Conference on Aging. One such center including research and training capacity is proposed for the city of Tuskegee under the auspices of Tuskegee Institute, the city of Tuskegee and the NCBA. Such a center would be of inestimable value in developing innovative housing for the elderly and the procedures under which residence in such housing could really provide the decent homes to which the elderly are entitled. While under present law and regulation such a center could be financed by HEW and its Department on Aging working in conjunction with HUD, a congressional direction (with funding provisions) to allow the development of such prototype housing centers would certainly accelerate the progress in getting them underway.

Needless to say that the proposed National Elderly Housing Loan Fund (S. 2179) introduced by Senator Williams would be of greatest help in reaching out for the goal of 120,000 dwelling units annually for the elderly.

We strongly urge that special consideration be given in the legislation for provisions which would insure the fullest participation by the black national and community organizations in the development of these programs so that the black elderly will not be "left out in the cold."

Housing legislation should be put on the "urgent" calendar in both Houses of Congress and vigorously processed to reach the point of enactment in the coming Spring.

ARMAND JOHN NASUTI, ARCHITECT,
Haddon Heights, N.J., January 23, 1974.

DEAR SENATOR WILLIAMS: Please accept this letter as my expression to the Senate Special Committee on Aging pertaining to housing for the elderly.

It is heartening to hear that important legislative segments of our national Government, such as the Senate Special Committee on Aging, and your Subcommittee on Housing for the Elderly, is making a valiant attempt to untangle the knot of forced stagnation on providing suitable housing needs for a large portion of our elderly population.

I can speak for our particular private sector as an architect dedicated in striving to produce specialized functional multifamily living accommodations for senior citizens in the low and moderate income category. I can also speak as a semipublic official involved in community planning board service. This professional background also qualifies me to speak in a moral sense as an informed citizen familiar with the general hardship and deteriorating circumstances confronting these many senior citizens.

Certainly, there cannot be much doubt, as indicated in our New Jersey area, there exists a great need of suitable housing units tailored to the specific physical and social needs of this unique senior citizen group. The high expense of taxes and maintenance on many existing senior properties are great burdens and are causing a gradual deterioration of such properties into blighted areas. Many other seniors are forced to unwillingly live as parasites within overcrowded homes of relatives thereby causing further sociological problems.

These deficient seniors need help in achieving or recapturing their basic lifestyles at a time of physical and economic barriers. They should be able to "live" out their retired lives in dignity after a productive life-time of contribution to our communities and country.

The ray of hope for many of our low and middle income elderly is to have "life" begin at 62, since most of them missed the earlier boat of security in this expensive fast pace society.

We in our area are trying to accomplish this dignified result for our needy elderly by attempting to provide multifamily apartment units located in the convenient central business, service, and transportation districts of our communities. Here they can walk to the bus, visit and be visited, walk to most services and shopping, and in essence remain an active, vital part of the community in which they have resided.

These specialized apartment buildings provide integral social and recreational facilities, can be self supporting by paying mostly their own way in terms of amortization, maintenance, management, taxes, etc. Rents are the only means of income to carry this housing. In order for these type facilities to be economically feasible, a majority of the total senior citizen occupants need help in the form of rent subsidy or other appropriate partial assistance to alleviate the otherwise "out of reach" higher rentals necessary in this perpetual period of higher costs.

The governmental ban of all housing assistance programs thirteen months ago has stopped all communities' efforts to relieve the overwhelming need for such specialized senior citizens housing in the low to middle income range.

Since we are primarily interested in the plight of the aged, and more specifically in suitable housing for the elderly, I am of the opinion it is not proper nor equitable to include the unique category of senior citizens housing as an integral part of the overall housing problem.

I may probably agree with the justification of reevaluating many shortcomings, inequities, and unsuccessful programs existing within the overall housing assistance spectrum including public housing. However, senior citizens represent a unique separate segment of housing with different necessities and values brought about by the inevitable process of aging which places them in physical and economic circumstances beyond their control. Their housing needs should not suffer because of being included in the total populations housing picture and its probable waste.

According to statistics in our State of New Jersey Office on Aging there remains an additional need of approximate 73,000 units by 1977 which represents only 10 percent of our total senior citizen bracket. A similar ratio probably exists in most urbanized areas.

It is my opinion the governmental moratorium on feasible assistance programs has set back all progress on providing senior citizens housing for more than twice the time of the moratorium period. In addition, this freeze has created a great financial penalty on needy senior tenants of qualified sponsors who anticipated implementation of housing this past year and next year, and now find themselves facing further rampant cost escalations.

We have been stopped, stymied, and stagnant, and anxiously awaiting progress in elderly housing. If change was necessary, existing programs should have continued until better ones were proposed.

Whatever assistance method is decided upon, such assistance must be directly related and tied to specific sponsors and their projects. No other method will give a semblance of success for projects undertaken, and thereby establish necessary incentive to produce financially successful housing for the elderly.

Under such a method, the safeguard against inferior available housing dominating the scene is to set a better functional design-build goal, cultivated by higher policy standards, and set within realistic budgets with controlled production profits.

Following the obvious premise that senior housing projects are necessary: then facilities must be produced in order to satisfy the problem: and since the tenants' sufficiency to fully support the facility without assistance is questionable: then the problem cannot be solved without inherent assurances of integral assistance for adequate qualified projects.

"At this point in time," the Congress must be "charged" to supply the solution as quickly as possible or the faith remaining in the few (senior citizens) will also fall by the wayside.

Very truly yours,

ARMAND JOHN NASUTI, AIA.

HOUSING AUTHORITY OF THE TOWNSHIP OF BRICK,
Brick, N.J., January 25, 1974.

DEAR SENATOR: I am most happy to respond to your request that I comment on the situation as it prevails in our community and our Nation in regard to housing programs for the elderly.

As you know, I am presently executive director for the housing authority of the township of Brick; and in that capacity, I have participated in the planning and development of 100 units of public housing for the elderly. Prior to that, I was a leader in my community of Lakewood, N.J. in initiating the public housing programs for families and for the elderly, as well as the planning and development of an urban renewal project. I was the first executive director of the Lakewood, N.J., housing authority, and later the chairman of the same authority. In that capacity, I planned and developed 100 units of low income housing for the elderly and 68 units of low income family housing, as well as did the planning for approximately 300 units of middle income housing. In addition to the specific responsibilities which I named herein, I have acted as a consultant to various communities in helping them to establish their own housing projects, with special emphasis on the elderly. I have continued to maintain my interest and knowledge in these areas.

There is no doubt that the moratorium on most of the housing programs, and especially the moratorium on new construction of low income housing for the elderly, has been not only detrimental, but has been a development of tragic effect on both the communities and the people who would directly benefit from such programs. This authority, which now has 100 units of low income housing for the elderly, has in its files over 300 applications from senior citizens who apparently are in desperate need of decent, safe, and sanitary housing at a rental that they can afford. In almost all of these applications the income listed therein would make the applicants eligible for our programs. Of these 300 applications, over 100 are residents of this community. The balance are residents of other communities. This indicates, of course, that not only is more public housing for the elderly needed in the township of Brick, but that the surrounding communities of Ocean and Monmouth Counties either do not have any programs of this type at all, or where they do, such as Brick Town, the number of units available is totally inadequate. I have direct knowledge of the fact that not only would we have planned the development of more public housing in the township of Brick, but that township officials of a number of communities would like to have come into these programs but have been stymied by the moratorium.

The moratorium is not only denying the elderly of this country an opportunity to have decent, safe, and sanitary conditions of shelter at a rental they can afford to pay, but it also has its negative effect on the other basic needs of food and clothing. The reason for this is that where senior citizens have to pay a very high proportion of their small incomes for rent, they do not have enough money left over to eat decently or to dress properly. This has the additional affect of setting the conditions whereby improper diets and inadequate clothing create the possibility of serious illness which perhaps would not otherwise occur. What I am saying is that when senior citizens have decent shelter and enough money left over for the other basic human needs, as well as occasional outside interest, entertainment, and recreation in addition to the social benefits that they obtain as a result of a well managed public housing project for the elderly, then you also prevent their drain on a community for social services and especially the need for medical and hospital attention.

The money being saved by the Government as a result of this moratorium is a false savings. Because of this moratorium, the Government must spend a like sum, or perhaps even more, for medical, hospital, and social services

for the elderly made necessary by their lack of decent food, clothing, and shelter.

It is my considered opinion that the present program of low income public housing for the elderly, now stymied by the administration's moratorium, is the best possible means of supplying needed housing to the elderly at a rental they can afford to pay. There have been no suggestions from any sources, I believe, which could improve this program, except that perhaps more money, not less, is needed and perhaps that more responsibilities and authority be given to the local public agencies to plan and develop such additional programs. I believe too much time, effort, and money is spent by the Department of HUD in apparently supervising these programs, but in effect, actually making the decisions and controlling the actions of the local agencies. This alone might not be too bad, except in my experience, although there are many capable officials in the Department of HUD, there are also too many incompetent or unknowledgeable people who know very little of the problems within the community, but nevertheless attempt to maintain full control.

Since I say that the present program with the improvements that I suggest in the previous paragraph is the best, it is obvious that I do not believe that the proposed housing allowances unsupported by production subsidies will meet the housing needs of the low income people of this country. It is oversimplified to say we, Washington, will subsidize your rental with the thought that by doing this the problem is very easily solved. Of course, this sounds very easy and it's less difficult to mail out checks from the U.S. Treasury than it is to work out and plan meaningful programs of lasting benefit to the people and to the country. Housing subsidies will only put landlords on notice that they can rent to any one and get a higher rental from that person. The problems that housing authorities in local communities have, such as obtaining the proper zoning and the necessary resolutions from the governing bodies, as well as the cooperation of all the local bodies, is well extended and has had a somewhat negative effect on the development of public housing programs. In other words, the local communities do not like public housing. I am certain that even were well intended developers to want to supply housing that could be rented to the elderly of low income and depend on the rental subsidy to enable that tenant to pay the rent, they will face perhaps even more problems with the local officials in getting their approvals. Developers in the private sector who have the resources and the necessary local permits will go into the community and build for the available market in any case, with or without the housing allowance program. I do not believe that developers would go into the business of constructing additional housing for the elderly only because the housing subsidy allowance would be enacted. Also it is well known that the quality of construction of public housing, and especially that for the elderly, is far superior than the construction today by companies in the private sector. I believe Lakewood, N.J., is a classic example of this, if you would but follow the recent news items of the construction violations committed by private developers in that township. A similar situation was also reported in our Township of Brick.

I do not believe that housing allowances will provide housing. Housing programs, federally subsidized, will provide new and additional housing for the elderly.

I would like to thank you for the opportunity to present my views to you and to your committee. I hope that they will be considered in the vein that I present them. I am also certain that you and your committee will recommend to the Congress of the United States the appropriate legislature which may require dollars, plans, and hard work, but will in effect provide for new construction rather than provide a simplified solution such as housing allowances, which will really be no solution at all.

Sincerely yours,

DAVID M. FRIED,
Executive Director.

UNITED METHODIST CHURCH AT NEWFOUNDLAND,
Newfoundland, N.J., January 28, 1974.

MY DEAR MR. WILLIAMS: Thank you for your letter of January 10, 1974, which has very deeply moved me and occupied my thoughts ever since I re-

ceived it. We are indeed fortunate to have in Washington such men as you to lead in the struggle to provide better housing for citizens of advancing years. Though it was not possible for me to get to any of those three hearings mentioned in your communication, we have a son (Dr. Allen Hayes Merriam) on the Trenton State College faculty, and he was able to adjust his own schedule so as to attend the first mentioned hearing and to favor us with a report. We are impressed by the evident sincere conviction of your opening remarks on that occasion.

Since that time, and with the benefit of some of the facts which were educed at the Trenton meeting, our "talent team" has met with the committee on hospitals and homes of our United Methodist Conference. So that you may know some of the preliminary elements of our proposal to this body, I offer a copy of the statement which was drafted back in November 1973, and adopted in anticipation of our meeting with these people whose benediction we must have if this local church is to be the sponsor of the proposed housing. There are several advantages to the package which we are suggesting, namely, the 40 acres of property is already in hand, free and clear of incumbrance; the plan provides for an important element so often stressed at the hearing, that is physical safety of the residents; finally it provides for gradations of need, due to the proximity of existing and proposed supporting care facilities like the Idylease Medical Group, a clinical lab, extended care unit, and hopefully in due course a general hospital (Lakecrest).

Now offering answers to your specific questions, let me say:

(1) The effects of the housing moratorium upon HUD programs have obviously been very adverse, negating most of the gains which had been hoped for, and stifling initiative in many quarters.

(2) We are not discouraged, but are greatly impeded and cannot go much further without the support which your committee is working so faithfully to provide.

(3) We did not see "production subsidies" defined in the materials submitted, but if we can assume this means resources to build housing for the elderly then we must go on to conclude that allowances paid directly to the occupants, apart from funds to construct what they occupy, would be inadequate.

We trust that these are the evaluations needed by your committee, and we will follow your progress with keen interest.

Respectfully yours,

REV. R. DOUGLAS MERRIAM.

[Enclosure]

THE OBJECTIVE

To construct and manage approximately 150 units of housing for retirement living (couples or singles) on approximately 40 acres of primarily rural land in the Newfoundland section of West Milford Township, N.J.

West Milford has about 10 percent of its 17,000 people in the 60 and over age category. Presently no housing such as we propose exists. Demand is prevalent and will be substantially increased over the next ten years.

An environmental approach, in terms of meeting this age group's physical, psychological, medical, economic, and spiritual needs, is contemplated—to be reflected in the physical design, both interior and exterior. A one-story to a maximum two-story height is desirable, the complex having a reciprocal agreement with the Idylease Medical Center which would provide health care and a wide range of social activities. The intent is to provide either rental units in the moderate income range and/or condominiums for outright ownership to preserve the independence of certain families or individuals where this is an important personality or psychological factor.

The above is a generalized concept, and is subject to some change as required by emergent results of economic and market analyses.

THE PLAN

Dr. Zampella, who has developed a socioeconomic and medical approach to living for the elderly, and who owns the property being considered for such housing, has said the following (page 1145, Dec. 1964 Journal of the American Geriatrics Society): "Retired couples live in individual cottages equipped for light housekeeping and with ample easily graded garden space, in a com-

munity which is close to shopping centers, beauty parlors, barber shops, recreational facilities, part-time employment, transportation, churches, and medical, hospital, and convalescent facilities. Each living-unit is safe, comfortable and homelike, requiring a minimum of maintenance. Certain structural features are designed to accommodate the diminished physical activity and flexibility of the residents; that is, the cottages are geared to the easy-does-it mode of life after age 60. No obvious details which would tend to stress the infirmities of old age are included.

"The services provided to lessen physical strain include outside maintenance, and repairs, landscaping, care of the grounds, snow removal, police patrol, waste disposal and local transportation.

"The physical and emotional requirements of persons in their 60's are a matter of accepted record. Persons of this age need a sense of mature independence, self earned security in congenial surroundings, freedom to live without regimentation or the indignity of classification as aged or senile, and the certified satisfaction that medical facilities are readily available in a friendly atmosphere."

THE SPONSOR

When a church is asked to sponsor such a program, they of course are interested in the area of personal or legal liability for success of the project. There will be no financial or legal responsibility incurred for either the sponsoring group or the individual. A moral obligation in such matters as this is of course implicit in everything that the church undertakes.

It should be recalled that the northern New Jersey conference has urged its member churches to work locally and statewide on matters of adequate housing.

NOTE: This statement was adopted by the "talent team" on November 14, 1973, the members being Planner G. Ferensick, Attorney R. A. Jones, Architect S. J. Lacz, Pastor R. D. Merriam, and Doctor A. D. Zampella.

WESTFIELD SENIOR CITIZENS HOUSING PLANNING CORPORATION, *Westfield, N.J., January 28, 1974.*

DEAR SENATOR WILLIAMS: Thank you for your letter of January 10th inviting comment, on behalf of the Westfield Senior Citizens Housing Project, on the problems relating to housing needs of older Americans. Let me answer your specific points in order:

(1) What has been the effect of the moratorium on housing projects that had been authorized for action by the Department of Housing and Urban Development: We can comment specifically only about the Westfield project, which has not been authorized for action, but from all accounts in the press, the effect has been nothing short of disastrous for all projects, including our own. We have been aware of great interest and planning in initial or even second projects in many nearby towns, including Cranford, Springfield, Elizabeth, Maplewood, Metuchen, Nutley, Verona, Caldwell and Somerville and additions to the projects in Union and Roselle. All of these projects, we believe, contemplated the same approach successfully pioneered in Union and Roselle and desired by Westfield as well, namely, financing through the New Jersey Housing and Finance Agency, with interest and rent supplements being provided by HUD through the state agency. None of them have been approved, and cannot be because of the moratorium.

(2) What is the status of our efforts in Westfield? As you know from the considerable correspondence members of our committee and others have had with your office over at least the past 5 or 6 years, Westfield has long had a strong interest in bringing such a project into being. Studies by many people over many years were persuasive as to the need for such a project and the feasibility and desirability of a nonprofit project organized under state law in the manner permitted by NJHFA.

As has probably been the case in many other towns, the first question was location for the project. Westfield is a fully-developed municipality of 35,000, and the only sizeable undeveloped areas are town-owned property. Intensive study of privately owned sites and the probable cost of land acquisition persuaded the committee that land and construction costs of housing units built

on such sites would be so high that only the well-to-do could afford the rents needed to amortize the mortgage. Accordingly, in 1972 the committee unanimously recommended locating the project on a part of the Boynton-Twin Oaks site, notwithstanding the site location was further away from the downtown area than we would have liked.

A public hearing was conducted on the committee's report, during which residents of the area raised a number of questions and objections. These all received the careful consideration of both the committee and the town council. The council demonstrated its support for the project during the summer of 1972 by passing two resolutions evidencing support in principle for the project and the committee's recommendations.

At this point the Westfield committee assembled its professional staff, experts knowledgeable and experienced in the senior citizen housing field. These included our consultant, Mr. Louis Gacona, who had just completed the extremely successful Union project and had the Roselle project under construction; our architect, Mr. Azeglio T. Pancani, who designed the Union and West Orange projects; and our builder, Robins Construction Co., builder of the Union and West Orange projects.

With the guidance and assistance of our professional staff, we had concluded that the Westfield project should be three stories in height in order to be economically viable low and moderate income housing, affordable by the group we sought to assist. Such construction was not permitted by the zoning ordinance, making it necessary for us to persuade the town council and the area residents that such a project would enhance, and certainly not depreciate, their neighborhood. Numerous explanatory meetings with the council and area residents over several months resulted in the town council unanimously adopting, with no dissent from the attending public, an ordinance permitting the type of facility the committee had recommended. While the zoning change was in progress the Presidential moratorium of January 1973 was imposed.

To this point, our project had been discussed in only a very general way with the NJHFA, because the agency had an understandable policy of not making commitments or processing detailed applications until, among other things, zoning authorized the project. Having the necessary zoning, our next step was to request an advance of "seed money" with which funds survey, topographical and architectural work would be commissioned. Our request was for about \$100,000. We had every expectation of receiving such "seed money" prior to the moratorium.

However, with the freeze came a firm policy from NJHFA that the agency would not disburse any more "seed money" unless the sponsor of the project was prepared to consider going ahead on a "market rent" basis, i.e., the sponsor must plan, build and rent without the Federal interest and rent subsidies accomplishing a reduction in rents from what must be charged for total amortization based on 1 percent interest. A "seed money" grant normally would be adequate to cover the cost of these technical services—work it is unreasonable and unrealistic to expect a professional to do for nothing. A seed money grant would not have to be reimbursed to the agency if the project failed to materialize at some future point.

It is debatable whether this NJHFA policy is a wise one. In any event, the effect of the moratorium and the policy was quick and decisive on the Westfield project. From steady progress along a known path to a foreseeable objective—we had at one point hoped for ground breaking in the summer of 1973—our project was stopped cold. We made some inquiries and overtures as to the possibility of raising some funds to initiate this architectural and technical work, but the national economy and various problems associated with fund raising led us to abandon that approach. We hope that seed money can be made available so we can start this technical work and can be ready to start construction when a suitable program becomes available.

Today, we have the following situation: Westfield has an acceptable site controlled by the town and properly zoned. We have a competent team and an enthusiastic committee, both essentially standing idle. We have a population of senior citizens, who, we are convinced, would readily fill the 162 units we planned to build. We have building costs increasing by at least 10 percent a year, so that units comparable to those built in Union and first rented in 1972 in Union for \$115 a month will have to be rented, based upon our projected Westfield building costs and after giving effect to the interest subsidy, for at

least \$170. We would expect that NJHFA, a competent and enthusiastic agency several years ago, would suffer a reduction in force reflecting a lack of applications in process and this is bound to affect all projects adversely time-wise. All the while our senior citizens die, move out of town to cheaper quarters, pay escalating rents in town for facilities that are old and were not designed for senior citizen occupancy, or move in on children, grandchildren and friends.

There may be validity to criticism of other federal housing projects in other fields. We are unaware of any senior citizen project ever being the subject of any meritorious criticism. In a word, "the moratorium has thrown the senior citizens out with the bath."

(3) Would housing allowances, unsupported by production subsidies, meet the housing needs of older persons? In our opinion, insofar as Westfield senior citizens are concerned, the answer is a resounding no.

Interestingly, this approach was explored by our committee several years ago, in part at the insistence of a prominent and very conservative member at that time of the committee. This concept had in him a very vocal advocate, but upon study all of us, including this proponent, were persuaded that the approach would not be desirable and would not work in Westfield.

As previously mentioned, Westfield is substantially built out. Many houses were built pre-World War II. A significant number of our senior citizens have lived here for a number of years, and many continue to occupy rambling one-family residences—frequently alone as widows—of a size far beyond what they need. The costs and problems of taxes, upkeep and maintenance are a terrible burden for these people. The only way for such persons to be shed of the burden of home ownership and still remain in Westfield is to find an apartment.

In that regard, our studies indicate that there are few apartments available, and those that are have ever increasing rents and are not designed for senior citizen use; they lack elevators, wheelchair accommodations, fire alarm systems, community and hobby rooms, etc. In our opinion the administration's program of rent grants would merely precipitate a scramble among our senior citizens for the few units that do become available, driving those rents up still further.

It is not reasonable to expect that a private developer could be encouraged to construct new and better housing at lower cost in Westfield because no private developer could be given the economic advantages which the NJHFA law permits a municipality to bestow on a nonprofit project such as ours: our project will enjoy the lease of town-owned land, at charge far below fair market rents and normal taxes. Being realistic, no tracts are available in this or in adjacent municipalities. Virtually every municipality that has or is considering a project has the same arrangement: a lease of town-owned land to a nonprofit corporation. Surely this reflects that other approaches are not feasible in most situations. Without such additional units being built, rent grants would be useless to Westfield's senior citizens in most cases.

Senator, it is not our province to argue the economic merits or the legality of the housing moratorium. Nor are we in any position to comment on whether the rent grant program would work elsewhere. The objective of all who have worked so long and so hard on the Westfield project has been to provide decent, economical facilities which will make it possible for our friends and relatives to pass their twilight years in the town we all love and to which many of them have contributed significantly. Until the moratorium, a workable program existed. Today it does not. The administration's proposed alternative will not work, at least in this town.

We share the views of others at your hearings to the effect that the Federal rent and interest subsidy programs must be reinstated before any progress can resume in the field of senior citizen housing. We would prefer the partnership program of NJHFA-HUD because it has worked so successfully for so many projects in this area. We think it preferable to reinstitution of the section 202 program for the reasons set forth in Mr. Giacona's January 22, 1974 letter to you. We would urge that your efforts be directed in this direction.

Enclosed for your information are several enclosures that are relevant to our project.*

Very truly yours,

GARLAND C. BOOTHE, JR.,
President.

*Retained in Committee files.

VILLA ST. ANNE,
Fair Lawn, N.J.

DEAR SENATOR WILLIAMS: You are to be congratulated on your steadfast and enthusiastic effort to promote and encourage programs for the elderly. It was with a great deal of interest that I read over the several housing measures you have sponsored for the elderly.

Regarding your letter of January 8th, there is no question that the moratorium on most housing programs perpetuate the plight of the elderly on housing. We have more elderly each year, and fewer places for them to live without being subjected to higher taxes and maintenance, crime and inflation. Further, the necessary programs and financial assistance to convert homes for the elderly is inadequate and funds should be made available. I support you 100 percent in your drive to make funds available.

The status of our program to convert a convent to the sheltered care for the elderly is still in question. Our main concern at this time is financial assistance. Attached find a copy of correspondence addressed to Mr. Renna regarding our program. With funding, our senior citizens home for 36 elderly could be operational in 6 months.

If there is further information you require regarding our project please let me know. We invite you to visit the facility any time.

I wish you and your committee continued success for such worthwhile programs for the aged.

Sincerely,

JOSEPH J. MACKEY.

[Enclosure]

VILLA ST. ANNE'S,
Fair Lawn, N.J., January 7, 1974.

MR. J. P. RENNA,
Executive Director,
N.J. Housing Finance Agency,
Trenton, N.J.

DEAR MR. RENNA: Per my visit with you at your Newark office on January 4, 1974 regarding the senior citizen project to convert a convent to a sheltered care for the elderly, we offer the following information:

(1) The home will be known as Villa St. Anne's. A non-profit charitable corporation under Title 15 of State of New Jersey was incorporated in August 1973.

(2) Villa St. Anne's has been granted a certificate of need from the State of New Jersey, Dept. of Health, No. 00757-02-04, dated August 10, 1973.

(3) The State Department of Health senior architect, Mr. Daniel A. Pulone, Jr. health facilities plans review inspected the building on November 27, 1973 and has submitted his written recommendations and necessary actions required for the building (copy attached *). Also, on November 27th, Mr. John McQuade, Jr. State fire marshall, inspected the building and he has submitted his recommendations on actions required to meet the necessary codes (copy attached).

(4) We have received the desired local approvals from the borough engineer, fire department, and local board of health. We are in the process of completing the requirements for local zoning approval. We have the preliminary approval of the town council and planning board.

(5) The convent is property of the Catholic Church, the Archdiocese of Newark. On May 17, 1973 His Excellency, Archbishop Boland granted his permission to proceed with the project.

(6) The building was reviewed using the manual of standards for new boarding homes for sheltered care. The following modifications, along with the required actions necessary as outlined by the State Inspectors (3 above) will be required before the home loan became operational.

- (a) Fire detection system.
- (b) Plumbing—facilities for men and women.
- (c) Painting.
- (d) Bedding.
- (e) Minor plumbing and electrical modifications.
- (f) Necessary modifications to meet standards of State.

* Retained in committee files.

(7) The estimated cost for renovation, work to comply with state requirements; and repair and maintenance is approximately \$60,000.

(8) Attached find drawings of building and plumbing modification required.

(9) Details of operation costs can be secured with our project application from the office of Mr. Vincent Martucci, State Dept. Health, Trenton, N.J.

In summary, we have the opportunity to take a building with an estimated market value of \$300,000 and convert it at minimum cost to a sheltered care for the elderly which is sorely needed in Bergen County now. We have in motion all the necessary things to make this project operational in early 1974. We have had many calls from interested senior citizens looking for this type of housing.

We ask your office to consider this application for funding for \$60,000. If there is an opportunity for a grant for all it would be most welcome.

If there is any further information you require please let us know. We await your earliest reply and in advance we extend our appreciation for your assistance.

Very truly yours,

JOSEPH J. MACKEY.

[WESTERN UNION TELEGRAM]

JANUARY 30, 1974.

SEN. HARRISON A. WILLIAMS, JR.,
Capitol Hill, D.C.

Borough of Monmouth Beach, N.J. responsive to housing needs of elderly and supports your legislation.

SIDNEY B. JOHNSON,
Mayor, Municipal Building,
Monmouth Beach, N.J.

JEWISH COMMUNITY FEDERATION OF METROPOLITAN NEW JERSEY,

East Orange, N.J. January 25, 1974.

DEAR SENATOR WILLIAMS: Thank you very much for your letter of January 11, 1974, inviting me to submit a statement regarding my interest in and concerns for housing for the elderly. I appreciate the fact that your witness lists were full and, therefore, you did not ask me to testify at the hearing held on January 19, 1974 at the East Orange Public Library. It would not have been possible for me to attend the hearing in any event.

Because of the pressure of many activities, presently and in the weeks ahead, a substantial portion which is being devoted to working on plans for our housing project for the elderly, I do not find it possible to prepare a single statement as you requested. Therefore, in the interests of time and expediency, I am enclosing the following materials* which I believe will, in sum, comprise what it is that you are seeking:

A. Resolution on Housing for the Elderly and Low Income Families adopted at the National Conference of Jewish Communal Service, Philadelphia, Pa., May 29, 1973. I served as the chairman of the committee on public issues of the NCJCS and drafted the resolution which was adopted.

B. Our plans on behalf of housing for the elderly and the status of our efforts are fully described in the enclosed article* which appeared in The Jewish News issue of November 29, 1973. I am the resident agent of the Jewish Community Development Corporation which was formed in May, 1970 for the purpose of creating housing for the elderly on a nonprofit, nonsectarian basis. Our project has the approval of the New Jersey Housing Finance Agency and the West Orange Planning Board. We are in the midst of the process of seeking approval from the West Orange Zoning Board and have already had two meetings with them. A third is scheduled for February 28, 1974.

There is considerable opposition of neighbors to our housing plans and we anticipate that the deliberations of the zoning board will, therefore, be quite protracted. When the zoning board completes its deliberations, the matter

* Retained in committee files.

will come before the West Orange Town Council which will have the final say so to whether our project is approved and whether we secure the necessary variances. Should the town council rule against us, we plan to appeal the matter in the courts. We are told by those who oppose the project that they will do likewise if the town council rules in our favor. Even if all should go well, we still face the fact that President Nixon has impounded, since January 8, 1973, the federal funds which were made available to the States to subsidize the interest cost of loans by state housing finance agencies for construction. We are hopeful that by the time we get to that stage, your efforts in behalf of the elderly will succeed and the President will either relent or be forced to reinstitute the program or develop another of at least equal or greater merit.

As to my views on whether housing allowances, unsupported by production subsidies, are likely to meet housing needs of older persons and other Americans, I find it incredible that anyone, least of all the President of the United States and his advisers in HUD, could believe that such an approach will solve the problem or even alleviate it in any significant way. Such an approach presupposes that there is already an adequate supply of housing in our communities and that all one has to do is have sufficient funds to pay the rent. Further, it assumes that rents for existing apartments will not increase when such allowances are made available. Neither assumption is correct. The supply of housing will not be increased by this means. Basically all that will happen is that landlords will get more rent for the same apartments. Further, this approach will help to strengthen the hand of those individuals and forces within our suburban communities which, under one guise or another, are opposed to the erection of multi-family housing in behalf of the poor and the elderly in their communities. They know that President Nixon's proposed housing allowances will not be sufficient for the elderly and the poor to rent in their suburban communities (even if there were apartments available) and, therefore, they will point to the cities as the place to find these apartments. In short, this will help them to maintain the stance that the last person to move into a suburban community wants to be the last person to move into a suburban community.

If I can be of any further assistance in connection with your activities in behalf of the elderly, specifically housing, please be sure to call upon me.

With best wishes for the New Year.

Sincerely,

SAUL SCHWARZ,
Assistant Executive Director.

HEATH VILLAGE RETIREMENT COMMUNITY,
Hackettstown, N.J., January 24, 1974.

DEAR SENATOR WILLIAMS: Thank you for the opportunity to express my views on the Federal moratorium on housing for the elderly:

(1) The effects of the moratorium on most housing programs has meant a dearth of facilities for the elderly. This has affected low cost and middle income housing. At Heath Village where we have 184 units under the former FHA 231 program with a resident population of 220 persons, we now have an active waiting list of about 100 persons and are now fully rented.

(2) Presently we are embarking on a development program to provide housing and facilities for retired persons and especially retired clergymen. Clergy live in church owned houses and have no housing equity when retiring and have limited funds for purchasing a house and limited pensions for paying high rents which prevail today.

(3) What good is a housing allowance if there are no houses to purchase or rent? Without federal aid, nonprofit sponsors cannot build housing and profit sponsors will not build housing. The 202 direct loan program was a good one for the lower income older person and the former 231 insured mortgage program with modifications was a good one for the middle income person. Why not return to using what has proved to be quite successful?

Truly yours,

CLARENCE W. SICKLES,
Executive Director.

HUNTERDON COUNTY OFFICE ON AGING,
Flemington, N.J., January 24, 1974.

DEAR SENATOR WILLIAMS: I attended the hearing in Trenton on "Adequacy of Federal Response to Housing Needs of Older Americans." Although the hearing was on urban housing, the housing needs in Hunterdon are much the same.

Hunterdon County has no public or subsidized housing for the 6,693 senior citizens living here. 1,282 are below the poverty level.

Rents have been increased so that many of our older citizens are paying \$200 monthly rent and are receiving only \$170-175 monthly income. They find their life savings are dwindling and will be depleted soon.

An 83 year old man, living on \$123 monthly is paying \$85 monthly rent. He does not have a telephone and does not use his television because he feels he cannot afford it. After paying other expenses, he has \$19 for food. He does not feel he can accept welfare. This man, who left school after the third grade to go to work, had used all of his life savings for nursing home care for his wife before her death. He has signed up for SSI hoping this will improve his conditions.

This is the way many of our senior citizens are living. There are others who are living without running water, in a barn, and in broken down trailers in the woods. One 80-year-old lady, with two boarders in their 80's has been carrying water from across the road. The property is being sold and neither she nor her boarders have other shelter to go to.

Many senior citizens are living in hazardous health conditions and when complaints are registered with the board of health, this office is asked "Do you have other housing for these people." We do not.

High taxes in this county are forcing many of our senior citizens to give up their homes which they had built for their retirement years.

The Hunterdon County Housing Council is working toward a leased housing program for Hunterdon but it will be possible only if Federal funds are released so that the rents could be subsidized.

To provide the necessary housing for those unable to afford the higher rents and taxes and to offer better living for those in substandard housing, Federal housing programs for assistance and subsidizing are necessary.

The need for a housing program, funded to meet the needs of the senior citizens for shelter and services is now. It is hoped that action will be forthcoming in the near future.

Your continuing interest in the senior citizens is greatly appreciated.

Sincerely,

MARY H. HOUSEL,
Director.

TOWN OF BLOOMFIELD,
Bloomfield, N.J., January 14, 1974.

DEAR SENATOR WILLIAMS: I have received your letter of January 9, 1974, addressed to Alwin Wangner, past president of the Bloomfield Senior Citizens Housing Corp. Mr. Wangner passed away a little over a year ago and since then the presidency has been assumed by Walter J. Davis.

The Bloomfield Senior Citizens Housing Corp. is a nonprofit corporation of eleven local citizens sponsoring the construction of a 9-story, 148-unit senior citizens housing project through the machinery provided by the New Jersey Housing Finance Agency. The construction is 50 percent complete and it is expected to be ready for occupancy around June 1974.

As town clerk and planning coordinator, I have been working on this project for 6 years and am pleased to see it is nearing completion.

Originally, we intended to obtain 202 financing and had gotten site approval from HUD. In 1969, the 202 program was discontinued but fortunately the New Jersey Housing Finance Agency had at that time reversed an earlier policy decision not to finance senior citizen housing.

I understand that the NJFHA is receiving a HUD "236" subsidy to lower the interest charges, thereby making our project viable. Our project was fortunate in having the HUD commitment before the moratorium went into effect.

In Bloomfield alone we have over 8,000 senior citizens and decent housing within their means is a critical problem. Every day my office receives 10 to

20 phone calls from senior citizens anxious to rent apartments. Based on the demand, our 148 units will barely meet 25 percent of the need in Bloomfield alone.

As for my views on housing allowances, I would not comment since I am not sufficiently knowledgeable on the subject.

Very truly yours,

JOHN J. GALVIN,
Planning Coordinator.

BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF BURLINGTON,
Mount Holly, N.J., January 15, 1974.

DEAR SENATOR WILLIAMS: As the executive director of the Office on Aging, it is a privilege to report my observations of the housing situation for senior citizens in Burlington County. Many calls and letters have come to this office from the seniors with complaints concerning the rise in rentals and the increase in property taxes.

Statistics show that there are 27,852 persons over 60 in the county. Of this number, 15 percent are below poverty level. Most of the persons are paying 25 percent of their income for rent. In Burlington County, the rent for a one bedroom apartment begins at \$100 per month.

The county has not created a housing authority, therefore, this places the responsibility of housing on the local authority. The municipal zoning usually prohibits building a small type of house that so many elderly prefer. To date, local government and planning boards have turned down applications for high rise apartments for the elderly.

The Burlington County Office on Aging will conduct a study on the housing situation during 1974. The anticipated results should reveal that several modes of housing are needed to meet the requirements of the senior citizens. The study should alert the communities to the lack of housing units. If the moratorium is lifted and other assistance available, the professional builder and concerned groups must begin to plan housing before today's economy completely destroys them.

The combination of today's situation has now placed the elderly in a squeeze. The increased rental demands must be born because there is a shortage of rental units. These events have made the elderly immobile. They are losing their independence and living under the constant threat of being incapable to pay for the roof over their head.

The questions most frequently asked, "Is there any place I can move to?" and "Is there anyone who can stop this increase?"

Sincerely,

KATHERINE SCHIMMEL,
Executive Director.

BURLINGTON COUNTY WELFARE BOARD,
Mount Holly, N.J., January 15, 1974.

DEAR SENATOR WILLIAMS: I have been employed as a service caseworker with the Burlington County Welfare Board for 5 years. The bulk of my work was with ADC families but recently I have been working with the disabled and elderly and I have been very much disturbed by the lack of adequate low income housing for these people. Many of these clients are capable of caring for themselves in their own homes but their low incomes and the high rents preclude them from obtaining many of the other necessities of life.

We trust your knowledge of and interest in this problem will aid in bringing about some satisfactory solutions.

Very truly yours,

(Mrs.) JANE MADDEN,
Service Worker.

JANUARY 15, 1974.

DEAR MR. WILLIAMS: One of the biggest social problems in Burlington County, N.J. is housing, especially housing for the elderly. These people, who are on fixed incomes, cannot afford to pay the astronomical rents now being charged (average: \$170 plus utilities for a one-bedroom apartment). Most of our

elderly people end up living a hand-to-mouth existence in some tumble-down shack, usually located where transportation, medical services and shopping are nonexistent. This situation is an absolute disgrace.

Our Federal Bureaucracy feels that \$130 monthly is enough for an elderly person to live on (or \$195 monthly for a couple). That is the standard for the new SSI program. Therefore, unless that same Federal Government does something to provide low cost housing, we are subjecting these people to slow starvation and worse. This is poor payment for the sacrifices they made during the Depression and World War II.

Very truly yours,

(MRS.) SYLVIA J. SCHWARTZ,
Service Worker.

JANUARY 15, 1974.

DEAR SIR: We understand you have expressed an interest in the problem of housing for the elderly in Burlington County. I have spent the past 5 years as a caseworker for the Burlington County Welfare Board, working especially with the Aged and disabled. Of all the many problems that plague our older people - the lack of low cost convenient housing is the most urgent.

The most ideal solution to this problem in my estimation would be to place several small units containing low cost one floor efficiency apartments, in each community. Older people need to stay among their friends. Most of them are living on reduced incomes, and though no longer productive, need and deserve pleasant easily maintained quarters they can afford.

May I offer you support and wishes for success in this endeavor.

Very truly yours,

(MRS.) MARGARET H. GRANAY,
Service Worker.

JANUARY 7, 1974.

SIR: As a caseworker in Burlington County for 17 years, I wish to express my concern for the total lack of adequate low-cost housing for the aged and disabled in our County.

The maximum income for the single individual living alone in New Jersey and receiving SSI is \$182. Rentals for decent and appropriate shelter cost well over \$150 and are, of course, beyond the means of the indigent elderly. As a result, many older voters and citizens are living in everything from inadequate to substandard shelter, and are paying more than the quarters warrant.

It is imperative that Burlington County moves rapidly to correct this tragic situation.

Very truly yours,

CATHERINE P. LIPPINCOTT.

JANUARY 8, 1974.

SIR: As a caseworker in Burlington County for 7 years, I wish to express my concern for the total lack of adequate low-cost housing for the aged and disabled in our County.

The maximum income for the single individual living alone in New Jersey and receiving SSI is \$182. Rentals for decent and appropriate shelter cost well over \$150 and are, of course, beyond the means of the indigent elderly. As a result, many older voters and citizens are living in everything from inadequate to substandard shelter, and are paying more than the quarters warrant.

It is imperative that Burlington County move rapidly to correct this tragic situation.

Very truly yours,

SARAH R. LIPPINCOTT.

JANUARY 8, 1974.

SIR: As a caseworker in Burlington County for 2½ years, I wish to express my concern for the total lack of adequate, low-cost housing for the aged and disabled in our County.

The maximum income for the single individual living alone in New Jersey and receiving SSI is \$182. Rentals for decent and appropriate shelter cost well over \$150 and are, of course, beyond the means of the indigent elderly. As a result, many older voters and citizens are living in everything from inadequate to substandard shelter, and are paying more than the quarters warrant.

It is imperative that Burlington County moves rapidly to correct this tragic situation.

Very truly yours,

GEORGE WILLIAMS.

JANUARY 10, 1974.

DEAR SIR: As a caseworker at the welfare board, I am deeply concerned at the lack of adequate low-cost housing for the aged and disabled in this county.

Many of these people are forced to live in substandard housing with leaky roofs and inadequate heating. Because housing is hard to find landlords are charging very high rents. The maximum income for an individual living alone in New Jersey and receiving Social Security Supplemental is \$182. Rentals for decent and appropriate shelter cost well over \$150 and are beyond the means of the aged and disabled persons.

I feel that construction of low cost housing for the aged and disabled is one of the more important issues facing Burlington County at this time and that this situation can be corrected.

Very truly yours,

(Mrs.) GRACE BEYRANÉVAND,
Caseworker.

JANUARY 11, 1974.

SIR: I have been working with senior citizens in the Burlington County area for several months.

The complete lack of housing for the elderly is a serious problem. It is next to impossible to find decent rentals which are within the income reach of persons on social security or pension.

This letter is to urge you to lend some impetus to a drive for the construction of low cost housing for our senior citizens. Most have been productive contributors to our society; it is unfair and immoral for us to force them to live out their days in substandard squalor.

Very truly yours,

(Mrs.) ROYELL SIMPSON.

JANUARY 15, 1974.

SIR: As a former caseworker with Burlington County Welfare Board and in my present position of supervisor of services with Burlington County Welfare Board, I have been able to observe firsthand the urgent need for housing for the elderly. There simply are no housing facilities available which meet the requirements of the elderly in both cost and physical facilities.

I urge immediate action to rectify this situation in Burlington County.

Very truly yours,

(Mrs.) KAREN NIXON,
Supervisor.

JANUARY 15, 1974.

SIR: The advisory committee for adult services which is attached to the Burlington County Welfare Board has, from its inception in January of 1973, been concerned with the lack of available housing for the elderly in Burlington County. Even substandard housing which does not meet either the physical or health needs of the elderly often costs \$150 or higher, an impossible amount for the elderly to afford.

This problem is not a new one but one endemic to this area where population growth has far outstripped the development of new housing. Adults caught on the poverty level suffer particularly from this lack of housing.

As a committee representing the above group, we urge immediate attention to the need of adequate housing for the elderly.

Very truly yours,

(Mrs.) JOANNE O'DONNELL, R.N.,
Chairman.

JANUARY 10, 1974.

DEAR SIR: As a caseworker at the welfare board, I am deeply concerned at the lack of adequate low-cost housing for the aged and disabled in this county.

Many of these people are forced to live in substandard housing with leaky roofs and inadequate heating. Because housing is hard to find landlords are

charging very high rents. The maximum income for an individual living alone in New Jersey and receiving Social Security supplemental is \$182. Rentals for decent and appropriate shelter cost well over \$150 and are beyond the means of the aged and disabled person.

I feel that construction of low cost housing for the aged and disabled is one of the more important issues facing Burlington County at this time and that this situation can be corrected.

Very truly yours,

(Mrs.) GRACE BEYRANEVAND,
Caseworker.

JANUARY 8, 1974.

SIR: As a caseworker in Burlington County for 2 years, I wish to express my concern for the total lack of adequate low-cost housing for the aged and disabled in our County.

The maximum income for the single individual living alone in New Jersey and receiving SSI is \$182. Rentals for decent and appropriate shelter cost well over \$150 and are, of course, beyond the means of the indigent elderly. As a result, many older voters and citizens are living in everything from inadequate to substandard shelter, and are paying more than the quarters warrant.

It is imperative that Burlington County moves rapidly to correct this tragic situation.

Very truly yours,

(Miss) LINDA BROWN.

SPRINGFIELD SENIOR CITIZENS HOUSING CORPORATION,
Springfield, N.J., January 29, 1974.

DEAR SENATOR WILLIAMS: In response to your hearings in New Jersey, and a request relayed to me by Lawrence Barsonok, attorney for Springfield Senior Citizens Housing Corporation, I would like to submit the following for the hearing record.

1971 marked the beginning of a concerted effort on the part of Springfield Township, Union County, N.J., to launch a senior citizen housing facility. A group of citizens appointed by the township committee organized, secured professional personnel, and sought appropriate land.

After selecting property owned by the township, we submitted it for preliminary site approval to the New Jersey Housing Finance Authority, and moved quickly after their agreement to the necessary action by the township planning board and committee. This was completed in November, 1972, and the necessary papers filed for seed money and incorporation.

The moratorium on title 236 funds brought a pall of gloom across our community among senior citizens, and those concerned for moderate income housing. The plight of our older people on pension and Social Security is a discredit to our Nation and community. Some of them are so frightened as to consider suicide. They cannot continue to maintain themselves with dignity in the face of spiraling costs of housing and food.

We plead for them, urging immediate congressional action eventuating in the release of title 236 funds.

Sincerely,

JAMES DEWART,
President.

HOUSING AUTHORITY OF THE TOWN OF IRVINGTON,
Irvington, N.J., January 25, 1974.

DEAR SENATOR WILLIAMS: I am in receipt of your letter dated January 10, 1974, requesting some comments on the current situation regarding housing for the older Americans. I am pleased that you have taken this interest, and hopefully, enough interest by many others may help to resolve this problem. In regard to your request for my comments on this subject, I am happy to offer my thoughts.

The moratorium on housing that has been promoted by the administration has been one of the most devastating blows, to good housing for all Americans, that

has ever been perpetrated on the American public. This action which was taken in haste and without due consideration of its effect on the entire housing situation, has only helped to make a bad situation worse. Housing agencies that were relying on the subsidy money and money for expanded programs, which are so desperately needed, now face the prospect of almost going out of business.

Concerning our own efforts on behalf of housing for the elderly, in December of 1969 an application for a preliminary loan for an additional 200 units of senior citizen housing was submitted to the Department of HUD. We received notification back that everything was in order and that our application would be processed. In April 1972 a letter was received from HUD indicating that there was no allocation of funds for projects to be developed by the conventional method. As you can see, almost 2½ years went by before we received this notification. For informational purposes, we have a current waiting list of applicants for apartments in excess of 400 persons.

We in Irvington have one of the finest housing programs for families and senior citizens in the country, one which was developed by the conventional method of financing. In my opinion, in most instances the conventional method of financing is the best way to handle housing and develop a program.

As regards the program of housing allowances, unsupported by production subsidies, it seems to me the housing needs of older persons will never be met. What is the point of housing allowances where there is no housing available for individuals to occupy. Senior citizens are basically interested in apartment living where for them there is no maintenance or upkeep to worry about and where they are free from worry about being alone and perhaps unprotected.

With my limited experience in housing and its problems, I believe that HUD has been at least partially responsible for some of the errors and failures of conventional housing programs. In areas where there have been problems, and in New Jersey we have had our share, the Department of HUD has funded these programs time and time again and the situation was not brought under control. It would seem to me that some direct personal attention should have been given these programs, by at least the area office, in order to stem the tide of failure and get the programs back on the right track.

Another thought I would like to present is in planning new housing, senior citizens should have high rise, elevated buildings with zero and one bedroom units, while dwellings for families should be limited to three or four story walk-ups, and no large concentration of persons should be in a small area.

May I thank you for this opportunity to express some of my feelings, and commend you on your interest and activity in the field of housing.

Sincerely yours,

JOHN B. VENTURI, JR.,
Executive Director.

HUMAN RELATIONS COUNCIL OF EAST BRUNSWICK,
East Brunswick, N.J., January 25, 1974.

DEAR SENATOR WILLIAMS: The members of the East Brunswick Human Relations Council wish to express our interest in the informational material which you sent to us recently in conjunction with the New Jersey hearings on housing needs of the elderly.

The Human Relations Council views the effects of the moratorium on HUD authorized housing programs as placing the housing needs of all low and moderate income groups in the crisis category. While the specific needs of the elderly in our area have not reached the critical point as they have for other Americans, continued neglect of their needs will create a backlog of inadequately housed cases.

Our efforts, in association with other interested groups, have been largely educational and advisory. Within the Township of East Brunswick, the population of elderly is 2.78 percent of the total. This does not qualify as a need; hence our efforts have been directed toward advocating the "realization as soon as possible . . . of a decent home and suitable living environment for every American family," a housing goal set by Congress in the Housing Act of 1949. We recommend the inclusion of housing for minority groups such as the elderly and other Americans as a balanced and healthy plan for suburban communities such as ours.

The Human Relations Council feels that housing allowances in themselves are not likely to meet present and future needs of citizens in need of adequate housing. The challenge of production subsidies, innovative construction techniques and cooperative funding will undoubtedly be called for to meet housing needs in a manner that will overcome public sentiment concerning "have-not housing." Our suburban communities can benefit from such constructive solutions to citizen needs in terms of creating balanced and reasonable suburban communities where human needs are recognized and met.

With best wishes for the success of your current hearings.

Cordially,

Ms. CHARLENE H. HAUN,
President.

HOUSING AUTHORITY OF THE BOROUGH OF LODI,
Lodi, N.J., January 25, 1974.

HONORABLE SIR: This is in answer to your letter of January 8, 1974 regarding your untiring efforts for housing for the elderly.

As requested in your letter, the following are my views regarding your specific queries:

(1) Generally the effects of the moratorium on most housing programs has deprived many elderly and deserving families of low-income, the opportunity of decent living within their means. Particularly, in our case it has tied up an application for 100 units already under annual contributions contract and an additional 200 units of leased housing units.

(2) Our efforts in behalf of housing for the elderly have included applications to HUD for additional conventional units and rent subsidy units. We presently have only 120 units for the elderly which is grossly inadequate to meet the needs of our community.

(3) In our estimation, housing allowances unsupported by production subsidies will fall far short of meeting housing needs of older persons and other Americans. We might add however, from our experience that the so-called leased housing or rent subsidy programs appear to be more palatable and acceptable to communities since these programs do not affect the dire tax structure of most local governments.

We trust that we may have been helpful in some measure and we commend you for your diligent work in providing homes for the needy. We also hope that you can personally help in materializing our requests to HUD for assistance.

Very truly yours,

ANDREW NUCCITELLI,
Executive Director.

SOMERSET COUNTY OFFICE ON AGING,
Somerville, N.J., January 25, 1974.

MY DEAR SENATOR WILLIAMS: Thank you for your letter of January 9, 1974 regarding housing for the elderly.

Adequate housing for senior citizens in Somerset County is an overwhelming need. Housing is a great need of both renters and homeowners. There are only 40 units of subsidized housing in Somerset County. There is no senior citizen housing under construction, at this time either subsidized or private. Three separate incorporated groups were making plans for senior citizens housing but plans for all have been halted due to the moratorium. State Office on Aging housing projections indicate in the period 1975-1980 Somerset County will need 2,104 units of low and moderate income housing for senior citizens. Therefore, the county is meeting 1.8 percent of its projected housing needs at this time.

Housing problems are equally burdensome for renters and homeowners. Renters are faced with continued increasing rent while homeowners face ever increasing property taxes. When a homeowner chooses to sell he has few choices in renting. The combined problems of property taxes and lack of housing alternatives are forcing lifelong residents to move from the county, their family and friends in search of appropriate housing and a locale where they can live with some degree of comfort on their fixed income.

Both renters and homeowners face problems of inappropriate housing. The house may be too large or the apartment too limited; inappropriate as a facility in regard to health problems such as stairs or a shared bathroom; or may be inaccessible to needed services and social activities in a county, such as this, where there is only limited, minimal public transportation.

Although Somerset County now has only 40 units of subsidized housing, I'm sure bill S. 13363 is very essential to larger housing projects. Many senior citizens including homeowners and renters have expressed fear for their personal safety on the street and in the confines of their homes.

It seems infeasible, impossible that housing deficits for senior citizens will be resolved without subsidies. Persons continue to be forced to retire due to age; live on a fixed, limited income and are not offered auxiliary services such as housing at a reasonable cost to insure they will not have to live their "golden years" in deprivation.

I appreciated receiving the copies of the legislation you have introduced. I would appreciate it if your office could continue to send copies of legislative bills related to the aged.

Wishing you every success in behalf of senior citizens for your proposed legislation.

Sincerely,

JERRIE S. RAPP.
Director.

MADISON, N.J., *January 14, 1974.*

DEAR SENATOR WILLIAMS: This is in reply to your letter of January 10 to Mrs. Fannie Stinson, regarding housing for the elderly. Mrs. Stinson has asked me to reply, because I am chairman of the housing authority of the Borough of Madison. I am replying as an individual, and not transmitting the thoughts of the authority.

Your letter contained three questions:

(1) The moratorium on most of the housing programs under HUD has not brought our project in Madison (20 units of public housing under Turnkey) to an end, but it has caused severe delays and materially decreased the prospects for eventual success. In general, my view is that instead of stopping the HUD programs, it would have been better to revise them, with safeguards against corruption, abuse and mismanagement.

(2) The housing authority of the Borough of Madison has considered initiating efforts on behalf of housing for the elderly, but at present is giving priority to housing for low-income families. People in Madison have expressed an interest in housing for the elderly. There is also a group interested in housing for disabled people.

(3) In conditions like those existing in Madison, housing allowances for tenants, unsupported by production subsidies, would not meet the need. This is because in Madison there is (a) a shortage of housing of all kinds, except for wealthy people, and (b) no rent control. Also, as I understand it, the present Federal scheme does not have provisions requiring landlords to correct standard housing conditions before receiving rent-allowance money. The probable result here would be that poor people would live in the same places with the same living conditions, and that landlords would receive more money. This is not as good as the programs which were stopped under the moratorium.

Sincerely yours,

REXFORD S. TUCKER.

SUSSEX COUNTY OFFICE ON AGING,
Newton, N.J., January 28, 1974.

DEAR SENATOR WILLIAMS: I wish to thank you for the opportunity to present a statement based on my view of Sussex County Housing needs.

Sussex County, N.J., is lacking any housing for low and moderate income senior citizens. The exception is one 80-unit project now under construction by the Newton Housing Authority, which is the only housing authority in the county. The housing moratorium had no effect on this particular project as the moneys were already committed in December of 1972. However, the

moratorium had a serious effect on the progress being made toward developing housing in Sussex County. Efforts by many community minded individuals had resulted in an active concern for senior citizen housing and for the establishing of a county housing authority. The housing moratorium had a very negative effect on our efforts which had reached an encouraging level. Local government officials and all individuals who have been working on the countywide problem became discouraged and all efforts collapsed.

It is the opinion of those individuals in our county involved in planning and housing problems that a program of housing allowances and production subsidies is needed to meet the housing needs of older persons as well as other segments of our population. With no available housing in this county for low and moderate income persons production programs must be made available. At present our office on aging, our county planning department and a countywide housing committee under a group known as "Operation-Cooperation" is maintaining efforts to seek out alternative plans to the now dead housing programs. We need building and rehabilitation programs to produce more units. We suffer from a low vacancy rate with resulting high rents and a rapid tenant turnover. A need for local zoning ordinances permitting multifamily units also enters into the total picture.

Thank you for allowing me to express my views.

Very truly yours,

ANNE E. RIEKER,
Executive Director.

HOUSING AUTHORITY OF THE CITY OF PATERSON,
Paterson, N.J., January 28, 1974.

DEAR SENATOR WILLIAMS: Our reply to your letter of January 10, 1974 is as follows:

(1) The moratorium has not had any effects on the LHA. Our city administration is opposed to public housing and will not approve any form of housing unless full taxes are paid.

(2) The LHA has been most fortunate. Prior to the moratorium and our present city administration, we had received ACC commitments from HUD for 100 units of housing for elderly under a Turnkey Program (occupied this month), and 260 units of section 23 leased housing, of which 150 units are for elderly. With the completion of these programs we will have 842 units constructed specifically for the elderly and 1,798 of multifamily units.

(3) In our opinion, housing allowances will never produce good housing for the elderly. It would serve as a subsidy for substandard housing and it is obvious that every urban area has an overabundance of substandard housing.

We trust the above will be of some assistance to you in your continuing efforts to provide Housing for our elderly citizens.

Very truly yours,

ROMEO T. DEVITA,
Executive Director.

NAVESINK HOUSE,
Red Bank, N.J., January 28, 1974.

DEAR SENATOR WILLIAMS: Thank you for writing me to send comments relative to senior housing.

My comments are enclosed. In addition I enclose a letter from Isadore Tennenberg of the Jewish Geriatrics Home, Cherry Hill.

Sincerely,

DONALD W. BARTON,
Administrator.

[Enclosure]

NAVESINK HOUSE,
Red Bank, N.J., January 29, 1974.

SENATOR WILLIAMS: Speaking on behalf of a number of senior citizens in the State of New Jersey, I'm sure that we all appreciate the efforts that you are making to expand the housing acts and loan programs for elderly housing. The present moratorium of most housing programs is having a very serious effect upon the elderly people of the State of New Jersey and of the Nation. While I am unable to give you statistical data concerning the need for elderly housing in the State other than you already have, we must consider the great number of peoples in the larger cities of this State and

neighboring New York and Pennsylvania who desire to leave those areas for safer neighborhoods.

Specific case in point is the great number of applications that we have at the Navesink House on the waiting list. We receive daily a number of letters, calls and comments of fright and fear of elderly who are literally near scared to death for their safety and well-being. Any figures that utilize only New Jersey as base are not representative of the desires of the large number of people in the metropolitan areas. Our elderly are being deprived of one of the most basic needs of their entire life by not having adequate housing available to them. I have been active in trying to implement new housing programs for the American Baptist Churches, both within this State and in the State of Washington.

The housing moratorium has simply put us against the wall. Coupled with this is the current high interest rate which has made it impossible for us to develop several projects that were originally on the books and still have them within the economic means of middle income people. Finding private money puts us completely out of the low income housing sector. Long range interest rates of nine and one half to eleven percent virtually prohibit most development. Housing allowances unsupported by production of housing units can only lead to further waste of federal funds, greater encroachment of the Federal Government into the private lives of individuals and greater potential for bilking the unknowing and the uneducated. Considering the type of individual who would be eligible for most housing allowances, I am sure that it would be the most unwise program devised by any administration.

I would like to speak to your bill S. 2179 and the implementation of the 236 program. I am sure that a major objective of housing for the elderly, aside from sheer shelter, is creation of an environment and opportunity to join others in activity that is productive. It needs to be important enough for a man to find meaning now that his regular occupation has been terminated. It needs to have meaning and opportunity for a woman who has completed her task of raising a family to find a re-entrance into the social community. Retirement and creative use of the "golden years" are unique and special problems. With the increasing population that we have it is going to be an increasing problem to give meaning to lives that will go on for 25 or 30 years past productive employment. To provide housing alone is not enough.

There needs to be education in nutrition, in meaningful activity and in medical care. There needs to be within the confines of any housing development the opportunity for congregate meetings, for at least one well-balanced and well-planned meal a day, as well as, on-site medical facility where health care can be given without the trauma of removal and separation of loved ones. The elderly of our Nation are most happy when they are able to continue to participate actively in the life of the community. The elderly should be allowed the dignity of their individual life, the privacy of their own apartment, the rights to be citizens, equal in all aspects to those that they enjoyed in younger years.

Let us get on with the business of providing adequate housing that is suitable and satisfactory for our seniors. Thank you.

Sincerely,

DONALD W. BARTON,
Administrator.

[Enclosure]

JEWISH GERIATRIC HOME,
Cherry Hill, N.J., January 24, 1974.

DEAR MR. BARTON: In reply to your request for information on housing for the elderly, we are well on our way in the planning process for the construction of 150 apartments on a site adjacent to our home. The township of Cherry Hill and the State have authorized us to proceed. The State made available a grant of \$70,000 for planning purposes. At one point the State felt they would be able to permit us to proceed with the housing program and use funds which the State had authorized, but had not as yet been allocated. We were later informed that the moratorium applied to these funds as well. At the present time this project is at a standstill.

In view of the total needs of the elderly, one cannot separate the housing needs from the other social needs such as food, medical, recreational and social services. Although a housing allowance might meet the immediate housing needs for payment of rent, this is only a portion of the problem that

our aged population faces. His rent might be paid, but he might also suffer from malnutrition because of his inability to go shopping or to adequately care for his needs of daily living. It was, therefore, our feeling that in addition to developing a program for the housing needs of the elderly this would be coupled with the provisions of other services as well.

I am pleased that our association will be taking a stand on this issue.

Sincerely yours,

ISADORE M. TENNENBERG,
Executive Director.

COMMITTEE ON AGING, HUNTERDON COUNTY,
Flemington, N.J., January 28, 1974

DEAR SENATOR WILLIAMS: Thank you for your letter of January 14 concerning housing for the elderly. We are pleased to give you our views for inclusion in the hearing record.

I am writing this as chairman of the Committee on Aging of Hunterdon County. As you no doubt know, there is no publicly subsidized housing for the elderly in Hunterdon despite the fact that 1,282 senior citizens are below the poverty level—nearly 20 percent of all our elderly.

In this county, 35 percent of the senior citizens owning their own homes, and 51 percent of those renting homes, have incomes under \$3,000. Many are living in substandard housing. According to a study based on the 1970 census conducted by Princeton University for the New Jersey Department of Community Affairs, State Office on Aging, 10 percent of those renting homes are living in housing that lacks plumbing and heating facilities.

You are well aware, as we are, that the inflation spiral is greatly increasing the hardships of low-income elderly, and at the same time is making the construction of housing for the elderly more and more difficult. The moratorium has further aggravated the situation. Here is a case in point.

Our committee has been cooperating with a group of citizens in Hunterdon County who have been working for more than four years to try to build 100 units for low-moderate-income elderly. In 1972 they formed a nonprofit organization, the Citizens Housing Corporation of Raritan Township.

With the help of a professional housing consultant, an architect and an attorney, they obtained from a developer an option for 100 units of one and two-story apartments as part of a 200-acre planned residential community. They worked hard with the township planning board and township committee until zoning which allows multiple dwellings was achieved. They applied to the New Jersey State Finance Agency for a seed-money loan and for subsidy funds under title 236, and finally in November 1972 received conditional site approval—an important step in the process of obtaining funds.

In spite of all these accomplishments, the State Housing Finance Agency found it impossible to meet their request for funds in view of the fact that after January 1973 no subsidy money for the production of new housing was available from HUD. The moratorium brought this program to a complete halt.

With the housing situation continuing to deteriorate, the Citizens Corporation has now turned to the Farmers Home Administration and is working to obtain funds for 16 units, recognizing that this is a mere drop in the bucket in view of the housing needs of the elderly in this county.

The Committee on Aging of Hunterdon County feels that it is imperative that Federal funds again be made available, and as soon as possible. We also hope that the section 202 program be reinstated with funds sufficient to make rent supplements possible in order to meet the desperate housing needs of low-income elderly.

Sincerely and respectfully,

LEON MILMAN,
Chairman.

HOUSING AUTHORITY OF THE TOWN OF MORRISTOWN,
Morristown, N.J., January 28, 1974.

DEAR SENATOR WILLIAMS: In response to your letter of inquiry dated January 10, 1974 I present my opinions to the inquiries as follows:

(1) In view of the inordinately lengthy process between the inception of a program on the local level for housing, the various approvals through the

area and central offices of the Department of Housing and Urban Development and the final product made available to the senior citizens and the other families in need of housing, the moratorium has dried up the pipe line of steady production of housing for the elderly and other low and moderate income families. This moratorium should be lifted. Unless the bureaucratic red tape and approval is forshortened from the usual periods of one and a half years of planning, and another year of construction, it will take a minimum of 2½ years from the lifting of the moratorium to the availability of housing for the needy individuals and families.

(2) This Authority had an application for a reservation for 50 additional units of housing in the Newark area office of the Department of Housing and Urban Development at the time the moratorium was placed. As a result of the moratorium these 50 units are not available to this community until such time as the moratorium is lifted.

(3) Regarding the housing allowances. There is a dire need for low and moderate income rental housing in this community which is safe, sanitary and meets at least the minimum requirements of sanitation. The housing allowances will merely provide extra income to these owners of properties that are substandard and will perpetuate the use of housing that is not safe, sanitary and habital, and will only ease the financial burden for the individuals and families that are living in deteriorated and substandard housing.

I hope the above information will assist you and the committee in their determinations. If I can be of further assistance, don't hesitate to call me.

Sincerely yours,

JOHN WAVERCZAK,
Executive Director.

HOUSING AUTHORITY OF THE CITY OF SOUTH AMBOY,
South Amboy, N.J., January 23, 1974.

HON. HARRISON A. WILLIAMS: Concerning your letter of January 10, 1974, please be advised as follows:

My views on housing can only and honestly be limited to the city of South Amboy.

The commissioners of this authority submitted an application for housing for the elderly back in 1970. In May of 1972, we were notified that our application was given an adequate rating, but because of insufficient funds, a program reservation could not be approved.

The commissioners, myself and the members of the governing body were disheartened by this setback after cooperating and working so hard in order to do something for our older and deserving Americans.

An elderly project is badly needed in our community, Senator, and the moratorium put on most housing programs has certainly affected this little community of ours.

Presently, we have a low-rent project (75 units) which is serving our community adequately, but, we must do more and more for our elderly. This, in my opinion, can only be done by adequate and needed housing which must be supported and subsidized by the Government.

Give to the elderly who gave so much to us.

Sincerely,

WOODROW M. MCCARTHY,
Executive Director.

BRIGHTON MEMORIAL POST 2140,
VETERANS OF FOREIGN WARS OF THE U.S.,
Long Branch, N.J., January 27, 1974.

DEAR SENATOR WILLIAMS: In response to your letter of 10 January 1974, I am providing the following comments as specifically requested:

(1) Effects of the moratorium on most housing programs that had been authorized for action by the Department of Housing and Urban Development. The moratorium has effectively stopped all projects and programs that were in the planning, preapplication, and preliminary application phases. i.e., those programs that HUD had not approved or funded at the time of the moratorium. There are two particularly tragic effects of this moratorium in that, (a) it has stopped all forward movement of these programs, and (b) it will cause a delay of approximately 2-2½ years in housing construction for

each year that the moratorium is in effect—since the professional services (lawyer, architect, realtor, consultant, etc.) rendered to prospective sponsors of the programs and projects, is done on a contingency basis (i.e., reimbursement is contingent upon approval and funding).

(2) Status of your own efforts on behalf of housing for the elderly. Our local VFW post, under the corporate name of VFW Plaza Inc., applied to the New Jersey Housing Finance Agency to build a 100-unit apartment house for senior citizens on August 24, 1971. In order to reduce the rents, our proposal required subsidies under sections 236 and 101. HUD initially disapproved our site for ecological and noise-pollution reasons. We were preparing our appeal when the President imposed his moratorium, and HUD informed us that it could not accept or act on our appeal until the moratorium was lifted or it received clarification. It is very ironic in that HUD uses ecological and noise-pollution "standards," which have not been proven (qualitatively or quantitatively), and whose applicability has not been fully developed. We feel that our appeal is extremely valid.

(3) Your views on whether housing allowances, unsupported by production subsidies, are likely to meet housing needs of older persons and other Americans. Housing allowances, without production subsidies, *will not* meet the housing needs of the elderly—or most citizens in the "medium" class or below. Housing allowances, alone, will not satisfy the most urgent problem of providing adequate housing since such a critical housing shortage presently exists. Housing allowances alone will definitely *not* stimulate housing production, particularly housing requiring special provision for the elderly. Builders and mortgagors would consider construction, contingent upon occupants receiving allowances, to be too risky—and mortgage money would be tight. Housing allowances would not overcome, completely, the tendencies of the elderly to accept less than adequate housing for thrifty (economic) reasons. Also a housing allowance program would require stringent and costly supervision and control, or otherwise it will become like our welfare programs have—the biggest "slum builder" in America.

The most effective, and expeditious, manner of providing adequate housing for the elderly must include, (a) incentives to stimulate construction, (b) provisions for reasonable rents, and (c) adequate supervision and supportive services by interested and competent sponsors. For these reasons I, and the other members, wholeheartedly support your proposed legislation to reinstitute the section 202 program, to provide for supportive services, and to provide for increased security. The sections 101 and 236 programs were extremely successful, and provided special incentives to builder, sponsor, and tenant, and their concepts should be continued.

Thank you for this opportunity to present our views, and we are sincerely hoping that your commendable efforts will once again put America on the right path to meeting the housing needs of all its citizens.

Sincerely,

AVERY W. GRANT,
President, VFW Plaza Inc.

HUNTERDON COUNTY HOUSING COUNCIL,
Flemington, N.J., January 28, 1974.

DEAR SENATOR WILLIAMS: I was privileged to attend the hearing you held in Trenton January 17, 1974.

The Hunterdon County Housing Council was appointed a year ago by the Board of Freeholders to study housing for low-income families and individuals.

We have no public or subsidized housing and, although we are a rural county in an urban state, we do have much of the same problems found in the urban centers. Almost 1,300 of the 6,693 senior citizens in Hunterdon are below poverty level. Inflation will inevitably spiral this figure. We hear repeatedly "give us housing we can afford"!

In lieu of HUD funds cut off by the moratorium, our council is pursuing another course to secure at least 200 units for senior citizens over the next 2 years. We have been authorized by the Freeholders to make application for section 23 funds to subsidize the leasing of apartments from privately financed construction when and where it develops throughout the county. Using a factor

of 5 percent to 10 percent of any project associated with the actual need in a specific area, we visualize housing our senior citizens in or near their "home" community. Hunterdon County municipalities are not ready to accept either highrise or massive housing projects. However, they have expressed support for our program. We believe our approach is a beginning that will fill some of the need; it does not preclude our continued search for other means to bring housing into the County.

After individual study, our council has expressed basic support for all your bills, but would recommend the following:

(1) When HUD programs are reinstated they should be as nearly as possible to BLOCK GRANTS with STATE and COUNTY determinations being made concerning the nature and extent of the need. We do not look favorably on a case by case categorical application procedure.

(2) Housing allowances must be funnelled through public or quasi-public bodies; otherwise, they may only serve to inflate the cost of rental units without real improvement in living conditions.

Believing you may be interested, I am attaching a copy of our schedule indicating anticipated rental costs and subsidies. Inflation may alter the \$220 and \$250 figures but, we are optimistic!

We appreciate your thorough interest in the concerns of the senior citizen.

Sincerely,

ELIZABETH DILLINGER,
Chairman.

[Enclosure]

HUNTERDON COUNTY HOUSING COUNCIL

(Drafted July, 1973)

ANTICIPATED RENT AND SUBSIDY SCHEDULE AS OF JULY 1974.

(I) Based on HUD construction cost projections, as tested and confirmed with Hunterdon County Builders and Architects, the following minimum market rents and maximum subsidy payments can be expected to prevail as of July, 1974:

	Monthly Market Rents (utilities included)	Subsidy payments	
		Elderly	Nonelderly
Efficiency.....	\$220	\$133	
One bedroom.....	250	\$146	\$132

(II) Assuming all subsidies received (including any supportive cash from the State of New Jersey that would make the HUD program more effective and underwriting that which HUD cannot fund) are passed on in the form of rent reductions, with no deductions for overhead and administration, the rents to be paid by the tenant (including utilities) would be:

Tenant rents	Elderly	Nonelderly
Efficiency.....	\$87	
One bedroom.....	\$104	\$118

(III*) Acknowledging that some elderly simply will not be able to pay the \$87 or the \$104 monthly rent; it is suggested that the County Freeholders be asked to budget, beginning with the period July 1, 1974, an appropriate amount to allow rents to be further reduced to handle hardship cases. For example, if it were decided to reduce rents on 20 percent of the recommended units (200) so as to actually cut rents by \$25, the total annual budget required of the Freeholders would amount to \$11,520:

Reduced rents on 20 efficiency from \$87 to \$65 (monthly).....	\$5, 280
Reduced rents on 20 one-bedroom from \$104 to \$78 (monthly).....	6, 240
Total.....	11, 520

* Our Freeholders have budgeted \$3,000 for 1974. We view this as an expression of faith in our objective.

LEAGUE OF WOMEN VOTERS,
Ridgewood, N.J., January 23, 1974.

DEAR SENATOR WILLIAMS: The League of Women Voters of Ridgewood is pleased to submit a statement on our views on the housing needs of older Americans to the Special Committee on Aging in conjunction with hearings on the "Adequacy of Federal Response to Housing Needs of the Elderly."

Enclosed is our statement.

Sincerely yours,

HELEN LINDSAY,
President.

[Enclosure]

STATEMENT OF THE LEAGUE OF WOMEN VOTERS OF RIDGEWOOD, N.J.

JANUARY 26, 1974.

The League of Women Voters of Ridgewood is pleased to submit a statement to the Special Committee on Aging on the housing needs of older Americans. The Ridgewood league has had a long-term interest in this problem, particularly in relation to the needs of senior citizens in our community.

Although Ridgewood is an affluent community, there are many older people in desperate need of housing. Senior citizens 62 years and over make up more than 10 percent of the town's population. As recently as 1970, one-quarter of these elderly people had an income of less than \$4,400 a year. In addition, a substantial number of other senior citizens had incomes above this level but less than \$7,000.

Further details on the *low-income* elderly can be seen in the table below:

RIDGEWOOD HOUSEHOLDS BY FAMILY INCOME

Income per annum	Head of household age 62-64 years		Head of household 65 years and over	
	Number of persons		Total number of persons	
Under \$1,001.....	25	189	214	
\$1,001-\$2,000.....	11	174	185	
\$2,000-\$3,000.....	4	150	154	
\$3,000-\$3,600.....	6	69	75	
\$3,600-\$4,400.....	0	113	113	
Total.....	46	695	741	

Source: U.S. Bureau of Census, 1970.

For the middle-income senior citizens the evidence is indirect, but the New Jersey Office on Aging makes the case as follows. In 1970, property tax relief was granted to 373 elderly homeowners in Ridgewood. These homeowners were eligible for a property tax deduction because their incomes were \$5,000 or less excluding Social Security. In addition, figures for Bergen County elderly show that over fifty per cent of homeowners 65 and over and over 70 percent of elderly renters have an income under \$7,000. Since there are no large cities in Bergen County to skew the figures, it is reasonable to infer from this that a large proportion of elderly in Ridgewood, as in the county, have incomes under \$7,000. The Office on Aging further estimates that Ridgewood will need 421 low and moderate income senior citizen housing units by 1980.

Many elderly people in Ridgewood own their own homes and find it financially difficult to remain in them, even though some are eligible for property tax relief. Others must find help with their rent. In various interviews with elderly residents, the league has found one of their chief concerns is their ability to pay the rent. And they are in constant fear that the rent will go up. The table below gives an indication of the financial pressure on low-income elderly people who rent in Ridgewood.

RIDGEWOOD HOUSEHOLDS, WITH FAMILY INCOMES UNDER \$4401 BY MONTHLY RENT

Number of persons	Under \$50	\$51-70	\$71-80	\$81-90	\$91-100	\$101-150	\$151-200	Over \$200
62-64 years.....		3					6	
65 years and over.....	4	7		30	5	108	70	35
Totals.....	4	10	0	30	5	108	76	3

Source: U.S. Bureau of Census, 1970.

In early 1973, The Village of Ridgewood elected to participate in the section 23 leasing program administered by the Bergen County Housing Authority. But because of the moratorium, funds for this program are limited to the amount in the program at the time the moratorium went into effect. There are no new funds available in spite of the fact that more people are applying for assistance. To date only five people in Ridgewood have received help under the leasing program although there are 157 senior citizens with an income under \$4,401 and rent under \$150 per month. It is our understanding that the moratorium has had the same stifling effect in other communities in New Jersey.

The moratorium has created serious difficulties for the constructing of senior citizen housing as well. Before the moratorium there were various avenues open to Ridgewood and each was considered. But now there are fewer options open to municipalities and those that are available are more expensive. The following are some examples.

(1) Although in Ridgewood's case, the public housing program with a local housing authority did not appear to be the most desirable way of building housing for the aged, still the choice for us as for others was cut off with the moratorium because this type of housing program was severely curtailed.

(2) The State program under the NJHFA no longer provides seed money, Even more important the sponsors in the municipalities are no longer able to build at a preferential interest rate of 1 percent because Federal money is no longer available to lower the rate. The result is that senior citizen housing is more expensive to build and rents must be higher, effectively cutting out those who need the help the most.

(3) Before the moratorium some of the units in middle-income senior citizen housing were available to the low-income aged through Federal subsidies. This is no longer so.

Through the State, senior citizen housing production has slowed to a trickle. In Ridgewood, there may be enough senior citizens at the upper middle income level for the State program still to be undertaken. But even here the cost of construction without Federal subsidies may raise the rent so much that in the end Ridgewood, too, may have to await further Federal programs.

The village has shown its commitment to helping the aged by putting provisions in its new master plan for senior citizen housing and asking the state for site approval. But the village has encountered serious delays in what appears to be bureaucratic red tape. Their initial request for site approval was made in July or August and they are still awaiting word after repeated communications. One wonders whether this is the usual problem in obtaining production subsidies. And, if so, whether there is any way of avoiding such delays.

At the present time production subsidies alone cannot provide for the housing needs of older Americans in New Jersey. Senior citizens in communities such as Ridgewood would benefit both from some form of housing allowance and by housing built especially for them. As long as a housing shortage exists, Federal subsidies for production will be necessary to keep the cost within reach of retired people. But as construction costs continue to rise, even federally subsidized housing will probably be too expensive for the low-income elderly. They will need additional assistance. The leasing program is an important provision in this direction. So were provisions for rental assistance for the low-income elderly in middle-income housing.

Housing allowances given directly to people, if proven feasible, may be one good way to assist the low-income aged. But it is important to test this type of assistance further before putting it into effect. New legislation should con-

sider both the demand and the supply side of housing. Further testing of housing allowances should be directed at avoiding problems that have plagued other programs, such as Medicare. Important as this medical program is, provision was made for financing the demand for medical care without giving sufficient thought to whether the supply could be increased accordingly. The result was a sharp rise in the cost of medicine.

At the same time as housing allowances are being considered, we need to provide for new construction. Experiments with housing allowances will take time. It is imperative to take care of the needs of the aged in the interim between programs.

Funds for construction should not be dropped in the hopes that a better program will be forthcoming. For production subsidies afford assistance to the aged in ways that housing allowances cannot. Senior citizens need housing especially constructed for them within easy access to shopping, with special safety factors and little maintenance care, with wider walkways and fewer stairs.

In conclusion, we cannot emphasize too strongly that we feel it is a government responsibility to maintain a program to provide for the housing needs of elderly Americans.

HELEN LINDSAY,
President.

COUNTY OF MIDDLESEX OFFICE ON AGING,
Edison, N.J., January 29, 1974.

DEAR PETE: In answer to your letter of January 8, 1974, I would like to submit my answers to the questions you raised about housing for the elderly. Below are my answers to the specifics, point by point.

(1) The effect of the moratorium here in our county was disastrous, to cite one example, I had worked for 5 years with various senior groups in Metuchen to get a housing program for this borough. Just when it appeared we were finally going to be successful, along came the moratorium and the application never got processed.

(2) During the past three or 4 years, in conjunction with the UAW Housing Corporation, I have spent untold hours at nights, meeting with town councils in South River, Sayreville, Madison Township, Piscataway and other communities within the county. All these efforts have now proved fruitless because of the do-nothing attitude that exists on the part of the Nixon administration. In addition, I have worked with church groups and other private nonprofit groups who desired to get something started in senior housing. I feel utterly frustrated at this time, after all this effort and time being just another exercise in futility.

(3) I don't think just Housing allowances will solve anyone's Housing needs. In our particular situation here in Middlesex County, where we have a zero vacancy factor, Housing allowances will only line the landlords' pockets with more profits. It will just mean that people will be competing more keenly for any available apartments and pushing rentals higher and higher to the disadvantage of all our renting population. The answer to the housing needs of the elderly is a crash program designed to supply housing suited to their needs, as soon as possible, this is the only answer to housing all segments of our society.

Best regards,

THOMAS E. HAMILTON,
Executive Director.

RARITAN VALLEY COMMUNITY DEVELOPMENT FOUNDATION,
New Brunswick, N.J., January 31, 1974.

DEAR SENATOR WILLIAMS: May I introduce this response to your request for testimony to the Senate Subcommittee on Housing for the Elderly by stating that the Raritan Valley Community Development Foundation is a nonprofit citizens corporation which has the primary purpose of sponsoring housing for families with low and moderate incomes. We are a production oriented corporation, and our purpose is being frustrated by the moratorium placed by

the President on the housing mortgage interest subsidy programs. The foundation is currently funded by the New Jersey Department of Community Affairs in the amount of \$129,000 to carry on a program of housing construction and rehabilitation in central New Jersey. It is imperative that Federal production oriented subsidies be resumed at an early date in order for the foundation to be able to make inroads into the substantial need for low and moderate cost housing in our program area.

EFFECTS OF THE FEDERAL HOUSING SUBSIDY MORATORIUM

Agreement was reached by the New Jersey Department of Community Affairs and the foundation for the aforementioned grant in late December 1972. The concept of the project was to form a tripartite partnership between a nonprofit corporation, which would sponsor housing for those in need, the State government, which would provide early seed money in an amount sufficient to get a significant regionwide housing program started, and the Federal Government, which would provide mortgage interest subsidies under the sections 235 and 236 programs to significantly reduce rental cost and carrying charges to the home owners and tenants. The foundation was set to help provide a portion of the 23,000 low and moderate cost units the Middlesex County Planning Board has estimated are needed in that county alone by 1975 to adequately house families with incomes of less than \$10,000 annually. President Nixon's suspension of the mortgage interest programs effectively cancelled the Federal Government's part of this partnership. Since then, the foundation has been searching, to date in vain, for substitute subsidy programs so that our projects may move forward as planned.

HOUSING FOR THE ELDERLY

One of the projects the foundation is seeking to sponsor is a development of 90 housing units designed for occupancy by persons 62 years of age and over in the suburban municipality of South Brunswick Township.

The need for such housing in South Brunswick may be demonstrated by the following simple statistics: The New Jersey Department of Community Affairs Office on Aging has forecast a need for 112 units in the township by 1980. According to the 1970 U. S. Census, 16.3 percent (119 persons) of South Brunswick's population age 65 and over were below the poverty limit and, of husband and wife families age 65 and over, 55.9 percent had incomes of less than \$7,000 compared with 13 percent of the total number of families in the township with incomes of less than \$7,000.

The Foundation is now applying for various township approvals for the project. The prospects for these approvals are favorable. However, the prospects for sufficient subsidy to reduce the rentals low enough to serve the families with incomes of less than \$7,000 (i.e., the housing "poor") are bleak without an adequately funded Federal program to do the job. With adequate subsidies, the foundation could sponsor such projects for the elderly throughout central New Jersey to serve the need, estimated by the State Division on Aging to be 5,600 units by 1980 in Middlesex County alone.

HOUSING VERSUS PRODUCTION SUBSIDIES

Total reliance on housing allowances to assist housing "poor" Americans in meeting their shelter needs has, in our opinion, the following deficiencies:

(1) Because current construction and financing costs of new housing units are so high, families assisted by housing allowances would be left to compete on the open market with what would likely be a bare minimum budget, thus always being confined to the older, bare minimum housing stock.

(2) Discrimination against assisted families would be difficult to guard against, just as discrimination against welfare families now exists as they seek to meet their housing needs.

(3) The housing stock available to assisted families would likely be in the older population centers where the largest supplies of moderate cost units now exist. In New Jersey, these supplies are not within nearby commuting range of the suburban job growth areas, thus confining many families who can least afford it to long and expensive commutation.

(4) Whereas very little specially designed units for the elderly now exist, and because construction costs (including financing) of new units are so high, it is likely the elderly will be confined to older, moderate cost units not especially suited to their social or physical needs.

On the other hand, assuming future abuses of housing production subsidy programs can be minimized, continuation of production oriented subsidies would have the following advantages:

(1) These subsidies can help bring into being specially designed units for the elderly which do not now exist in large numbers, except for the affluent, in central New Jersey.

(2) Production subsidies can become part of urban renewal and community development strategies, whereas housing allowances cannot.

(3) Production subsidies can help bring into being improved social settings and supporting facilities for the very population groups most in need of these settings and facilities.

(4) Production subsidies can open up the suburbs to the population groups most in need of the new job opportunities which exist there.

(5) By spurring new construction of housing units for the elderly in suburban communities as well as the cities, these older families will not be forced to compete with younger, more affluent families on the open market for units in housing environments frequently not hospitable to them.

To summarize, it is our view that whatever initiatives the Federal Government may take to provide allowances for the housing "poor," these initiatives must be balanced by a continuation of adequate production subsidies because of the inherent deficiencies of an allowance program and the advantages of a production subsidy program as cited above.

Sincerely,

CHARLES L. GABLER,
Executive Director.

COUNTY OF OCEAN, OFFICE ON AGING,
Toms River, N.J., January 29, 1974.

DEAR SENATOR WILLIAMS: Thank you for the opportunity of adding our statement, in conjunction with the hearing recently held in New Jersey on "Adequacy of Federal Response to Housing Needs of the Elderly." We are enclosing a copy entitled "Housing and Income Data for the Elderly,"* prepared by the New Jersey State Office on Aging in October, 1973.

Ocean County is fast becoming the mecca for senior citizens, not only for the State of New Jersey, but surrounding States such as Pennsylvania, New York, and Maryland. Ocean County has very few apartment buildings and should be considered as a county of homeowners. Unfortunately we have within the county only three housing authorities. These are located in Berkeley Township, Brick Township, and Lakewood Township. These three housing authorities combined, offer only 331 units to accommodate a poverty population of over 5,000 senior citizens, 65 years or over. Needless to say, the moratorium on housing for the elderly brought to a grinding halt any efforts to establish housing authorities in all 33 municipalities in this county. As you very well know, inflation, the rise in taxes, and the ever present high health costs threaten the seniors daily existence. In most instances, seniors invest their life savings into a home in one of our senior villages and then when the inevitable death of a spouse occurs, the surviving partner find themselves with a cut in their Social Security check and increasing rises in the cost of living, and so forth. We feel the need is urgent to establish an authority and funds to provide for the building of many senior apartments. We are looking to the future when the person who is now 65 will be 75: the person who is now 73 will be 83, and so on. It is not very difficult to envision the lovely, well-kept homes in these senior communities 10 years hence becoming ghettos. To establish the apartment buildings for seniors is not enough. There must be included supportive services, such as transportation, to name only one of the critical areas.

*Retained in committee files.

The Ocean County Office on Aging, while being acutely aware of the need for special housing for the elderly, has not been able to make too much progress in establishing additional housing for the seniors, simply because we must have Federal financial help to aid Ocean County in building and maintaining these special units. While the poverty figures show that 20 percent of the 65 plus population are considered poverty level, we are aware of many hundreds of seniors who are barely existing, teetering slightly above what is considered "poverty."

We respectfully remind you and the other Senators serving on this very important committee, that while we have first-hand knowledge of the situation of our seniors in Ocean County, N.J., we can state with firm conviction that these problems are present throughout all 50 of these United States.

Respectfully submitted,

FRANCES M. THOMPSON,
Acting Director.

HOUSING AUTHORITY OF THE CITY OF LONG BRANCH,
Long Branch, N.J., January 30, 1974.

DEAR SENATOR WILLIAMS: Thank you for your invitation for me to submit a statement in regard to my concern about the housing needs of older Americans. As a director of a housing authority which manages three senior citizen housing projects, I am deeply concerned with the critical situation we in New Jersey and throughout the Nation are currently faced with in trying to deal with the very real and substantial problems of our elderly.

A recent 2-year study by the Harvard-MIT Joint Center for Urban Studies has established that 6.9 million low and middle income American families live in physically inadequate homes, a major contributing factor is that more than three-fourths of all widows and widowers over age 65 have separate households.

In the Northeast region it was found not only the dwelling units are physically inadequate, but the high rent burden is critical. The administration's housing moratorium has only deepened the need for immediate relief for our elderly in order to meet their housing needs.

Our authority's application for an additional 100 units for the elderly was returned last January 8, upon announcement of the moratorium, at which time our files contained over 300 applications. We now number close to 500, with no available housing, public or private, in our area.

The authority requested HUD review the application for 100 units under section 23, leasing program, when the announcement was made several months ago the suspension was being lifted on this program. However, we were advised that Washington had not set down guide lines. We would be notified as soon as the area office received them. As of this writing we have yet to receive any information or hope!

It is my belief the housing allowances program cannot be effective as the present supply of existing housing does not meet the current need; the demand grows daily, each day a percentage of the population reaches age 62, but each day we are not even supplying the housing for the backlog.

In summary, new construction, especially designed for the needs of our older Americans, is the only answer to meet our obligation to provide decent, safe and sanitary dwelling units which is their heritage.

Thank you again for this opportunity to state my views.

Sincerely,

RICHARD P. KIERNAN,
Executive Director.

[Enclosure]

JANUARY 30, 1974.

MRS. FANNY CROSBY,
Long Branch, N.J.

DEAR MRS. CROSBY: I am in receipt of your letter to Senator Harrison A. Williams, Jr. in regard to installation of hand railings at apartment entrance doors in Hobart Manor.

Please be advised the wrought iron railings have been ordered for sometime now, however, due to the current shortage of steel materials, the contractor has been unable to obtain same to begin installation.

I trust you will be patient with the authority until such time as the contractor can proceed.

Very truly yours,

RICHARD P. KIERNAN,
Executive Director.

MOUNT CARMEL GUILD,
Cranford, N.J., January 30, 1973.

DEAR SENATOR WILLIAMS: I am pleased to reply to your communication of January 8, 1974 relative to Mount Carmel Guild's efforts for the elderly in housing in northern New Jersey. Our program has been badly hampered by the moratorium imposed upon us over a year ago. This office has close to 5,000 applications from older citizens who are in need of good housing at a price they can afford. The cost of inflation of the past year alone places a large majority of our fixed income senior citizens completely out of the housing market.

We are just completing 100 units of senior citizen housing in Jersey City under the 236 subsidy program using the New Jersey Housing Finance Agency as a mortgagee. We have found it impossible to create a financial feasibility with the Federal Housing Authority using any other private mortgagee. This is so because private lending institutions cannot offer 48 year mortgages as does NJHFA. Without a substantial rent supplement I do not see how the 202 program can be successful in New Jersey with our present rise in construction costs. A year ago when we began in Jersey City our construction costs were \$23,000 per unit. We are pressed today, one year later, to keep the price under \$25,000 per unit.

Prior to the moratorium we were able to process successfully, 236 funds through NJHFA with 20 percent to 40 percent 101 rent supplements. I feel this processing routine could still be successful today.

The following projects for elderly housing have been left high and dry because of the moratorium:

	<i>Units</i>
(1) Plainfield.....	220
(2) Caldwell.....	200
(3) Newark.....	400
(4) Union City.....	400
(5) Englewood.....	100
(6) Teaneck.....	100

The above projects are feasible projects and still don't meet the demand of our 5,000 applications.

As you point out in your letter, and I would like to emphasize that it is a very rare occasion (and I personally know of none) when an elderly housing program goes into default. The success of nonprofit elderly housing is throughout the country, and I feel we should build with those programs that have been successful rather than experiment with new programs which are bound to be wrapped in red tape and unsurities from the outset.

If I can be of any further service to you in laying the local housing scene please call on me. I do hope you will be able to attend our dedication of the Jersey City Senior Citizen Apartments sometime in early May.

Sincerely yours,

JOSEPH A. BROWN,
Housing Director.

OGDEN MEMORIAL PRESBYTERIAN CHURCH,
Chatham, N.J., January 28, 1974.

DEAR SENATOR WILLIAMS: Your letter of January 10, 1974 concerning various aspects of housing for the aging was indeed most welcome. The progress of your legislation is very encouraging and as you know by their action in annual meeting last November, you have the complete support of the Presbyterians in New Jersey.

I appreciate your invitation to attend the three hearings you conducted this month in New Jersey. Unfortunately, my schedule prevented me from personally attending any of them; however, I have excellent reports from a number of people who did.

You also asked that I share my views in three areas:

(1) Effects of the moratorium on most housing programs that had been authorized for action by the Department of Housing and Urban Development. As chairman of the planning and development committee of the board of trustees of Presbyterian Homes which is just now completing construction of a 350 unit high rise in Asbury Park using 236 and 101 subsidies, I have had to keep a continuing active relationship in this area. My main and strong impression is that the personnel administering both the Federal and State programs are suffering from very low morale due to uncertainty as to what the government will do in the future. Only a new stability will halt these serious erosions in personnel.

(2) Status of your own efforts on behalf of housing for the elderly. The Presbyterian Homes of New Jersey (formerly the Presbyterian Homes of the Synod of New Jersey) have three other installations in addition to Asbury Tower in Asbury Park. Even while building Asbury Tower, Presbyterian Homes took an option on 112 acres of ground at Washington, N.J., conducted feasibility studies and in December made applications both to the New Jersey Housing Finance Agency and to HUD. A basic description of this project is enclosed. The effect of the moratorium was to bring this whole project to a halt. We know that the capitalization of this project is beyond the capacity of our church but, in the belief that sooner or later the Federal Government must and will face this problem, our board has purchased this tract of ground and is just waiting for help from the Government to proceed.

(3) Your views on whether housing allowances, unsupported by production subsidies, are likely to meet housing needs of older persons and other Americans. My view is that housing allowances that go to people without relation to housing merely subsidizes and increases demand for housing and does nothing for the supply. For instance, in our Washington project, we need massive financial capitalization to produce the physical facilities. Without help here, there will be no housing produced. If this is also true generally, subsidies to individuals merely increase the demand, hence, the rents on the housing that already exists (and, of course, there are also abuses such as a person using a housing allowance for other purposes). Furthermore, whether or not the subsidies are tied to particular housing as has been the case with 236 interest and 101 rent subsidies is a very important factor in whether or not a nonprofit sponsor can and will venture to produce housing even with government help.

We earnestly share with you the strong conviction that this Nation simply must address itself to the critical housing needs of the elderly. Please call upon us if there is any way in which we can give support to your strong leadership.

Very truly yours,

CLARENCE L. LECRONE,

[Enclosure]

WASHINGTON, N.J.

This proposed coordinated comprehensive retirement development would be located in Warren County in Washington Township just on the northern border of Washington Borough. Each of these two communities has a population of approximately 6,000 persons, for a total of approximately 12,000 people. It is proposed to think of this retirement development as serving in addition to Warren County, the counties of Sussex, Hunterdon, Morris, and Somerset. These five counties have a combined population of 802,951 people of which 29,755 are aged 60-64, and 65,268 are 65 and over, of whom 14,000 are 65-plus homeowners with annual incomes under \$5,000, and of whom 9,557 are below poverty level (single \$1,749—couple \$2,194) of which 1,942 are family heads. The estimated housing need in these five counties for low and moderate income elderly, based on 10 percent of 65-plus population as developed by the Economic Market Analyst, HUD Region II, is for 6,527 persons. The April 1971 report of the Office on Aging of the New Jersey Department of Community Affairs indi-

catés that in these five counties there are 294 public housing units for the elderly and that at this time 240 were under development. This means a total of 534 units to house 6,527 needy aged.

The site in Washington Township for the proposed development consists of approximately 112 acres which is bounded on the east by a regional high school, on the north by a nine-hole golf course, on the west by Mine Hill Road and on the south by Jackson Valley Road. The land is on the side of a hill with plateaus and gradual slopes as it runs into a valley, through which courses the vigorous Pohatcong Creek, all of which is rimmed by the tree-covered Scotts Mountains in the background. The topography presents thrilling possibilities for a comprehensive development.

All necessary utilities such as water, sewage, and electricity and transportation supplemented by a shuttle service are available.

To contribute toward meeting the human need outlined above, the following installations on the subject site are proposed:

(1) 500 garden apartments for the elderly who can and wish to live independently. These would consist mainly of the one-bedroom type with a few studio and two-bedroom types, all on ground floor except where terrain provides for a two-story installation with entry at ground level at each story. These would utilize the Federal subsidy programs S-236 and S-101.

(2) A congregate care (custodial or assisted living) facility with 200 living units plus communal facilities such as occupational therapy, recreation, living and dining facilities. This also would be subsidized by Federal programs sections 236 and section 101.

(3) Nursing home facilities. These would provide care for both bed patients and extended or intermediate care patients. It is proposed to build initially two nursing home units of 40 beds each—one unit to be used for bed patients and one for extended or intermediate care patients. Provisions would be made in the plans for four additional 40 bed units to be built and used as needed.

(4) A clinic—this installation would contain offices for at least six doctors and also the necessary examining rooms. This clinic would serve not only this development but also the community at large which has expressed a strong interest in securing such a clinic.

The overall installation would not be limited to the four main features outlined above but would also include recreational, dining, limited commercial and social facilities as necessary for the well-being of the community of elderly persons.

By the number of people served, the main thrust of the above program is with those who will live in the garden apartments. As a church agency, however, the Presbyterian Homes of the Synod of New Jersey could not take responsibility for these persons unless it also had the facilities to care for them as they were no longer capable of independent living. Hence, the comprehensive plan for the care of the elderly whatever that care may require.

URBAN RENEWAL DEPARTMENT, TOWNSHIP OF WAYNE.

Wayne, N.J., January 29, 1974.

DEAR SENATOR WILLIAMS: Thank you for your letter of January 14, 1974 enclosing your legislation on behalf of our elderly citizens. I am impressed with each of the bills enclosed but particularly with S. 2181 entitled the "Intermediate Housing for the Elderly and Handicapped Act." With the enabling interest subsidies this type of legislation can rehabilitate many existing units which will enable the senior citizen to identify with established neighborhoods in small individual homes. This can be advantageous but is certainly not the total answer as your additional legislation indicates.

I am convinced that the crisis in housing for our elderly and handicapped can be considerably relieved in suburbia. I am equally convinced that suburbia will accept the responsibility for *this* type of housing if the necessary financial tools are available and if broad based understanding and support are enlisted. Wayne Township is an excellent case in point. Data collected by the 1970 Census indicated a considerable population of senior citizens in Wayne—in addition a local study among senior citizens groups indicated that the single most pressing financial burden on seniors was housing. The simple solution at that moment

would have been to seek the political support necessary to for a local housing authority and proceed down the route so often taken by the cities. Had we thus proceeded, 242 units of senior citizen housing would not now be nearing completion in the main stream of Wayne Township. We were convinced that in order to succeed, broad based understanding and support of our citizenry-at-large was necessary to accomplish our goal. We created a nonprofit corporation to which all residents of Wayne were invited to join (we were particularly interested in obtaining a cross-sectional representation of the young as well as the senior citizen who we knew were interested). Although such an organization is difficult to administer it proved invaluable when we needed support before various local boards and the mayor for such acts as: Site plan approval, use variance, payment in lieu of taxes, etc.

Our current membership exceeds 750 residents and in addition to the advantage stated above it provides interest and participation to the senior citizen in the planning and execution of housing in his community. In order to make our facility economically feasible and to assist those senior citizens in serious financial condition the sections 236 and 101 provisions of the Housing Act were vital to our project and we were able to obtain commitments from HUD prior to the moratorium. Because of the news of our success, I was invited to many neighboring suburban communities to help them organize as nonprofit sponsors for senior citizens housing. As one on the local firing line I am convinced this job can be done in suburbia however the Federal moratoriums on such vital programs as sections 236 and 101 is the current major obstacle. I am equally convinced that housing allowances unsupported by such subsidy programs will not meet the housing needs of our elderly.

Very truly yours,

CHARLES H. WALLSCHLEGER,
Executive Director.

UNION SENIOR RESIDENTS HOUSING CORPORATION,
Union, N.J., January 24, 1974.

DEAR SENATOR WILLIAMS: My wife and I were extremely pleased with receiving your letter concerning your legislative activity for the aid of the elderly.

If ever there was a forgotten generation, it certainly is the elderly. The economic strangulation that our economy has subjected them to is unreal and an absolute nightmare.

Example: A very proud German widow, living in a garden apartment on Morris Avenue, Union, N.J., receives \$172 from Social Security. Her rent was \$142, and then was raised when a new owner took over the building and she now pays \$165. She has no assets at all and absolutely refuses to go on welfare. She is too proud to accept charity, so she just hibernates into a complete recluse.

Social Security today does not mean what the words say. True, it is better than nothing at all; but it is so far from what is minimal for living expenses today, that it provides no security at all. So for a long range approach to the elderly's financial problems, we should now start on an enforced pension plan for every individual, so that when they reach the retirement age they will have an adequate monthly income to live out the rest of their days with peace and grace.

These plans should be insured and guaranteed; so that the failure of a business, or discharge, the pension would not be lost and would follow wherever the pensioner went.

Now to answer your three subjects in your letter:

(1) The moratorium on housing programs has been devastating. We now have over 500 on our waiting list at Union Senior Resident Housing Corporation and the corporation has even more to be added—approximately 200. So in Union without any struggle, we could fill 700 apartments within 1 month of completion. It is so frustrating to have these dear people come to the office window and beg for an apartment—or even worse—offer us as high as \$500 to get them an apartment. The desperation of these people is frightening and it gets worse each week. This moratorium has been so cruel as it has discriminated against those who were least able to cope with this terrible inflation. I cannot under-

stand how providing low and middle income housing for the elderly is inflationary. As one woman in her desperation said: "Why don't they get the ovens from Germany and put us out of our misery? Kill us! Don't torture us to death."

(2) As manager for the Union Senior Residents Housing Corporation, my activities had to be limited after this corporation voted in April of 1972, that we did not need a second unit. Up to that time I had been very outspoken on the need for a second unit. However, my position with this corporation, who became so opposed to a second unit, it precluded me from any further public comments. After the moratorium, it became just a bad, frustrating experience. Both my wife and I quietly urged anyone interested in senior housing, to urge this corporation and the township committee concerning the drastic need for additional housing in Union.

(3) Concerning housing allowances, I personally do not feel that this will work; because it will by nature have to be a very cumbersome and will be very difficult to control and therefore very expensive. I can only see wide spread abuses of this type of approach to aiding seniors. Those living in other than developments will have to go to just one more bureaucratic department which makes life very difficult, since these people are not always able or resourceful enough to cope with such required initiative.

This type of aid might be of benefit for the younger nonsenior person, who has health and mental capacity to cope with handling all the paper work. I do not think that seniors will be able to cope with it. Here in this unit all necessary paper work is done by the management and then explained to them by appointment in private. In this way they thoroughly understand what is required of them and the reason why.

I can see many other kinds of abuses, such as excessive rents, false statements underestimating their income and assets, and so on. I feel that in the long run that this could be far more expensive to the public than the subsidy and interest reduction programs; and certainly it would be impossible to anticipate a budget, not having any idea of the predetermined amounts needed.

I fear it would become another abused area like the New York welfare program and even ours in this State. The tight control and audit could not be present in such a program. Therefore, I feel that in the long run housing allowances will not answer the "needs of older persons and other Americans."

202 versus 236 program.—The 202 program was ideal with a minimum amount of paperwork and reports. This can work to the disadvantage and abuse of public funds. The 236 program is a tight knit check and double check of all funds which makes it more cumbersome but prevents abuses which I like.

I have read with a great deal of interest in a copy of the Congressional Record, Volume 119, No. 109, dated Friday, July 13, 1973, your proposed "Bill, S. 2179" to establish a demonstration program to provide direct financing of housing for the elderly, etc." This is an excellent idea for a long range possible solution; however, I have not had time to really think out the limited information contained in the Congressional Record. Sometime in the very near future, I would like to meet with you when you are in New Jersey to discuss briefly another approach to elderly housing which I feel has merit—it evolves around the condominium concept via FHA insured mortgages, FNMA OR GNMA.

On behalf of our seniors, may my wife and I say a very sincere and heartfelt thanks on their behalf. You and your counterpart, Congressman John Brademas of Indiana are to be commended for your efforts.

With kind wishes, I am,

Very truly yours,

CHARLES V. BERRY.

Annandale, N.J., January 28, 1974.

DEAR SENATOR WILLIAMS: Thank you for giving me an opportunity to express my opinions in regard to the increasing difficulties older people find in meeting their housing needs. Alerting communities to the problems faced by their older residents and encouraging them to provide options for people as their housing requirements change was a major thrust of the New Jersey Division on Aging at the time that I headed it. Nothing since then has altered my conviction that this remains a matter of utmost importance.

The several different kinds of funding arrangements available through the Federal Government were important tools in translating interest into action. The moratorium placed on such funding last year has destroyed the momentum developed. Knowing how long it takes to bring a single application to the point of ground breaking and then actual occupancy, I can only view the current policy as a setback from which the time lost can never be recovered, regardless of what new programs are instituted.

One of the major realities for older people is that there simply is not enough housing suited to their needs. This is, in large part, due to the fact that there has never before been the type of population that they represent. I fail to understand how the proposed housing allowances, in and of themselves, will produce the kind of housing that is needed. In the short run, at least, such allowances can only increase competition for the already too limited supply of apartments.

It is good to know that your proposals to remedy some of the housing problems of the elderly have been given favorable attention by the Housing Subcommittee of the Senate Banking, Housing and Urban Affairs Committee and included in the omnibus housing bill, S. 2179. I hope this augurs well for positive action by both houses of Congress and an end to administrative blocks. Since some of the best housing developed for older people in recent years came into being under the 202 program, cutting off funds to encourage the non-profit sponsors who were responsible for the success of the program seems to have been especially short-sighted. Your proposal to initiate a loan plan that would accomplish the same thing independent of the regular Federal budget process is an innovative answer to the Federal Government's budgeting practice that fails to indicate the "in and out" nature of the financing for this program.

I trust that the omnibus bill also includes your proposal for making funds available to convert too large homes into apartments. It has long been obvious that a great deal of existing housing would be usable if it were modified to meet the changed needs of both owners and the community. While I was working in New Jersey we were never able to get funds for such a use under existing legislation, regulations or official understanding and sympathy. Since there is no single way to meet the housing needs of our older population, offering one more alternative to meet the demand cannot help but improve the situation.

You are to be commended also for recognizing the critical problem of safety for the residents of Federally funded projects for housing the elderly. In the fall of 1973, as a member of the advisory committee to the New York State Joint Legislative Committee on Problems of the Elderly, I attended a series of meetings on housing in New York City. The need to provide for the safety and security of elderly residents was pointed to over and over as the most serious situation that most of the witnesses were facing. While some spoke of being prisoners in their own apartments because they were afraid to go outside, others told of walking the streets all night because there were so many breakins. Just going down a hall or into an elevator was hazardous. It is bad enough to fear walking down the streets, but to be in constant danger in one's own home is intolerable.

Thank you for your proposals to ameliorate these conditions. May you succeed!

Sincerely yours,

EONE HARGER.

HOUSING AUTHORITY OF THE CITY OF LINDEN,
Linden, N.J., January 24, 1974.

DEAR SIR: It would have been a privilege and a pleasure to personally express my views on the housing needs of the elderly at one of your scheduled hearings. However, since all in housing, generally speaking, are faced with the same problems, I'm sure the scheduled witnesses will also be speaking for us and will very adequately cover the situation.

Alerting the public of the housing needs of the elderly is one thing; to get their support and assistance to provide this sorely needed housing is another. If we are to be successful in this area, the public has to know and understand that the fears, misconceptions, and the stigma attached to housing in general do not apply to housing programs for the elderly. It's a matter of

record that only in rare instances has a housing program for the elderly not served its purpose and been a detriment to the community.

With respect to your specific questions, the moratorium has been the cause of our application for 150 units of senior citizen's housing being returned to us with no action taken by HUD. As well as shattering the dreams of many of our elderly of obtaining clean, safe, and adequate housing at rentals they can afford, the moratorium has left this authority with many doubts and confused as to what side the administration is on.

In order to provide the housing needed, we have considered and explored the administration advocated 236 and the section 23 leased housing programs. The programs in their present state leave much to be desired. We fail to see where they will generate any new housing. As for existing housing, particularly in the section 23 area, the "pork barrel" potential is tremendous. It's practically impossible to get owners of existing property to even discuss leasing agreements.

On the surface, the housing allowance program appears to have much merit. However, closer study reveals many flaws and pitfalls. Among them, we can also cite the tremendous pork barrel possibilities and the complications that can develop from time of receipt of the allowance and the actual payment of rent. If we are to solve the housing crisis, there must be much new housing built. It is extremely doubtful that this program will generate new housing in the number needed.

Without going into actual dollar figures, we offer for consideration some statistics regarding cost to the Government for our low income senior citizen's program versus the housing allowance program.

Our 200 units of senior citizen's housing is self-sustaining and operates without benefit of any subsidies. Therefore, the only cost to the government is the annual contributions payment. In calculating what it would cost to house our people under the housing allowance program, we find the cost would be at least 25 percent higher to the government. Summing the situation up, we can say it's one hell of a price to pay to get the private sector involved in housing.

Thank you for offering me the opportunity to make my point of view.

Very truly yours,

STEVE J. MORRIS,
Executive Director.

KESSLER INSTITUTE FOR REHABILITATION,
West Orange, N.J., January 25, 1974.

MY DEAR SENATOR WILLIAMS: Thank you for the opportunity to place the following statement on record in conjunction with the hearings which you are conducting in New Jersey on "Adequacy of Federal Response to Housing Needs of the Elderly."

The Kessler Institute for Rehabilitation has been providing comprehensive rehabilitation services for disabled children and adults for over twenty-five years. While this institution does not focus exclusively on any age bracket with respect to its admission policy and array of medical rehabilitative services, an average of thirteen percent of our patient population in any year is age 65 or over.

In addition to those disabled persons aged sixty-five or over whose disabilities are such that they can benefit from the institute's array of rehabilitation services, there are many more who are evaluated by the medical staff and determined not ready for our services or could not benefit from the prescribed rehabilitation services.

Therefore, this institution is directly involved in problems of the aging population with the overlay of disability brought on by the aging process and acute episodes of illness, such as; heart disease, stroke, arthritis, and orthopedic impairment.

Housing is a major problem with the majority of the aged 65 or over patients cared for at this institution. The post-discharge planning for the elderly patient concerns itself with the development of alternate residential arrangements for the patient. Persons at this stage of life have usually been faced with a change from living in an independent dwelling because of the eco-

nomics of maintaining a separate domicile, or they may reside in an apartment situation which poses problems of architectural barriers. Lack of elevators or lack of space and doorway facilities will not permit an elderly disabled person to be independently mobile for wheelchair living. Thus, the integrity of the family unit is threatened and the specter of further institutional custodial care, if available and economically feasible, is the last resort.

Of necessity, the views of this institution relative to this problem focus upon a specialized area of housing for the elderly involving some degree of continuing handicap which calls for special considerations in the design of housing for older Americans. Availability of housing for the special requirements of the aged 65 disabled population whom we serve is virtually non-existent.

This institution became a provider of services under the Medicare program for the elderly. As a result, we have been experiencing an increased volume of referrals for the rehabilitation of elderly persons. The present scarcity of suitably designed housing, which will keep the family unit intact and maximize the independence the individual has achieved through the rehabilitation program, stands as a major obstacle for the achievement of the rehabilitation goals of elderly persons.

The present moratorium on housing programs under the Department of Housing and Urban Development places our elderly citizens, and particularly those who are disabled, in a desperate plight.

We are in complete support of your efforts on behalf of this critical need for housing for the elderly as set forth in Senate bills 2179, 2180, 2181 and 2185, which include such subsidies and allowances that will place housing within the means of those on limited retirement income.

The magnitude of this problem and its deleterious effect upon the lives of elderly persons throughout our Nation places a high priority on congressional action with respect to the legislation which you have introduced.

We are grateful for your efforts, and please call upon us for any assistance that we can render.

Sincerely yours,

WILLIAM K. PAGE,
Executive Director.

Appendix 2

ITEM 1. STATEMENT OF JOHN J. SUDIA, HOUSING AUTHORITY, BOROUGH OF CARTERET, N.J.

In conjunction with the hearings being conducted in the State of New Jersey regarding the housing needs for the elderly, I would like to submit my statement to be made part of the hearing record.

As you know, the borough of Carteret N.J., has been a leader in the production of housing for low-income families and senior citizens under the subsidized housing programs.

The effect of the moratorium on most housing programs however, has had a crippling impact on the progress in our housing and renewal program resulting in interested sponsors of housing programs taking a "hands-off" attitude until the air is finally cleared. Urban renewal parcels will remain vacant until developers are assured that they will be able to finance development of one and two family structures for sale to low and moderate income families. Sales of existing and new housing units have come to a standstill because potential purchasers require the assurance of not only a practical mortgage interest rate, but in the cases of lower income families, some sort of interest subsidy, such as the section 235 program that provided pride of ownership to low-income persons. Communities that intended to provide housing for senior citizens under the public housing program are left with applications that have not been processed, or, in the case of some communities that had a program reservation, and thought they could continue planning, were caught up in the "freeze" to the extent that some of our older citizens who had anticipated a few remaining years of comfort have already gone to their final resting place and others will, before these plans ever get out of the paper stage. As a director of a small public housing program, constantly in contact with my tenants and applicants on a one-to-one basis, it is frustrating, nerve-wracking and heartbreaking to hear the sad stories of the potential tenants, for the most part, tearfully related, only to have to tell them that I'm sorry but I have no vacancy as yet—nobody died, nobody is in a hospital or nursing home and very definitely no one is moving voluntarily.

Should the obituaries in the evening paper list the unfortunate demise of one of my senior citizen tenants at 5 p.m., the phone both at the office and at home are constantly busy at 5:01 p.m. with inquiries as to whether or not "I am next in line for the apartment." Believe me, Senator, these older people are desperately fighting for some sort of survival in their remaining years and the moratorium on the housing programs extinguished their one light at the end of the tunnel.

I am not a believer of the "eye for an eye" philosophy, however, in this particular instance, I believe I would enjoy being given the power just once to move the culprits responsible for the moratorium out of their ivory towers and into the shoes of one of our senior citizens, or one of our poor people to get a taste of life as it really is.

Our efforts on behalf of housing for the elderly have resulted in the completion of 100 units now in management and hopefully, completion of 50 more units that just missed the freeze but might get caught up in the "inflationary squeeze." As you know, we are required to plan our developments within "prototype costs" that are totally inadequate, especially in Senior Citizens Units due to the special design criteria involved. I suggest that your committee study these prototype figures in order that they can be more realistic so that we can meet the needs of our senior citizens when we design our units. As presently constituted the prototype costs in our area of New Jersey are actually lower than those of south Jersey and in some cases, lower than prototype costs of

some of our southern, midwestern and western States, yet, our construction labor and material costs are much higher than in those areas.

Processing of paperwork and review of architectural plans must also be accelerated in order that costs of construction are not increased due to delays or normal inflationary rises.

Direct housing allowances will *never* increase housing production or meet the needs of our senior citizen or families that require some sort of housing subsidy.

Direct housing allowances *will* provide unscrupulous landlords with the tools to further harass low-income persons with unjustified rent increases and *it will happen!*

Even now, each time the Social Security benefits are increased, we are immediately flooded with calls from senior citizen applicants that their rents have been raised to the amount of the monthly increase, or as in some cases, rents have been raised even before the increase in benefits was effective.

Direct housing allowances might even increase visits to senior citizen parents by some of the "parasite type" offspring we have seen on many occasions whose only function seems to be "how much more can they squeeze out of the old folks. In short, direct housing allowances will do absolutely nothing to increase housing production for anyone.

Additionally, aside from the fact that these direct allowances could be virtually "legally stolen" from the recipients, I can visualize the funds being used by the recipient for some sort of emergency; like food for instance or medical care, or prescription drugs, or warm clothing.

The previous subsidy programs may have had some faults, but they were proven successful in most cases. The 202 program was one of the most practical programs to provide housing and its reactivation is necessary.

The previously successful housing programs should be continued and new demonstration programs should be given a trial. Those that seem to be workable should be broadened but the pipeline should never be drained as completely as it is now.

Thank you for the opportunity of expressing my views.

ITEM 2. STATEMENT OF S. ELLIOTT MAYO, MEMBER, BOARD OF FREEHOLDERS, COUNTY OF MIDDLESEX, N.J.

My name is S. Elliott Mayo and I am a member of the Board of Chosen Freeholders of Middlesex County. I represent the Middlesex County Council on Aging and am currently serving as chairman of its subcommittee on Housing.

Most of the 25 municipalities in our county have a shortage of housing and particularly low and moderate income housing available to senior citizens. By the year 1980 it is estimated that 5,587 units will be needed to meet the demands of our older residents of the county. In the past 10 years of effort by county government, municipal governments, church and civic groups, labor organizations and the general citizenry less than 700 low and moderate income housing units have been completed for the elderly in our county. These housing programs were made possible only through Federal support and local involvement including State Housing Finance Agency funding, municipal tax abatements, land contributions and the volunteer assistance of concerned lay individuals in the county. There has been developed a consciousness and a commitment by many governmental and citizens groups within the county to achieve the overall goal of meeting housing needs for our senior citizens. The moratorium on Federal assistance on most housing programs has been devastating both in the ability of planned programs to proceed, new programs to start and, more importantly, an overall discouraging element to all concerned groups to ever be able to meet the challenge of this critical housing need. The plain and simple financial facts show that it is economically impossible for any construction or even renovation of housing by citizens groups, municipalities, counties, or even State governments without a substantive program of support by the Federal Government. Although the facts have not been clearly brought forth on the proposed housing allowances, it is my personal belief that the housing needs for older persons cannot be met totally by such allowances. It is the conviction

of all involved in housing programs that without federally supported projects for the creation and construction of housing we will not come anywhere near reaching our senior citizen housing needs 2 years from now, 5 years from now or even 10 years from now.

I would like to relate briefly the experience of one of the municipalities in our county which is somewhat typical of other municipalities that were in the process of a senior citizen housing program. Unfortunately, progress has essentially stopped on the Metuchen program and for all practical purposes on three or four other municipal housing programs within our county.

Metuchen is a totally builtup community with almost no land available for construction of housing of any type. In 1968 it became apparent to the municipal officials of the borough that there was a growing need for housing for the elderly residents of the community. The lay citizenry, with the encouragement and sponsorship of the municipality, became involved and through the assistance of a nonprofit sponsoring organization land was finally taken under option after 5 years of concerted effort to obtain property. At the time the option was to be exercised the moratorium on the federally subsidized 236 program was in effect. At this very moment 5 years' effort to bring moderate income senior citizen housing to Metuchen stands in jeopardy unless new Federal funding programs can be made available for this project and many similar projects proposed within our county.

In conclusion, I would strongly urge the housing subcommittee to move for the passage of legislation (such as S. 2182) that will immediately make available Federal interest subsidies which are the vital missing element in a community oriented, county and State assisted commitment to have multifamily housing available to our handicapped and senior citizens at a price they can afford in a community that they have been a part of most of their lives.

Thank you.

ITEM 3. LETTER FROM DANIEL GRODOFSKY, ASSOCIATE PROFESSOR, THE CENTER FOR SOCIAL WORK AND APPLIED SOCIAL RESEARCH, FAIRLEIGH DICKINSON UNIVERSITY, TEANECK, N.J., TO SENATOR WILLIAMS, DATED JANUARY 28, 1974

DEAR SENATOR WILLIAMS: There are several items of testimony I would like to have presented at the hearing on "Adequacy of Federal Response to Housing Needs of Older Americans" in East Orange, N.J. on January 19, 1974. I am, therefore, submitting this testimony for your consideration.

In our complex society it is impossible to consider providing for one aspect of life without considering its impact and implications on the whole. Therefore, when we consider housing, whether it be for young people or for the older Americans in our society, we have to consider it in a context of how it will relate the person to his community and his life style. We are not providing a shelter—we are providing a place to live. When we build housing for the elderly, which unfortunately has been held in abeyance because of the current moratorium on building, we have to consider the supportive services which should go along with the housing. I will not deal with all the services that could be provided. For this testimony I will merely deal with the use of the recreational facilities or communal rooms which are currently in existence in all housing built specifically for the elderly.

Federally and State supported housing all have community rooms. In a brief overview in the State of New Jersey at the moment, we have approximately sixty housing developments which are specifically built for the elderly, only a small number, no more than a dozen have ongoing programs which are staffed so that adequate service is provided. Since there are no provisions for staffing, many housing authorities either cannot or do not consider it necessary to provide any services. Therefore, these community rooms are used very rarely, mainly for a meeting of the senior citizen's clubs and an occasional education program or a tenant's meeting. I was shocked to learn that in some of the projects the tenants are discouraged from using the community room, and in a few extreme cases, these rooms are kept locked. It seems to me that building community space which is not used is both unproductive and wasteful. How can

one go about building a building without carrying insurance? I am certain if any housing authority of any federally funded program built a building without insurance, they would be held as negligent and could probably be prosecuted under the law. Yet, here we allow community space to be built without insurance—without the insurance that it will be used. Building community facilities for recreational, educational, and social purposes is, of course, a recognition that this is a place in which people live and have to be helped to live full lives. To merely provide the space without providing funds for staffing the space is a waste of taxpayer money.

Fairleigh Dickinson University in association with NAHRO and with New Jersey State Office on Aging is in the process of developing a demonstration project on the effects of providing funding to local housing authorities for the use of community rooms in housing for the elderly.

During the next year we plan to fund a number of housing authorities so that they can demonstrate how with a minimal amount of funds they can begin to provide enrichment services to those people living in housing for the elderly. This program will fund housing authorities to engage a half time professional worker who will provide recreational and social services within the housing project to the tenants and people in the nearby community. This model will demonstrate that with a minimal extra cost the lives of the elderly can be enhanced and enriched, both physically and psychologically.

In conclusion, I feel that supplementary services in housing are essential to the physical and psychological well being of the elderly—to help them live, more independently and longer. Therefore, I urge that Federal and State housing programs make services mandatory and provide the necessary funds. It has been found that where health, social services, and recreation programs for the elderly are provided the tenants and community participants in programs are happier, more actively involved in the community and have a real sense of purpose.

Respectfully submitted,

DANIEL GRODOFSKY,
Associate Professor.

ITEM 4. LETTER FROM FATHER TIMOTHY LYONS, O.F.M. CONV, IMMACULATE CONCEPTION CHURCH, TRENTON, N.J., TO SENATOR WILLIAMS, DATED JANUARY 16, 1974

DEAR SENATOR WILLIAMS: I am the pastor of Immaculate Conception Parish, located in the Chambersburg section of Trenton, N.J. Ours is an urban area and the majority of our population is composed of older people. Our interest and concern is for the establishment of decent housing at a cost that our older citizens can still afford on our parish grounds.

We feel that such a move would also enhance the present character of the neighborhood and help to preserve its future. If no such facility can be provided, the present trend of leaving the area will continue.

We are prepared at this time to construct such a building, since we are the owners of what has been judged to be a suitable site by the State and city standards. We have had all the preliminary inspections, zoning clearances, approved by the chief city planner. We have obtained the services of a developer who assures us that he can arrange all the private financial commitments needed for the project.

At this juncture in our plans, we find that there is no Federal funds available to help us with this very worthwhile and needed project.

Our developer has informed us that the reason we cannot proceed with our project is the absence of "seed money" that is usually secured from the New Jersey State Department of Community Affairs. This is naturally derived from Federal funding.

If your good offices can help us to see this project of ours get off the ground, our parishioners will be even more grateful for all of your efforts in behalf of the people of New Jersey.

The prayers and good wishes of our people are with you in the pursuit of the very worthwhile objectives of your committee.

Yours very sincerely,

FR. TIMOTHY LYONS, O.F.M. CONV.

Appendix 3

STATEMENTS SUBMITTED BY THE HEARING AUDIENCE

During the course of the hearing a form was made available by the chairman to those attending who wished to make suggestions and recommendations but were unable to testify because of time limitations. The form read as follows:

If there had been time for everyone to speak at the hearing on "Adequacy of Federal Response to Housing Needs of Older Americans," in Trenton, N.J., January 17, 1974 I would have said:

The following replies were received:

H. C. RODENBAUGH, PATTENBURG, N.J., FOR THE CLINTON SENIOR CITIZEN
CLUB OF CLINTON, N.J.

There is a need for senior citizen housing in Hunterdon County, N.J.

Many elderly persons living in homes owned by them, are facing the loss of these homes by the rising taxes, living costs and now the fuel crisis, being leveled on these people to such an extent that it is going out of reach (money wise) of these people.

The Federal Government has built many of these senior citizen housing developments across the Nation in many cities and counties for the senior citizens.

I do not know why we cannot have this type of housing for the people who need this type of housing. The way the country is going with everything rising beyond the reach of many of these people, soon they will not be able to even buy gas for the car they own, as there is no bus system in our county to take these people to do shopping it will be very rough on them.

So Senator Williams you can see the need for this type of housing, I know it is a very hard task to ask of you, but it seems that you are the one to tell about it.

Thanking you in advance for time to read this letter from us.

MAY FREVERT, SPRING LAKE HEIGHTS, N.J.

Having attended the hearings in Atlantic City, Trenton, and East Orange, I would like to tell you, that your concern for the elderly and their sad plight is heart warming. For those of middle income who are fortunate to have enough to live on in spite of high rising costs there is still an alarming look into the future when savings are diminishing and cost of housing accelerating at a frightening rate. Sheltered homes at fixed rates with infirmity accommodations are an answer. More housing like Navesink House, in Red Bank instead of nursing homes. Hotels with residency for seniors, like Berkeley Carteret in Asbury Park where tender loving care prevails are another answer.

Senator, please insist on funds being released to help those in need.

DANIEL GRODOFSKY, TEANECK, N.J.

During the past 2 years and in the current hearing something has come to my attention which I think the committee needs to consider very seriously. All of

us who are concerned with the social problems of our society see the massive amounts of money it would take to begin to address some of these issues in cities such as New York, Newark, and elsewhere. At this time you are holding hearings in East Orange. East Orange is a relatively small community. Its problems are relatively minor. With an infusion of a minimal amount of Federal funds, the problems can be contained and in fact, almost solved if those funds are provided now, before the crisis. If we allow the problems to fester for another 5 years, they will be too massive, too expensive to be remedied, and we will then only be able to address the critical issues and the problem will hang like an albatross around our necks. I urge the committee to have foresight. Don't wait until the problems are overwhelming. The problems in the cities the size of East Orange are currently manageable. Housing for the elderly is a critical issue. A variety of housing needs to be made available so that the elderly in our society have options as to the type of housing they find most suitable. It has not reached crisis proportions yet. Wait—deliberate—procrastinate, and there will be headlines in all of our papers, then your deliberations will be for naught, for the problems will not be soluble.

I know this sounds dramatic, but Senator, I can only say it is realistic. Let's not once again provide too little too late. The needs are obvious and the time is *now*. Frozen funds must be released and new funds made available.

EVA MICHAEL, NEWARK, N.J.

I am having trouble. I need help. Won't you please help me. I am asking you in Jesus' name. People are coming into my apartment, using my apartment for everything wrong there is to be done. Ruined two TVs. Pushed 5 lamps, the sockets pulled out, tops off the lamps. Eat my food up. Can't keep coffee, tea, or sugar. I have a one room kitchenette with a pantry. Wear my clothes. Steal my clothes. I bought locks from the office—cost me \$3.50 a lock. They come in. I got the locksmith to put a new lock on my door—cost me \$39. Three months didn't come in my apartment. I lost my keys. I got them back then they did come in my apartment. I told the police officer about it. Nothing happened. The police told me to put a bolt into my door lock. Someone came into my apartment. Now they are coming in while I am sleeping. Steal \$20 from my nightgown. I had put to the next month \$10, \$8 worth Food Stamps. This is going on for 4 years. This year is 1974, nothing has been done about it. Please tell me what to do. I tried to get another apartment. When one is empty, someone moves in. This thing going on is nothing but [also] Julians and Hattie and more old people. I had trouble when I was a young girl. Now I am getting old, 71 years old. Have trouble on a count off. How I look neat, clean and live a good life I'd like to know when I am going to rest in peace. Oh God, help me for I am alone:

I feel like I have been robbed out of life with happiness, peace and love. Now I got to go to a hospital for an operation. The bone in the back of my heel got to be taken out. When the right foot got well then the left heel bone got to be taken out. Comes from long hours of working, standing on my feet 5 years at the Penn Station. 3 years at Budweiser's Beer Co., 3 years at Pender Garden in Washington, D.C., 6 years on laundramat, Mr. Larkey, and many others. Now the bone is crushed. Oh, I am sick, I sing. Around to hospital—make the sick feel good, smile.

NANCY M. POLITAN, LONG BRANCH, N.J.

Working closely with senior citizens makes me aware of the great need for sheltered and supervised homes for the elderly. For those who are not really ill but who need security and escape from loneliness. Cheerful clean rooms and nourishing meals could become a reality if large houses, motels or small hotels could be converted into living quarters for our older people.

If money for construction or renovation could be released private builders with supervision could provide housing for many who are now living under very bad conditions. Something should be done soon.

MARY E. BECKER, LONG BRANCH, N.J.

The housing for the elderly in Monmouth County is dreadful. Widows are losing their homes because of outrageous high taxes and upkeep and then find they have no place to go and are shifted from one relative to another. They are told to put their name on a waiting list and never hear from the housing again, this has been the case here in Long Branch for years. There are many motels here at the shore who would give them permanent quarters but political red tape for bids, a license, and it goes on and on. Many of these heartbroken seniors need help right at our door.

MAE HESSLEIN, LONG BRANCH, N.J.

That there should be more thorough investigation as to ability for these people to pay. This results, so that they can be kept in livable condition—and not just live there in deplorable state such as some areas.

The need is not only for senior citizens (as I am one of them), our area is kept very well—but for low income—but I really do think that these areas should be supervised—and people educated to the needs and upkeep of their homes. The real need is there in several places.

EDNA AND JOSEPH GREEN, TRENTON, N.J.

A lots about housing for senior citizens. We are retired we have to pay \$232 per month. By the time we pay our rent out of what we get each month, we don't have much left. I have a sick husband, we have to pay doctor's bill, its pretty tough on older people, we need lower rent very bad.

Thank you for your interest in older people.

BERNICE M. TATE, TRENTON, N.J.

There certainly should be more expeditious means of assuring senior citizens adequate and deserved housing as soon as they become eligible (I am 71 years old, widowed, and ailing. Yet, I have been waiting for a place in senior citizen housing since 1969.)

Next, greater care might be taken, especially in certain towns and cities, in the location of such senior citizen houses. Too many are situated in declining and/or ghetto areas. This does not boost the morale of senior residents, nor give them a sense of security outside of the residences—especially after dark. Your attention is urgently—is urgently requested.

JOSEPHINE C. RADICE, TRENTON, N.J.

I live in the Abbotts Apartment for senior citizens and I am very happy. I have lived here nearly 4 years after waiting 2 years to get an apartment here.

I have met many wonderful friends of same age as I. We have very happy days with bus trips and many other activities. My family comes to visit me and know I am well here and safe, not being alone.

I wish there could be more buildings like we have so that more senior citizens can be comfortable and happy.

Thank you.

MRS. J. BATKAY, TRENTON, N.J.

More housing units should be provided for the elderly. Government should pay subsidy for elderly whose income is at or below poverty level. Government should allocate a subsidy to the elderly to offset rent increases.