Public Hearing

before

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

SENATE BILL No. 1675

(Concerns municipal authority to deal with abandoned properties; establishes pilot program)

SENATE BILL No. 1676

(Revises receivership statutes)

LOCATION: Municipal Hall
Jersey City, New Jersey

DATE: October 21, 2002
1:30 p.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Ronald L. Rice, Co-Chair

ALSO PRESENT:

Senator Joseph Charles Jr.

Hannah Shostack
Office of Legislative Services
Committee Aide

Julius Bailey
Senate Democratic Committee Aide

Magregoir Simeon
Senate Republican Committee Aide

Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey
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SENATOR RONALD L. RICE (Co-Chair): Can you hear me out there?

UNIDENTIFIED SPEAKERS FROM AUDIENCE: Yes.

Good afternoon.

Let me, first of all, thank you for being so patient with those of us here. My name is Ronald L. Rice. I am the New Jersey State Senator representing the 28th Legislative District. I am the Co-Chairperson, the Democratic Chair of the Community and Urban Affairs Committee in the New Jersey State Senate. With me, I have here staff and administration; Deputy Mayor, from your municipality; as well as my good friend and colleague, one who served you well over the years, who has a strong voice for his district, and that is Senator Joseph Charles.

We’re going to move through the hearings in reference, and we’re only going to be discussing Senate Bill No. 1675 and No. 1676. Senate Bill No. 1675, if you have the bill itself, deals with abandoned property, and Senate Bill No. 1676 addresses those properties where landlords decide they’re not going to address the quality-of-life issue, and so it’s a receivership piece of legislation. We’re changing the rules on receivership.

I want to thank the Mayor, Mayor Glenn Cunningham, who is also a good friend and one who has articulated the concerns of residents, particularly urban residents, for a number of years in many capacities. I’m just happy to be here in his town.

For those who may not know my experience, I won’t get into all of my background, but I can say to you that I grew up and still live in the City of Newark. I came home from Cuba, when I was stationed in the Marine
Corps, in 1967, the nights of the riots. So I’ll leave it at that. And so you can understand my concern for the economic development and growth of our city and opportunities for the people in the businesses that exist in our cities. It’s been a long time coming and a lot of good things are happening here in Jersey City and Newark and other urban areas.

What I’m going to do at this point in time is just have the people up here introduce themselves. But before I do that, I want Senator Joseph Charles to say hello to you and anything else he wants to say. I also want to indicate that some of our Committee members may be here as the hearing is going on, they may not be.

I believe, Senator, that the Assembly is in Session today, and it is my understanding that Assemblyman Jerry Green is going to try to move these two bills out of Committee today for a full Assembly vote. And so, you can see, in New Jersey, we’re very busy up and down the state trying to do the people’s business.

With that, why don’t I let -- turn this over to Senator Joseph Charles.

SENATOR CHARLES: Thank you, Chairman Rice.

I, as the Senator representing the 31st Legislative District, the district that we’re in here, which comprises most of the city of Jersey City, would like to welcome Chairman Rice to the City Hall Chambers of Jersey City. Chairman Rice is the Chairperson of the Community and Urban Affairs Committee in the Senate. That is a Committee, as you might imagine, you might know, is the Committee that is taking the lead in trying to produce
solutions to the daunting and vexing challenges of revitalizing urban New Jersey and the older suburban communities of the State of New Jersey.

Senator Rice, throughout his legislative career, has been very, very active in matters and policy making having to do with economic development, people development, education, and housing development in urban areas. And as Chair of the Committee that is here today, Senator Rice has been as aggressive as we have had a Committee be, in my tenure in the Legislature, in dealing with these issues.

These bills that are before us are a number of bills that are in his Committee. You, if you’ve viewed the agenda of his Committee meetings, as they meet periodically during the Session, you will see that there is more going on now -- by way of trying to provide municipalities with tools to deal with our problems -- than ever before.

So I’d like to thank Senator Rice for being here, for bringing this public hearing to the city of Jersey City. At the same time, I’d like to commend our Mayor and his administration for contacting the State Senate and Chairman Rice and indicating the strong interests that the city of Jersey City has, and impressing the Senator in the things that Jersey City is doing, which are common to the interest that this Senator has.

So I’m very pleased to be here this afternoon, and I think that we will have a very productive hearing. These bills we will hear testimony on, and hopefully, if there are any needs to improve them or to change them or correct them, we’ll get some input from those of you who are here to testify.

Thank you, Chairman Rice.

SENATOR RICE: Thank you, Senator.
Let me also give a personal thanks to Darice Toon-Bell, who will be testifying today and sitting through the hearings. I thank her for working with Mayor Cunningham to set this up. Let me just indicate to you that one thing that happened when Governor McGreevey took office and there was a change of administration, we picked up a new Commissioner of Community Affairs. When that occurred, one of the things I knew was very necessary was to make sure that we have an urban agenda -- an agenda that corrects the problems on our suburban borders.

As a result of that, as Chair, I took the liberty of reaching out to pretty much all of the urban mayors in New Jersey, and I’ve had the urban mayors to put together an advisory board to me, as Chair. I think that’s very important for you to know, because the people, such as Darice and others, in her capacities, and the nonprofits we have on board and the bankers and legal people who advise me to meet, these are individuals that work on these problems of economic development on a daily basis.

Many times what happens in Trenton -- legislators just listen and the administrative staff that is hired are limited in their understanding of real people problems, because we’re the ones to interact, particularly in urban communities, seven days a week, with people, whether it’s in a supermarket or at a meeting. And unlike suburban communities -- Senator Charles gets called to a meeting or I get called to a meeting or Councilwoman Richardson or Mayor Cunningham get called to a meeting, it could be Sunday late at night. We better be there.
And so there is a difference in terms of where we have to go. So we want to make sure that things are done right. With that, before I call up your Mayor, let me just have everybody up here introduced themselves.

**Deputy Mayor Anthony Cruz**: Anthony Cruz, Deputy Mayor of Jersey City.

**Mr. Bailey (Committee Aide)**: Yes, my name is Julius Bailey, from the Senate Democratic Office in Trenton. I staff Senator Rice’s Community and Urban Affairs Committee, and I also work for the Democratic members of the Legislature.

**Ms. Shostack (OLS Committee Aide)**: I’m Hannah Shostack. I’m staffing this Committee today for the nonpartisan Office of Legislative Services in Trenton.

A reminder for anyone who wants to testify, who hasn’t already signed in, to please sign in on one of the slips on the table, which will ensure that the Chairman knows you’re here and that your name is spelled right in the Committee transcript.

Thanks.

**Senator Rice**: With that, we’re going to start, formally, our hearing. I would like to ask a good friend, a hard-working person -- my friend, Mayor Glenn Cunningham. I know he’s here someplace.

Mayor, come on up. And thank you once again, Mayor, for having us.

**Mayor Glenn D. Cunningham**: Thank you.

**Senator Rice**: Semper fi.
MAYOR CUNNINGHAM: Semper fi, Senator. It’s always good to see another former Marine.

Senator, first of all, I would like to thank you and commend you for not only your interest in solving this very, very severe and important quality-of-life problem, but in your bringing this public hearing to City Hall in Jersey City. I truly appreciate that.

And Senator Charles, my good friend and neighbor and long-time friend -- I’m so happy to see you involved in this also. Thank you for being here, as well as all of you.

And my Deputy Mayor. I’m glad to see you there.

Almost everything that I see needing to be repaired in Jersey City goes back to one of the central problems we have in our city, and that’s crime. That’s a problem in all of our major cities throughout the State of New Jersey. The step that you’re trying to take, Senators, is almost, at least, the moral equivalent of taking a gun out of a criminal’s hand. I say this because I’m positive that you’re familiar with, having been a former law enforcement officer yourself and your experience with the City Council and the State Senate, with the broken windows theory, which prescribes that if you have a building, it becomes abandoned, the windows get broken, then the steps fall down, the grass grows, the fence breaks -- the drug dealers, the prostitutes, and the people of ill will see it as a place that they can hang around and loiter around and commit their crimes and negative activities in and about that location.

Then you have a crime problem. That brings the drugs and the shootings and everything else that plagues our cities. So that’s what I mean when I say what you’re doing is the moral equivalent, at least, of taking a gun
out of the criminal’s hand. It’s going to help us solve several problems. First of all, it will help us deal better with the crime problem. But it’s going to also give us opportunities to eliminate eyesores, improve the quality of life, bring buildings back to life so that people can live in those buildings.

The problem we’ve always had is the difficulty and the time involved in the legal barriers, in getting hold of these properties as soon as we can so that they don’t deteriorate worse, and then it makes it almost impossible to do anything other than tear the building down. What you’re doing is giving us opportunities, here, in Jersey City and throughout the State where this law will take effect, on solving some of the serious problems that we have, and I want to commend you for that.

I hope that this public hearing generates a lot of support for these bills. And whatever I can do, as Mayor of Jersey City and as a resident of Jersey City, I stand by you. I’m going to work very hard with you to help make sure that this gets the support that it deserves.

Once again, thank you for coming to Jersey City -- the home of Ellis Island, the home of the Statue of Liberty. I’d like to remind people that the Statue of Liberty gets her water and electricity from our great city of Jersey City. So she truly is ours, and through that, all of the people of New Jersey, because we are part of New Jersey. Once again, welcome to Jersey City. I’d like to say hello to you when you finish your business today.

SENATOR RICE: Thank you, Mayor.

Let me say that your advisory committee -- I want to thank you for, also, sponsoring our last meeting here in Jersey City a week or two ago at the Liberty Science Center. It gave people, our 20 members, an opportunity
to really get a good view of your city and the things that have taken place, and the Statue of Liberty. It was just gorgeous. I mean, it was a real great meeting.

As you know and I know, I’ve always had one philosophy that we try to get our colleagues in the State to understand. There’s my theory, and there’s probably someone else’s theory, too, that crime breeds filth and filth breeds crime. When we let properties go the way they’ve been going for a number of years, it does not make any sense. Right now, anything you do with the property that is actually acquired by the City of Jersey City -- you do an auction, it’s gone. That’s why the city is moving so well. That’s why other cities are moving so well.

But people raise the issue, “Well, if everything is selling, why are there still abandoned buildings?” And it’s for a lot of reasons. Number one, the lending institutions have the responsibilities, as you know, that when residential properties -- and, particularly, they do a mortgage today and sell it tomorrow. By the time you try to catch up from a code enforcement perspective, it’s sold again. The Veterans Administration have properties sitting there. They auction when they want to auction, and they’re sealed bids. If they don’t like what they have, they put it back out. HUD has a responsibility.

So what this legislation would do, that is co-prime sponsored by Senator Codey and Senator Singer, bipartisan relationship, and by myself and Senator James and Senator Charles, and others, is to say, “Well, we’re not going to build new units next to an abandoned building if we can help it.” Either we do it all, or the folks who own those buildings, looking for windfalls
or taking advantage of our cities, they’re not going to get the windfalls. In essence, they’re going to lose.

So I want to thank you and let you know that this is just another tool that we’re trying to provide to the mayors and council members in our cities to help you keep the progress going and get your tax base back and get the quality of life back. So, thank you, once again, for giving us an opportunity.

MAYOR CUNNINGHAM: Thank you.

SENATOR RICE: Senator Charles, do you have any remarks?

(no response)

MAYOR CUNNINGHAM: Senator, all of you are taking a big step and a correct step in that direction now. For too many years, and I refer strictly to Jersey City at this point, we’ve been worried about our gold coast, and there’s plenty of development going up all over the gold coast in Jersey City. We’re very, very proud of that, but -- at the same time, we have ignored the rest of our neighborhoods in Jersey City. My goal, as Mayor, is to make all of our neighborhoods a golden neighborhood. This is a tool that, I believe, is going to be a big boost to us, in not only whatever we can do through the city and through this mechanism, but also encouraging these major development and finance corporations on the gold coast to come in and help, some way, and invest in the other neighborhoods in Jersey City, by helping us to save some of these buildings, because you’re making it easier for us.

God bless you for the work you’re doing.

Semper fi.
SENATOR RICE: Our next speaker is one of your own, who is doing a tremendous job here, and that’s your own Councilwoman, Viola Richardson.

Councilwoman, come on up. If you’re going to stay around after testimony, Councilwoman, we'd certainly like to have you up here where you belong, okay.

VIOLA RICHARDSON: Thank you, Senator Rice.

I’d like to thank you for your innovation with the group in terms of coming up with these legislations, because one of the problems that I have, and that I’m confronted with constantly, is the complaint that all the new development’s coming in, and they need to develop those abandoned buildings. That’s kind of like the complaint that permeates my entire district. I have a district that is really in bad shape and filled with abandoned houses that contribute to a lot of the crime that takes place.

As a former police officer, it has been my experience that where the buildings are abandoned, the crime will run rampant in that area. This will give us the opportunity to, at least, address some of the blight that is taking over our area. We would like to thank you for those efforts.

When I look at Senate Bill No. 1675, I see that Jersey City is not listed. I’m hoping that, in some way, we can be included with Camden, Asbury Park, Paterson, Union City, Passaic, and Trenton. I’d appreciate anything you could do to include us in on this bill.

Thank you.

SENATOR RICE: Councilwoman, let me just indicate to everyone here, we’ve had hearings. The advisory committee, to me, have scrutinized
these bills and been critical in their approach. I know that we have amendments that’s going to take place on the 28th, when we hold the Trenton hearing. We’re going to eliminate the cities, because we recognize that this is too important for us to identify cities. In fact, I believe there are amendments going to, at least, attempt to identify, at least, all the Abbott district cities. That should take care of it and make it competitive, because I think it is very important.

M.S. RICHARDSON: Thank you, sir.

SENATOR RICE: Senator Charles, do you have any questions?

SENATOR CHARLES: No, nothing but to acknowledge the Councilwoman and the hard work that she puts in to her public office on a 24-hour, seven-day-a-week basis. I know that, personally, as well as the people who are in her district, that she indicated there is a need for legislation of this type in her district, as well as the other districts in the State of New Jersey. Her point of including Jersey City is a point that was made by others here in this administration, executive and legislative, earlier at a meeting of the Affordable Housing Committee of the city of Jersey City. There is a very active Affordable Housing Committee, here, in the city of Jersey City.

At a meeting where these bills were previously discussed, the point about Jersey City’s inclusion was made, and of course, they didn’t have to make it more than once to me. I promised them I would speak to the Senator and others about that.

So, Councilwoman, it’s good to have you here, and your point and your concerns, I think, will be responded to by this Committee and by Chairman Rice.
M S. RICHARDSON: Thank you very much, Senator Charles, and thank you for all the support I get from you in all that I do in the community, because you surely have been very supportive of all of my efforts in terms of improving the quality of life for our people in the community. So, to that, I thank you very much.

SENATOR RICE: Councilwoman, I want to thank you. If you’re going to be here, if you would come up, we’d appreciate it. You can meet your constituents, okay.

Something about those of us who are former police officers, we seem to have a better grip on what’s needed out there.

The next speaker we have is Darice Toon-Bell, city of Jersey City, DCD.

DARICE TOON-BELL: Good afternoon.

SENATOR RICE: Good afternoon.

M S. TOON-BELL: Senator Rice, Senator Charles, Councilwoman Viola Richardson, and others who are present today, I am pleased to be before you today to express my support for the abandoned properties and receivership legislation. These Senate bills -- Senate Bill No. 1675 and 1676 -- will make it easier for cities to take control of abandoned properties. These bills provide the tools needed to take action on properties that have become eyesores in our communities. In many cases, these very properties perpetuate crimes in urban communities, such as Jersey City. These bills will allow us to reclaim neighborhoods in Jersey City. They will serve to spur neighborhood revitalization.
In Jersey City, there exists over 450 privately owned, abandoned properties. Many of these properties are clustered in the Greenville section of Jersey City, of which Councilwoman Richardson represents. The city has embarked on a mission to revitalize neighborhoods. However, our efforts are hindered by a lack of an effective mechanism to deal with vacant properties. Vacant properties are used as dumping grounds, and they constitute a blight on our communities. Vacant and decaying properties are negative influences on low-income neighborhoods in Jersey City. They diminish tax revenues, and they are breeding grounds for all kinds of criminal activities, as Mayor Cunningham mentioned earlier.

With the help of these bills, we will be able to begin the process of restoring these properties to viability. The proposed legislation offers hope to those of us who are working toward rebuilding our cities. It takes a comprehensive effort to revitalize decaying communities. While these bills are not cure-alls, they do accomplish the mission of 80 municipalities to rebuild neighborhoods, and for that, we’re grateful.

Through this legislation, we will be able to create more affordable housing for low- and moderate-income people who deserve a decent place to live. This legislation also has the potential to increase home ownership opportunities in our city, by making it easier to acquire and rehabilitate buildings that could be sold to low- and moderate-income people, thus enabling them to attain the dream of home ownership.

To maximize the effectiveness of this legislation, it is important that we incorporate proposed amendments, previously communicated, such as expanding the definition of abandoned properties -- and I know that’s part of
the amendment that’s going to be looked at -- permitting municipalities to designate back-up bidders at tax sales, in the event the winning bidder is unable to perform, affording a broader range of municipalities the opportunity to compete for the participation in the pilot homesteading program that Councilwoman Viola Richardson spoke about earlier, as well.

It is my hope that this legislation, and legislation such as this, coupled with efforts put forth by municipal officials and employees, and collaborations with local nonprofits and developers, will spur the development of more affordable housing in Jersey City.

Thank you.

SENATOR RICE: Thank you.

Senator, any questions or comments? (no response)

Okay, next we’re going to have Ed Coleman, the Director of the Division of Housing Code Enforcement, city of Jersey City. Is Mr. Coleman here?

EDWARD COLEMAN: Good afternoon, Senators.

SENATOR RICE: Good afternoon.

M R. COLEMAN: Good afternoon, Councilwoman Richardson, Deputy Mayor Cruz, staff.

My name is Ed Coleman. I’m the Director of the Division of Housing Code Enforcement for the city of Jersey City. My staff and I are here to speak in support of Senate Bill No. 1676. The Division of Housing Code Enforcement enforces the Jersey City Property Maintenance Code. It is a code designed to eliminate blighted conditions in neighborhoods and improve our
existing housing stock. We deal mainly with multi-family properties, although our jurisdiction extends to all residential and commercial properties, as well.

We conduct over 20,000 inspections a year and process over 2000 cases for municipal court action. I have a very experienced and professional staff. I personally have been involved in housing code enforcement for 28 years, in Jersey City, as an inspector, as the rent-receivership administrator, housing court administrator, and, since 1990, the Director of the Division of Housing Code Enforcement.

Why do we come to support this bill? Any code enforcement officer relishes the availability of tools that enhance their ability to deal with unfit buildings that can ruin an entire neighborhood. This bill revises existing receivership statutes. It increases the parties-in-interest who can bring a receivership action to court, in particular, tenants and neighborhood-based groups. If you don’t have tenants as part of the equation in a rent-receivership action, it will not succeed. When I was the city’s rent administrator, our most successful cases were those that had a good tenant-receiver partnership. It is essential.

This bill also broadens the grounds for receivership to include pattern and practice violation histories -- repeat offenders, so to speak. It also enables a petitioner to use criminal and drug-related activity associated with a property as grounds for a receivership. In Jersey City, this aspect of the bill would enhance not only code agencies, but our police departments’ efforts to rid neighborhoods of drug dens and other problematic buildings.

A third aspect of the bill we support is granting the receiver the power to borrow funds and place liens on the property. Most receivership, or
potential receivership, properties don’t have a solid rent base, because of vacant apartments that a recalcitrant landlord refuses to repair. Therefore, it is imperative for a receiver to have the ability to borrow funds to abate violations, if the existing rent roll is inadequate.

In closing, I would like to emphasize that the mere threat of receivership action can generate cooperation between a landlord and municipal code agencies. Ninety percent of the properties that were targeted as a receivership candidate, when I was the Jersey City’s rent administrator, never reached the court’s docket, because just the mere possibility of rent receivership convinced a landlord the city had options and flexibility beyond normal municipal court fines. That is why we support Senate Bill No. 1676.

Thank you very much for your time.

SENATOR RICE: Thank you.

Any questions, Senator? (no response)

Let me just say to you that this bill is intended to expedite on the receivership process and, also, to make certain that once a building is in receivership and brought up to code, and if, in fact, their owners get that property back, that they’re going to maintain it. I’ve had experiences, as a former council person, having buildings go into receivership, only to have the owner get them and remove everything good that was done -- security and everything else.

We have to be very careful in New Jersey, because there are groups -- many from New York -- who are really family members and entities who buy the big buildings and just flip them. By the time the code enforcement catches up to enforce, it’s been conveyed to a relative. These are folks that have big
money. We know who they are -- some of them anyway -- and we want to let them know that you can do that stuff in New York, but it’s just not going to work in New Jersey anymore.

So thank you very much for your testimony.

MR. COLEMAN: Thank you.

SENATOR RICE: Next we have Maria Maio. I hope I pronounced that correctly, Maria -- Jersey City Housing Authority.

MARIA MAIO: Thank you so much for coming to Jersey City and for spending time with us. I want to just talk a little bit about how this bill, Senate Bill No. 1675, impacts affordable housing, because it is Affordable Housing Month. I can give you a statistic that, I think, will not, probably, amaze anyone that’s sitting up there, but just to let you know: 13,000 people applied for Section 8 over a two-week period. But that number doesn’t really mean anything, it’s the people behind that number. It’s the person, the woman, that comes to Councilwoman Richardson’s office, and Councilwoman Richardson calls me, and I have to tell her there’s nothing much I can do.

It’s the letter -- it’s the constituent that Senator Charles writes me a letter about, and I have to say, “Senator Charles, there’s really nothing I can do. It’s just going to have to wait.” And part of the initiative of abandoned buildings-- I don’t think I ever -- I go to a meeting where people don’t say, “All those buildings on Bergen Avenue. Why can’t we fix up those buildings?” It sounds like an easy thing. Obviously, it’s not. But, certainly, this will be one of the tools to help us deal with those buildings on Bergen Avenue.

We, as developers -- we like to call ourselves developers; private, nonprofit developers and governmental developers -- used to look at buildings
as just buildings. We certainly recognize that if we’re going to do affordable housing, mixed-income communities, that we really need a revitalization plan that deals with the whole neighborhood. It’s not about just developing a building. It’s about developing a building at a time that makes a real contribution to that neighborhood at large. We will only get support for affordable housing when we create -- when we rehab buildings that are quality affordable housing, where everyone in the neighborhood is proud to say it’s there, and where the residents understand they must be responsible.

I don’t have to tell you all the folks that come to my office -- working families -- that don’t have a place to live or don’t have an adequate place to live. I’m preaching to the choir, and I’m preaching to the choir behind me as well, but I think it’s real important for you to understand, and I’m sure you do, that this kind of legislation will allow us to go a step further in making sure the residents of Jersey City -- the good, responsible residents of Jersey City -- have an opportunity for the best place to live.

I really appreciate Senator Rice’s remark about tying in the Abbott districts with this legislation, because, ultimately, isn’t it about the children? Isn’t it about the children -- making sure that they get the best place to live? I think tying it up with that, and the educational programs that we, certainly, need in Jersey City, and making sure those kids have a place to read in their homes, have a bedroom where they can go and not have to deal -- do their homework, those things that we take for granted -- let us not take them for granted for our kids.

Thank you very much.

SENATOR RICE: Thank you.
Any comments or questions, Senator?

SENATOR CHARLES: No.

SENATOR RICE: Let me say to the speaker and to the rest of you that it’s most unfortunate, even though it’s a good thing, that we’re building public housing. We’re imploding buildings and high-rises where we can’t live. We’re building townhouse units, and we get people from the President on down visiting our cities and said, “Boy, those are really nice looking homes. How much are they going for?” When, in fact, they’re not going for anything, they’re public housing. Then they look at the private stock and see the condition they’re in and what the owners really think about them.

Also, I’ve always argued that -- we talk about education and this is the problem that I have, and Senator Charles, and others. We debated and people think that coming from an urban perspective we’re just mean-spirited people, but we’re not. We understand these issues. We understand that a youngster who has to walk past these abandoned buildings and vacant lots on a regular basis, and all they know in their lives happen to be crime and filth, they can’t function properly in school. We may think they’re functioning properly, because they appear to be happy. But there is something lost in that transition, if you will, academically, and as they grow older, that stress-- Stress can be silent sometimes. Even young people can have stress. It tends to play on them. And then, ultimately, we know the end results.

We have to make sure that all the housing stock in the city of Jersey City or others -- Newark or other urban cities -- whether it’s public housing or whether it’s private housing, it has to be of quality, must be kept up to code. Let me say this while I am speaking. I’m a firm believer the
elected officials in our capacities, and others out there, need to talk to people. Because the thing that bothers me -- we’ll build the homes and we’ll find legislation to clean up some of this mess, ultimately, that’s our goal. It may not happen overnight, but we better tell people we are holding them responsible for knowing how to live, too. If they don’t know how to live, we even teach them, because it’s a two-way street.

There’s such a thing as a bad landlord, and I think it’s the difference between bad landlords, to some degree, and slum lords. But there’s also a difference between a good tenant and a bad tenant. Those tenants who want to do drugs and not pay attention to their kids and raise them right, they’re not going to tell me that it’s because of their economic condition. There’s nothing wrong with teaching the kid to pick a broom up. There’s nothing wrong with controlling the kid from running through the house. It may be old-fashioned where I come from, but, to me, those are basics.

We have to make sure that, as we clean up buildings, that we do other things, Senator, legislatively, that makes sure we hold people accountable for where they live, as well. And, if, in fact, you do that, we won’t hear as many complaints about high rents. Because the landlords who are trying to do the job and invest in those buildings, and they can maintain those buildings out there and invest for period of time, there’s less they’re coming back to you for -- unless you’re just greedy landlords, and we can address that. So I want to get that off my chest while I am here, because I believe in confronting people. I’ve never ran away from people -- my own or others -- in my city. I think the other elected officials have the same responsibility. If you’re scared to talk to people, don’t get elected.
Raul Mercado, is he here, from Jersey City Economic Development Corporation? Okay.

RAUL MERCADO: Good afternoon. I’ll try and be very brief.

I’m here representing the Jersey City Economic Development Corporation. We’ve been responsible for helping revitalize the city. Many a times, our efforts are hindered by some of these properties that are just sitting in the way of -- and they may be severely in disrepair. I think these bills, Senate Bill No. 1675 and 1676, will be effective tools in assisting us to revitalize neighborhoods, which will translate into economic opportunities for families that live here in Jersey City -- bringing business, and spur more development. That’s about all I have to say.

Thank you.

SENATOR RICE: Thank you.

When you come up to speak, kind of delay about two seconds so I can make certain that we may not have any questions for you, or comments, okay.

Next, I’m going to call up Tony Gomes from Tony Gomes Construction Company, from my great city, a good friend.

I’m glad to see you here, Tony. A real builder.

TONY GOMES: Good afternoon, Chairman Rice. Good afternoon, gentlemen and ladies.

I thank you very much for the invitation to speak today. I believe it is very important not to have buildings -- empty buildings around you. I have a young kid and if you want to go to school and they have to pass by abandoned buildings, it would not be, quite, nice. But forget about the nice.
You might encounter some different kind of people in those buildings, on his way across -- and we all know the safety of the kids if very, very important. That’s one of the items that made me, today, be up here.

The second item. My name is Tony Gomes. I’m in the construction developing business. I like to build. I don’t like to see buildings empty. So anyway that we can be able to create conditions for other people to take over a building -- to build, to fix, to create the conditions from an (indiscernible) program or a developing marketing program -- is also improvement for taxes. Because, if everybody builds, it’s a lot of less waste. So that means, and I hope, that you’ll bring our taxes down. That’s another of the items that I’m very interested in on this bill, on this law to pass.

Also, it’s very important for the creation of jobs. If you have an abandoned building, you don’t have an opportunity. If the building is in construction, the people around the neighborhood, the residents of that block, that city, they have an opportunity to have jobs. They have an opportunity to participate in it. So a creation of jobs is always welcome, and I believe that this bill will create a lot of jobs.

And finally, I wanted to mention that my experience is in Newark, and I own the business up there, and that pass by a lot of abandoned buildings and now, they become -- and they do beautiful houses. That’s an incredible pleasure to see it. So I invite everybody to go see what Newark and the Mayor of Newark did working with the other developers and other contractors. That’s wonderful. Newark is back and, I believe it, in a strong way, and that’s to do with picking up empty buildings and making them beautiful houses.

Thank you very much.
SENATOR RICE: Thank you, Tony.

Senator, any questions? (no response)

Thank you very much.

Tony has developed, as I said, some very important -- these buildings sitting here are not benefitting anyone in any way, not even creating job opportunities, and it’s difficult. I know Tony, not only as a developer, but he lives in the City of Newark, as he indicated his kids go to public schools. I guess it is difficult to build something new and live there and have to look at it every day and see something bad next to it.

But thank you, Tony, for taking the time for coming out.

The next speaker we have is Kabili Tayari, President of the NAACP, Jersey City.

KABILI TAYARI: Good afternoon, distinguished Committee, in particular Senator Rice and Senator Charles, my good friends.

I’ve very glad to see that you’re introducing this bill, Senate Bill No. 1676 and No. 1675. I’m glad that you have people like Ms. Darice Toon-Bell and Deputy Mayor Cruz, who are part of this, who have had a lot of technical and practical experience and community experience in doing this.

I think it’s a very good bill. I’m very glad you’re here in Jersey City. I say that both as a member of the Cunningham administration and as President of the Jersey City NAACP. But my concern is, as we all know already, that the majority of the people affected by this are the people of color -- African-Americans and Latinos, Asian Americans. And basically, my concern is the people who live in these buildings, that these slum lords, that these
developers/owners abandon, never have the right to take ownership of these buildings.

I think the first right -- and I agree with what you said, Senator Rice -- but many people do know how to live and they live as good residents and good citizens and, also, as good parents. The problem is they cannot take control of these buildings even before they become places you cannot live in. So, I will say, the first consideration I would like to see you look at, very carefully, is how do the tenants gain ownership of these buildings outright.

The second thing I’m concerned about is the elimination of warehousing, because it’s not just one or two buildings. But, whether you’re in Newark, Camden, Jersey City, you will find that the same developer/owner/slum lord -- that owns about six or seven, or maybe even ten, abandoned buildings in Jersey City -- owns them in Newark, owns them in Camden, owns them in Paterson. We need to eliminate the warehousing.

The other thing that I’m very concerned about is the opportunities -- that the local, small contractors, particularly small contractors of color, will be given an opportunity to do the rehabilitation work on these buildings, not only to do the rehabilitation work, but form joint ventures and, maybe, own one or two or three of these buildings.

The other thing that I think that the tenants can definitely do is: An escrow account needs to be developed after one year that the building has been abandoned, or at the one year that the landlord/slum lord/developer/owner has not actually fixed up the building. So, in 12 months, a special escrow account is created where the rents of the tenants go into that
account, and they either hire someone or someone is designated to do the necessary rehabilitation that is necessary for the building.

The other thing I think is very necessary, is to make it economically punitive to flip a building or to abandon a building. Because you know what they’ll do. They’ll go after what I call the Fort Knox property. There’s property that comes up for auction that everybody knows about. But the day of the auction, the Fort Knox property comes up for auction and those people -- a little colloquialism with their slick selves -- they buy up all the Fort Knox property, and they don’t do anything with it but sit on it, until it’s time to make a huge million-dollar or billion-dollar profit off of these buildings. If they don’t do anything with it within 12 months, the building should be taken away from them immediately, and they should be put on a special list that is published throughout the State of New Jersey and, for five years, they are not allowed to buy any more property.

The other thing that, I think, you need to look at is, that, providing moneys to municipalities so that they can hire additional code inspectors or housing inspectors -- so that, at least, maybe, every two years, at a minimum, they go out and inspect these buildings and, actually, bring stringent codes. These codes should be statewide codes, given to municipalities to increase those codes as they see fit. Say, for instance, if you find a landlord out of compliance, the first compliance -- the first time you’re out of compliance, maybe you have to pay a fee of $1000 to $5000 per violation. We need to get serious about this, because the people we are talking about are wealthy people.
The other thing we need to look at very seriously is the fact that these same people who are on this list should not be allowed to obtain another building permit or a Certificate of Occupancy anywhere in the State of New Jersey for the next five years.

Now, we need to also look at the fact that when we grant the receiver the power to borrow funds and place liens on the property, I hope we’re talking about the tenant, or some small contractor, or somebody who has proven that they will do something beneficial with the property.

Those are all of my recommendations, and they do not just come from being the President of the NAACP. It also comes from being a public servant, 10 years in Newark, and now 6 years, here, in the city of Jersey City. I’ve had to, technically and administratively, deal with some of these issues and continuously see, on the administrative side and on the judicial side, these wealthy developers, slum lords, walk away time after time.

Thank you.

SENATOR RICE: Thank you.

Kabili, let me try to respond to some of your issues, because I think they’re all very important and pertinent. Let me indicate to you that I think the need to eliminate warehousing makes good sense, but, hopefully, these bills would do that. Because, if, in fact, the same owners abandoned property in all our areas who are not dealing with -- in terms of the maintenance of it, if all the local municipalities were to enforce the law, we’ll catch them all anyway, in that piece, that that’s part of the intent.

In terms of local government, there are authorities, already, which I used when I was on a council. Tenant ownership of a multiple dwelling -- in
very, very rare cases, that worked for a lot of reasons. The residential pieces, one to fours, etc., the city will have the ability, if it’s not redeemed after they do what they have to do to bring it up to code, to sell those buildings to ownership for those individuals. So to build in a direct way -- indirect way to address those issues, and local government can do some things. We’re trying to get the local government the tool.

Code enforcement, for everyone -- I’m a firm believer that every home should be inspected on a regular basis. Understand, when we start inspecting homes -- now, I’m giving you my experience as council person. I’m sure that Councilwoman Richardson can give this to you, too. When we start tapping on everybody’s doors and inspecting them, you need to make sure, locally -- because they have the building now and they write the codes in such a way, as long as it not in major BOCA code issues -- that there’s some fairness in the process. Because, when we do it -- Mrs. Smith has a cracked window, and she’s going to take care of it, and they say, “Take care of it in 10 days,” and it may take her 20 or 30. You have a political problem there. By the same token, we can’t turn our backs to it. Mr. Johnson’s got to get the sidewalk fixed, but he can’t do it in five or ten days. He needs to be worked with.

So your points are well taken. The two bills are not cure-alls. They’re just other tools to, kind of, complement some of the things that local government can do, by way of ordinance now, and then some of the intent is to catch up and expedite. You also mentioned the time frame. In the city of Newark, I did ordinances years ago that said that even if you go to auction, you get a building -- if you’re not going to do something, if you’re a designated developer, in a certain period of time we’re just taking it back. So, you’re right
on that. That can be done through local ordinance. Now, we don’t necessarily
need State legislation for that. But the receivership bill indicates, in one of the
new sections, that “a receivership petition may be brought by a party in
interest and appropriate relief may be granted by the court if: (a) The building
is in violation of any housing code requirement affecting the health and safety
of the tenants, as of the date of the filing of the petition with the court, and the
violation...have persisted, unabated, for at least 90 days preceding the day of
the filing of the petition,” and “(b) The building has demonstrated a pattern
of recurrent code violations, whether or not corrected, and has been cited for
such violation at least four times within 12 months preceding.” So we have,
actually, expedited that process on those big, multiple-dwelling buildings to get
into receivership.

More than likely, when the application is made, the court is not
going to say no to the receivership, and that’s the intent of this legislation. So
I think some of the things that you address are there. We’re having the public
hearings, so we’ll know where to tighten up and do amendments.

I just want to thank you for your comments.

MR. TAYARI: Senator, I just want to say this to you -- that also
being a former municipal court director -- is that, I know, not only this
municipal court, but many of our municipal courts, are faced with these very
loose landlord laws, as it applies to the big boys. I’m not focusing -- when I
was saying about the inspections, I’m more concerned about those persons that
I talked about who develop in our cities, who come in and buy up, what I call,
the Fort Knox properties, and I think you need to, specifically, look at
legislation that would target them.
I don’t want municipalities left with choices. It’s good what you’ve done in Newark. But see, if it becomes the State law of the land, like the Constitution or the Supreme Court or the United States Congress, that means everybody. It’s not an option. No one has a choice. No municipality can think about it or wonder whether they will or they won’t. It becomes a New Jersey law. That’s what I’m concerned about.

The part of receivership, as I said, particularly in these multi-dwellings and in these, what I call, Fort Knox properties -- many of the public agencies also participate in understanding the big developer/owner, but never understands the tenant. And I’m talking about tenants who are making $50,000 a year, because that’s the new working poor in America now. I’m talking about that those tenants should have first priority -- that should be in the law -- first priority should go to the tenants who reside in those buildings -- those three-family, four-family, six-family buildings, and higher. Our first priority goes to the tenants. That the receivership, first, is given to the tenant, and some process is worked out to help them do that.

The reason that I said about the code enforcement, is that I know many cities, and not just Jersey City, is strapped with not having enough people who can go out and do the inspections and do the enforcements. This is also true in our fire department. So that is why I brought up the thing of, also, I think that-- What did you used to call it -- State pay for State mandates, something like that? I support it being a State mandate, but we need to look at how to fiscally help cities do that.
SENATOR RICE: Let me ask you a quick question. You said something that may make a little sense. We say a lot of things that make sense, but I’m talking about-- (laughter)

M R. TAYARI: I understand, sir.

SENATOR RICE: Local government, in my estimation, at least at this point -- and the bill is not trying to address that -- is going to have to really deal with those multiple buildings -- 40, 50, 60 or 100 units. Okay. This bill, I think, will assist them. But on the residential piece--

See, first of all, everyone has a right to redeem. The problem is, a lot of people aren’t going to get a redeem, because once a city does what they have to do, if they knock it down, there’s nothing to redeem.

M R. TAYARI: Right.

SENATOR RICE: But if, in fact, if they fix it up and bring it up to code, then there’s a cost -- that you have to come up and show the courts that you have the ability to pay all those dollars. And if it’s grants and loans, you have to deal with that. What I hear you saying is that, at least, in those areas -- and let’s assume it’s a one-, two-, three-, or four-family unit -- if, in fact, folks walk away, the city does -- but it has to, to bring it up to code -- and it’s now owned by the city, the city makes choices -- rent them out, sell them, or whatever. I think that if you’re saying that whoever lives in that building, if they meet the other criteria that it takes to purchase -- because you just can’t live there, you have to have the ability to purchase and go through a regular real estate process -- they should be given the first priority.

M R. TAYARI: That’s what I’m saying.
SENATOR RICE: That makes sense to me. That’s something we should look at in terms of an amendment on the residential piece.

Senator, do you understand what I’m saying?

SENATOR CHARLES: Yes.

SENATOR RICE: That makes good sense to me. Because what you’re really saying is, look, I can afford the building now. My life is good. I’ve lived here all these years and suffered. I need to buy something. If I want it, then give me a choice. If I don’t purchase it, as a tenant, then do what you have to do with it. I think that’s a good amendment, an encouraging one.

Senator, do you have any comments or questions?

SENATOR CHARLES: No questions.

SENATOR RICE: Thank you.

MR. TAYARI: Thank you.

SENATOR RICE: Our next speaker is Ms. Barbara Dunn, Paterson Habitat for Humanity. Thanks for traveling.

B A R B A R A   D U N N: From your neighboring city of a few miles up the road, I’m here. I’m the Executive Director of Paterson Habitat, and we’ve built—Paterson Habitat has built about 135 houses over the past 18 years in the City of Paterson. I’m glad to know that there is some effort to support a Habitat for Humanity in Jersey City very soon.

Most of the comments that I was going to make have already been made, so I’d just like to lend my support to both these bills. I’ve seen, firsthand, the impact of having derelict high-rise buildings next to properties that I want to build a single-family house on. Properties that are very hard to acquire. I’m always looking for more properties. It’s frustrating to know that
a family will not select a site or not be willing to buy a house next to an abandoned or derelict rental housing.

So, both of these bills have, sort of, an indirect impact on the work of Habitat in building single-family, affordable housing, and I thank you very much for bringing them forward, and I look forward to their passage.

SENATOR RICE: Thank you.

Next speaker is Wayne Anderson, Code Enforcement Agency -- I believe this is NID. Is that right?

WAYNE ANDERSON: Yes, I’m with the Neighborhood Improvement District.

SENATOR RICE: Oh, okay, the Neighborhood Improvement District.

MR. ANDERSON: Yes, sir.

SENATOR RICE: Okay. I thought it was a special organization -- you know, was maybe going to war here. (laughter)

MR. ANDERSON: There you go.

I would like to not repeat what’s been said. I think, myself-- I’ve been a Code Enforcement Officer. I’ve also been supervising people in the field. The thing about abandoned properties are -- and Viola and I, Councilwoman Richardson and I, have stood on the street in the rain, attempting to deal with situations. Number one is, before the problem becomes noticeable to the public, it’s known to the agencies. There is a sick-building syndrome, for lack of a better word, that begins to happen before the neighbors know about it, often before the tenants know about it, although the tenants probably would have a key.
What I’m referring to is, two things: One is, Senator Rice, you referred to the flipping of buildings within families, and so forth, and once the code officials get after them. What I’m addressing is, they make an economic decision. They assume that they’re not going to pay the taxes. They’re not going to pay the water bill. They’re not going to pay the electric bill. They’re going to take all the Federal, State assistance, or, if it’s not in a Section 8-type housing, they’re going to take the money. They’re going to put it in their pocket, and then they’re going to fight the hell out of the city to keep the building open and keep draining the money until it gets so bad that finally, through multiple appearances and housing court, and so forth and so on, we can begin to affect the building. Then it’s too late. They have drained the money out of it. They didn’t fix the boiler, they didn’t fix the roof. There’s multiple violations, and now good people having to be forced to move out of the building. Then all of a sudden, at the eleventh day, when you’re sitting there ready to take possession of the building, they flip it.

And now a Code Enforcement Officer, such as myself, or Mr. Ed Coleman, or Mike Regan or anybody else in the city that was involved with it, we start over. “Hey, I’m the new guy. Let me fix the building up. I’m going to fix the boiler.” So that is just an economic engine that somehow this legislation -- and I don’t see that part in the legislation entering.

I think the other part that I deal with a lot is, who is responsible for the building? By the time that we find out that this is a legal liability, that it’s Ace Real Estate Company, it’s about three steps removed. I’ve spent hours and hours at the courthouse at the Register of Deeds trying to determine who this person is. I’ve spent hours in the State Department trying to determine
what the corporation is. Eventually, somebody, according to the ordinances, the way cities work in the State, we have to have a warm body in court. We can’t take in a corporate identity. So, once I find, through extraordinary means, as to who the warm body is -- and I’ll give you a prime example of something that happened.

I’m temporarily assigned as administer for a task force in the transportation hub, which is General Square. I don’t know if any of you, Senator Rice, are familiar with it. Anyway, the long story is, there’s been an abandoned hotel there for 20 years in this property. The people that own it consider this a cheap investment. The city protects it. The police and the fire department make sure that nothing happens to it. They are only there to see how expensive the property can become, because it’s the center of a major redevelopment. But the purpose is, once I found out whom a warm body was in the corporation, I personally wrote them six summonses. They were in New York City. They ignored them.

Finally, they were suspended -- their driver’s license -- which means that they lost their car insurance, which means, now, that their child, who is in school in Rhode Island, was riding around on a car with no insurance, because they lost the insurance.

Now, he’s going to sue me, personally. He’s going to sue the city because he only worked for the corporation. He’s not directly responsible. And I was able to tell him that, “You are responsible, because if I want to rent one of your properties, guess who I get on the telephone when it says, ‘For Rent?’ I get you. So, as far as I’m concerned, you’re responsible.” A municipal judge, I think, would at least hear my argument. Maybe I might
lose, but, at least – I’m sure Judge McRae, when we get there, he’s going to say, “Okay, I think you’re justified in your actions.”

So what I’m suggesting, Senator, is that we– If you want to deal with the party, with the issue -- I realize that this is catch-up legislation. I mean, there are other states– Baltimore, the City of Baltimore, their situation is a lot ahead of this. But I think we should be able to determine who owns the property, that somehow once an abandoned situation takes place, that we know who we want to haul to court.

I think the second thing is: get ahead of the curve, don’t get behind it. When do we know that this building is sick? How do we determine that? Is that when they don’t pay the water bill? Is that when they don’t pay their taxes? Is that when they don’t comply with a leaky roof? I don’t know what the situation is, but when you’re running an apartment building that’s got 40, 50, 60 units in it, and you don’t care that the 20th floor bathroom is now leaking into the 19th floor, then, obviously, you don’t care about your property. You’re not there to provide a standard of living. So what I’m suggesting to you is that you could get ahead of that curve -- I think that that’s one of the cases.

The other situation I would like to bring up, and it’s a problem that I’ve worked with a lot, is the concept of trespassing on property which is abandoned. If it’s in front of my house or in front of your apartment building that you live in, people don’t have a right to sit on the front of your steps and become disorderly and consume alcohol or do whatever they do. But, yet, if it’s on the house that’s next door to my house-- I happen to live on a block and neighborhood that does have a long-term abandoned property. So what
is a right of the abandoned property next door? The person has abandoned it. They’re not going to protect their property.

So, Senator Rice, I think that you should determine how law enforcement and how code enforcement, and even neighbors, can control who has access to the property and what type of negative influence it can have, because of the simple fact of trespassing.

So that’s my two suggestions to look at. Hopefully, your committee will seek that -- to get ahead of the curve. That’s my comment.

SENATOR RICE: Thank you very much.

Let me say a couple of things, and maybe I can elicit the support of the legal mind and legislative experience of Senator Charles on this. Several years ago, I had legislation introduced, Senator, and it never went anyplace. I think I need to revisit it and maybe tighten it up. What that legislation said -- because at that time I was still on the council and was having the same problem. I got tired of chasing people. I think when I called Texas one time and got cussed out -- they didn’t care who I was -- I said, “Boy, that’s it.” Because the home owner called and the bank called, and they got cussed out. I said, well, I’m the councilman and a Senator, let me call. I got cursed out worse. I said, “This ain’t going to work.”

But the point is, that legislation said that there has to be a registered agent in that state. The bill really never got anyplace, given the politics of Trenton. But listening to you, we may have to revisit that bill and say, also, that that agent would have some legal responsibilities and could be held liable. So, if you’re going to agree to maintain on this building or to be the agent, then you need to let them know that their contract is breached if he
doesn’t do A, B, C. I’m not sure how to put that together. What I do know, and it’s just coincidental, that my wife owned a piece of property -- she’s from Arkansas, that’s where her family is from -- in Arkansas. She just received, about two weeks ago -- and I’m reviewing it, because I said I’m going to try to do some State legislation. I know in Arkansas, they just come out, they look at the property. If it’s dirty, they tell you to clean -- you just go ahead and clean it. But the notice that came out wanted her to sign up -- the same stuff I had talked about for years: her name and who her “agent” is going to be in Arkansas. That’s going to be her brother.

And so I think we may not be addressing it this bill, but I think what you’re saying made good sense for us. We’re taking notes up here -- that’s why we have staff and we’re recording -- to go back and deal with it. Maybe Senator Charles and myself and the Committee folks and OLS and others can put our heads together, where we can do it where it is constitutionally right, it makes good sense, and we can get accountability. Because, you’re right, a corporation is just a legal entity. You have to have a real body. They have a lot of protection, and that’s fine. We don’t want to disturb the protection of corporations, but we don’t want the protection of corporations to be the hindrance to our economic growth and the protection of the quality-of-life issues and safety of our residents.

Senator, do you have any comments on that?

SENATOR CHARLES: No, I don’t. I think that it is something that we need to research -- is the interim action, the personal actions, and so on. I think -- I’m confident, though, that with OLS, with Hannah’s outfit, and
others working on it, we can fashion something that’s legal, and hopefully, practical too.

M R. ANDERSON: Senator Rice, the question of the early warning. It’s unfortunate that buildings have to get so far down the curve, the slippery slope, that now massive amounts of money have to go in for rehab, tenants are displaced, the neighborhood is blighted. I would suggest, in addition to establishing someone who is responsible, that somehow that—

Under your descriptions here, I see how you wrote the descriptions as determined that it is a nuisance by a public officer. Somehow the wording and the language needs to be added in there so that those of us who fight this battle every day can get ahead of the curve, rather than watching it deteriorate before our very eyes and say, “Well, it hadn’t gotten bad enough, yet, for us to do anything.”

I don’t know how -- what language to use for that, but somehow, if you could put that in while you’re passing the legislation, I think that your Committee and I think the Legislature would understand the necessity for doing that. My deal is, a new broom always sweeps very clean.

SENATOR RICE: Senator.

SENATOR CHARLES: Yes. When it comes to definitions, for example -- definitions that make sense—

M R. ANDERSON: Right.

SENATOR CHARLES: --that really deal with the problem, I think information and input from people like yourselves would be very, very helpful. The folks in OLS look at it from OLS, from a drafting standpoint. They may or may not have -- they don’t have the on-hands experience that you do in
examine buildings on a daily basis. So any kind of suggestions that you might have as to what should be itemized as an indication of a sick building is something that you should forward to Legislative Services, through the Chairperson, to myself, or someone else. Help us draft these definitions so that they make sense and they give you the right tool that you need to make this thing work.

MR. ANDERSON: I’ll do that.

Thank you.

SENATOR RICE: Thank you very much.

Just keep in mind that we’re like cops. We do legislation to deter. Unfortunately, when it doesn’t deter, we have to enforce. And if we have to enforce, then we have to call the attorneys to help us out there a little bit. So those landlords -- they don’t want to spend big moneys. Maybe the idea is to make-- Maybe we say we have a building like that -- let’s let the attorney make ten times what they normally make on the other side, maybe they’ll stop that--

That may work, Joe.

Next we’ll have Etta Denk. Did I pronounce that right? Yes, okay. J. P. Morgan Chase -- all right -- 1 Riverfront Plaza, Newark, New Jersey.

ETTA DENK: Legal Center, yes.

Hi. My name is Etta Denk. Bear with me, because I have -- just so I get all my points. I’m probably going to appear as though I am reading my statement, which I am. All right. My name is Etta Denk. I am a Vice President in the Community Relations Department of the J. P. Morgan Chase Community Development Group. My office is in Newark, and I am
responsible for our service area in Northern New Jersey. I have been with the
bank’s Community Development Group for 13 years, the last 7 in community
relations. My job is to understand the issues and challenges faced within our
communities and bring the bank’s resources to bear.

J. P. Morgan Chase has, for more than two decades, committed
over $2.2 billion to support financing and tax equity investments for the
construction or rehabilitation of affordable housing, special needs facilities, and
commercial projects totalling over 41,000 units of housing for both renters and
home owners.

I am also the Chair of the Housing Committee of St. Paul’s
Community Development Corporation in Paterson, a multidiscipline social
service agency. I’m a Board Member of Project Live in Newark, a nonprofit
providing housing, supportive services, and career-development opportunities
for low-income individuals with mental illness in Essex County. I am Secretary
of the Board of the Jersey City Affordable Housing Coalition, an organization
whose members meet monthly to develop mechanisms to increase the
production of affordable housing here in Jersey City.

I feel as though I am well-versed in the needs of our urban
communities and can speak, today, with confidence as a banker, as well as a
community leader, for change. New Jersey has made a commitment to
revitalize urban neighborhoods, but in the midst of redevelopment many
neighborhoods are declining because property owners are not committed to
that same mission. Our urban neighborhoods are riddled with abandoned
properties that undermine all our efforts.
At St. Paul’s, we struggle to build and sell homes next to deteriorated and abandoned properties. Recently, a dead person was found on the property next to our lots to be developed. The unfortunate fire that consumed the structure, shortly thereafter, actually brought relief to St. Paul’s in that the property had to be demolished and will now have minimal impact on our development. This is not the way to rid our neighborhoods of a blight. A New York Times article on September 29 spoke about the efforts of HANDS -- a nonprofit, affordable housing developer in Orange and East Orange -- and how their process of neighborhood revitalization actually begins with tackling the worst property in the neighborhood and building from there.

The article, specifically, spoke about a property -- 153 Elm Street -- owned by J. P. Morgan Chase with an outstanding mortgage of $110,000. HANDS attempted to negotiate with the bank to purchase the property and rehabilitate the property that was currently being used as a party house for illicit activities. The bank had been told the property was worth much more than the price that HANDS offered.

I began an internal campaign to assist HANDS in acquiring this property. Ultimately, my testimony of the importance of the rehabilitation of this property and the proof of these illicit activities resulted in the sale of this property to HANDS at a significantly reduced price. However, this process took more than six months and the lack of progress jeopardized all our efforts.

We should not have to hope for fires or hope for personal perseverance in order to continue to provide safe, decent, and affordable housing. The two bills pending in the State Legislature, Senate Bill Nos. 1675 and 1676, are designed to abate the demise of our urban neighborhoods. They
will help streamline and accelerate the process from abandonment to rehabilitation, and they will make it easier for local officials to have abandoned or decaying properties put into receivership. We encourage the development of creative thinking and respectively ask that you join J. P. Morgan Chase in supporting the addition of these two bills to the toolbox, so that we can continue to support the revitalization of our neighborhoods.

Thank you.

SENATOR RICE: Thank you very much.

You said something -- and I want to commend J. P. Morgan, too, for stepping up to the plate with HANDS. But one of the things that always bothered me, we don’t want to see business lose money. We recognize many institutions have a risk and they take chances. The biggest problem, and I have to figure out how to get this done, is that when the property is out there, boarded up by the bank, it still sets there. A lot of people want it, and the bank have Realtors deal with it, but everybody is putting these sealed bids in. There are such things as short pays, etc. Some banks work with that, some do not. A lot of these properties wind up going on auction, basically sealed bids, starting off with, basically, the costs that occupied property’s going for in that community. Now, I know that because I am a Realtor. I don’t do it regularly, but I know that.

By the same token, I’m saying, well, it doesn’t make any sense. Why would I waste my time trying to get a lock-box key, get into a piece of property, and the neighbors are going for $100,000. Hannah likes the property. She thinks she’s going to get a deal because it’s boarded up, and I go in there and the bank says, “Well, this property starts at 80,000.” We have
to start at 80,000, and the neighbors are going for 100,000, she still has all the responsibility of bringing it up to code. We don't know what it's going to cost. I said, well, it's easy for me just to go over there and sell her Julius's house for the 100,000 that's going to be brought to code prior to closing. She can move right in, and there's less headaches.

Some kind of way, we have to figure out how to work with the lending institutions, not where they lose dollars. I've always said, and I don't know if this can be the case -- in most cases, if I know we're going to take a person, at least from my perspective, if I know I'm going to take your property from you anyway, because foreclosure is imminent -- you understand I'm taking it, you understand you cannot pay -- I believe on certain units I'd just assume tell you that we're going to close, just stay there, do me a favor. Do all you can to maintain it as best you can. You're not paying me anyway. Open the doors when Realtor Charles comes and just show the place. Once we get a buyer, we'll let you know. So everybody can transition out smoothly, etc. Will you have one or two people tear the place up? Yes. But you have that anyway. So I don't have the answer for that. The bill is not going to address that. But I think that's where the lending institution, the reputable lending institution -- because we have some who are unscrupulous -- can assist us by giving us ideas. How can we move property quicker, help you move it quicker, help you protect the majority of that investment there and, at the same time, help us get it conveyed for you. I don't have that answer, but it's something that, I think, the institution that comes up with that piece is going to hit a home run with those of us in government, believe me, and the community.
M.S. DENK: It speaks to the time-is-of-the-essence issue.

SENATOR RICE: Yes.

M.S. DENK: So thank you.

SENATOR RICE: Thank you.

Next we have Justin Peyser, from the Community Preservation Corporation.

JUSTIN PEYSER: Yes, hi.

Thank you for allowing me to testify.

The Community Preservation Corporation is a consortium of financial institutions. J. P. Morgan Chase is one of our founders and investors. In New Jersey, we've done some 4000 units of renovation and refinancing, some 90,000 units in New York-New Jersey, since 1974, so I work with these properties every day, and I direct the New Jersey Office of CPC, here in Jersey City.

I want to commend the panel for bringing these two important bills to the Senate and Assembly. We support them. I'm represented by 100 financial institutions who lend us the money to then, in turn, lend it to capable for-profits and nonprofits who can redevelop these properties. I want to call attention to one, seeming, detail of the receivership act and make a general statement about the need for preservation.

The importance here -- these bills are excellent for getting to the patient once the patient is already in the hospital or sick. The question is, on prevention, both of abandonment of partially occupied buildings and then full abandonment of our multi-family structures. These are excellent tools, I think,
if municipalities adopt them and use them aggressively. They can be excellent tools.

My concern is -- and I worked with owners of multi-family property all week long -- my large concern is that there is no program in the State of New Jersey today that assists an owner in a user-friendly routine, nonpolitical way to prevent abandonment in their buildings. We can discuss how marginal apartment buildings can be. They can make money, but they can also be very marginal -- particularly buildings lower than 20 units, particularly with many of the unfunded mandates imposed on these owners for good reasons, good intentions -- but there just aren’t the sufficient margins to leverage the debt and equity to pay for those -- whether it’s for lead paint abatement, whether it’s for carbon monoxide detection, whether it’s for mold, etc., etc. -- when the basic needs of the buildings -- like old plumbing, old wiring, and windows -- are also important priorities, let alone kitchen cabinets and things for residents to enjoy.

So I would encourage the Senate and Assembly to consider how we do that and how we get investment into these buildings before they become abandoned -- a very difficult thing to do. You don’t get to go to ribbon cuttings when you re-pipe an apartment building, but it’s a very, very important need. Governor McGreevey addressed this need at the State Housing Conference, and how it’s much less expensive to renovate these buildings before they become abandoned.

The problem is always money. There just isn’t the money. We’ve got to find the money to do this. I commend the fact that there’s a $16 million set aside from HMFA funds, under the Multi-Family Preservation
Receivership Act. I think that’s critical, but again, that’s helping those buildings that are already in the hospital, if you will. The question is, how do we direct funds to low- and moderate-income areas to fix these buildings before they become trouble?

So, in conclusion, I point to Section 29 of the Multi-Family Preservation Receivership Act, which I think is the window onto how to begin solving this problem. That chapter refers to a waiver of means testing that is income certifications for properties -- of all properties -- not just properties effected by the Abandoned Buildings and Receivership Act but, all properties. I take it as a catch-all waiver from the well-intentioned-but-difficult-to-implement, notion of testing for incomes. This provision encourages that buildings in low-income census tracks, up to 50 percent of median income, would qualify for the benefit without this means testing.

I would encourage the Committee to consider upping that to 80 percent of the median or up to moderate income, so that we can catch more buildings in the net. So I think that’s one tool, and I think that’s one window upon which we can begin to intervene in more of these buildings and find the owners who have code violations, but would be willing to work with code enforcement to replace their antiquated systems with a carrot and not just the stick. I encourage you in all your work, and thank you for the opportunity to testify here today.

SENATOR RICE: Thank you.

I believe, and you can correct me, Darice, or anyone from the advisory group -- I believe we said that that made sense if we can sell it to the
sponsors. But I also believe that we said that we were going to try to help the sponsors by doing some research--

MS. TOON-BELL: That’s correct.

SENATOR RICE: --as to what really is moderate, because it may really already imply a higher percentage. So it’s something that I believe the advisory committee is supposed to be helping me with, if I have to go over somebody’s notes. But is that correct, Darice?

MS. TOON-BELL: If I could elaborate just a little bit.

MR. PEYSER: And I have some results on that, too.

SENATOR RICE: Oh, okay.

MS. TOON-BELL: Yes. Alan Malek (phonetic spelling) did indicate that he would go back and take a look at the impact, the impact it would cause as a result of increasing that from 50 percent to 80 percent of the area median income to -- so there was some research that was required as a result of that.

MR. PEYSER: I’ve been made privy to some of those initial findings. In Jersey City, in fact, it turned out that only 20 percent of census tracks would be covered if the legislation was limited to 50 percent of median. Mr. Malek and members of the Housing Community Development Network tested at 60 percent of median and found that up to 40 percent of tracks would be covered. So that was encouraging. From a business point of view, you do a lot of planning, then you find the buildings that you want to do don’t fall in the target area. So I would advocate for drawing it as widely as possible.
Newark, on the other hand, has many more low-income tracks, so it wasn't as big of an issue. We're going to try to study Paterson and Camden and some of the other cities to see what the impact is. I just would posit that, since most of our affordable housing programs, nationally, permit low- and moderate-income, that we echo that in our bill.

SENATOR RICE: Okay.

Any questions or comments? (no response)

Let me say, if, in fact, we can have information researched out prior to the 28th-- We're holding a hearing for those who want to participate, in Trenton, on the 28th. I expect, at that time, hopefully, to have enough votes to move the legislation with amendments out of Committee to the full floor of the Senate. It is my understanding that Assemblyman Jerry Green, who is Chair of the same Committee over in the Assembly, is holding hearings today. I suspect that they will move that bill out for the full Assembly, which means that any amendments we have, they would join and concur, hopefully, in that House.

So, because my time frame is to move this legislation on the 28th, have it on the floor of the Senate on the 31st for a full Senate vote, and get it to the Governor's desk -- but I would like to get it there with the amendments that everybody can agree on, on the floor, and then the Committee, prior to going there, so that it's not conditionally vetoed and brought back.

So I really appreciate it, okay. Thank you.

Next we have-- where's my list here-- Hang on a moment. I got a group. All right. I have Stephanie Washington, Bernadette Brarch, Richard Menter, John Finn, and Ms. Lynette Schuler. Are they here?
STEPHANIE WASHINGTON: Good afternoon.

My name is Stephanie Washington, and this is my co-worker, Mr. Menter. We’re here today representing MASSH Medical, a social service for the homeless. We, mostly, be advocates for the homeless clients, because we have a big problem in Jersey City about the homeless program -- not the homeless program, but the homeless clients. We wanted to make sure that a lot of these abandoned buildings have housing for these clients, because most of the time they come to our agency to get the services and, most likely, we have to turn them away because we call the shelters and there are no beds for them. So we’d like to see more of these abandoned houses become low-income houses or maybe more shelters for these clients.

So we have two of our clients here who want to speak about their situation.

LYNETTE SCHULER: My name is Lynette Schuler. I’m a homeless client. I have been out on the streets day and night, year after year, but now I have improved a little bit, but I would like for us to really get more housing, because there are too many homeless people out on the street right now. We really need low-income housing for people that’s homeless.

JOHN FINN: My name is John. I live in a shelter in St. Lucy’s. I have been going around looking for housing. It’s very hard. You look around here -- 2000, 3000 a month. The rents are out of control. I’ve been looking and looking since I’ve been in the shelter last year. I couldn’t find nothing. That’s why we need some kind of housing, some decent housing. All I want is a room, a decent room. That’s all I want. I get 576 a month Social Security, and I can’t survive on that. I can’t survive on it.
I go to look for real estate -- I mean a room. They want 900 a month for one room. You figure, you get the minimum wage, 5.15 an hour, right? You figure that up, an apartment for 800 a month, right. Eight hundred a month, you have to work for 165 hours just to make that, you know what I mean? And people out there, laying on benches, laying in the Port Authority-- I only got 45 days in St. Lucy's -- 45 days, that's all I have. I'm out on the street again. I go to a hotel, it's $65 a night. I might stay maybe six nights, that's the most. Then I'm out in the street again. But I can't figure this out, though -- Senator, right? -- why is it that a hotel-- They can afford to pay 1500 a month for a person, right, and they can use that money for apartments, 1500 a month. Every one of these hotels are filled. Where's the money coming from? You know, 1500 a month, that will give you an apartment right there. You know what I mean, Senator?

It's really bad. We had a survey. I work for MASSH. There's 500 people out there laying in the street, laying down in back lots, under the door mats, under tents, abandoned buildings, right down under the-- You know, down the highway going towards Hoboken, you have homeless people there sleeping in tents and blankets. It's really hard. I wished they'd just address it. I wished they would have it investigated, come and check it out. In these shelters, they only keep you so long. We only got the Park Shelter in Union City. We got St. Lucy's in Jersey City, and we got the other one up in Hoboken. There's only three shelters, and they're filled most of the time anyway. They're filled. But we really need help bad and some kind of affordable housing. Nobody can afford $1000 a month or 1200 a month.
I see these buildings going up, right. Abandoned buildings, I see going up. One room, 900 a month. Would you believe it? One room with a shower and a bathroom together, small room, 900 a month. This issue has got to be addressed somehow, because you’re going to have more homeless people out here. It’s like urban renewal. People are just getting driven out. Look at Hamilton Park down there -- $2000, $3000 a month rent. Who can afford that? You know what I mean? Who can afford $3000 a month in rent? Nobody.

Look at the real estate place over at the corner. Look at their rents over there. Three thousand, five hundred a month for five rooms. It’s totally outrageous. It’s like the poor people are getting driven out -- urban renewal. Do you know what urban renewal is? It seems like a second New York, you know. It’s like a second New York.

But you need funds to help the poor out. I think the poor should come first. I went to Hudson Gardens, right, Section 8. Do you know what the wait list was? Two thousand people on the waiting list, 2000 people. You have to do something to help the poor out, even if you give funds to the shelters -- the Park, the Hoboken Shelter, and the MASSH Program. I used to do volunteer work for the MASSH Program. But the money I make -- I get SSI, 576 a month -- forget about it. It’s like urban renewal. It seems like the poor are just getting driven out and that’s it.

SENATOR RICE: Some of us call it urban removal.

MR. FINN: Yes.

SENATOR RICE: But let me say that those are issues that we’ve been arguing, particular those of us, not being partisan, but as Democrats,
because we’re impacted the most. They have to be addressed. We’ve always argued, why are we subsidizing shelters? If we’re going to subsidize, why don’t we subsidize ownership? Why don’t we subsidize ownership for those who can pay and let them bring in those who have low or, basically, no income, where they can have a decent place.

MR. FINN: Yes.

SENATOR RICE: So we’re going to continue to address that. Hopefully, this legislation, particularly on the abandoned side, will allow the municipality -- for whatever empty buildings or structures they wind up in their inventory that does not go back to the owner -- hopefully, they would have the ability -- and they have it legislatively -- but hopefully, administratively, if they’re going to market those, they do give priorities for people who live there, but also give priorities for people who live there to house some Section 8 tenants there, so it can be, kind of, a mixed-use type of situation, where it pays for itself, and it’s a win-win.

MR. FINN: Back in the ’90s, an apartment was 600 a month, or 500 a month. All of a sudden, they just jacked the rents up, and you can’t live. There are going to be more homeless people out there unless something is done.

SENATOR RICE: Well, we’re going to do the best we can.

MR. FINN: Thank you, sir.

SENATOR RICE: Thank you.

Listen, I have one, two, three, four, five, six, seven, eight, nine, ten, eleven, twelve, about thirteen more speakers. We’re going to try to get through this, and watching the clock -- and it’s 4:35.
So, next, I have Anne Miller Christensen.

ANN MILLER CHRISTENSEN: Good afternoon.

My name is Anne Miller Christensen. I am one of the managers of Women Rising, and I am Director of Project Home, an 18-month transitional housing program for 18 homeless families. The women at Project Home are in recovery from substance abuse and the effects of family violence. I’ve worked with homeless people on a local, State, and national level for the last 20 years. Housing is the flip side of homelessness. I urge you to support the Multi-Family Housing Preservation and Receivership Act, as well as the Abandoned Properties Rehabilitation Act.

Project Home is in a typical Jersey City neighborhood. And by that, I mean we have several abandoned properties that have been abandoned for several years. They’re the sites of active drug traffic. People in recovery do not need to step past drug dealers and users who set up shop in abandoned buildings. About a year ago, I was really excited because the building, actually, was bricked up and fencing was put up. I thought, well, at least the building will be safe and maybe get rehabilitated some day, and the drug dealers won’t be inside. Well, they burrowed back in, and they’re back in, and we’re still stepping over them. I think that these bills could help put an end to such a cycle.

Affordable housing in Hudson County is an oxymoron. A successful graduate of Project Home receives a Section 8 voucher. Instead of being able to leave in 18 months time, though, it often takes up to 24 months to find housing, even with a voucher. Please act to move these bills forward. We are in a state of emergency, just as surely as if we had suffered the
devastating effect of a natural disaster. Act now to save New Jerseyans from the unnatural disaster of a lack of decent, affordable housing in safe neighborhoods, and I guess I’ll conclude with: there’s no place like home, there’s no place like home.

SENATOR RICE: Thank you very much.

Okay. Our next speaker is Arnold Cohen, Housing and Community Development, Trenton.

ARNOLD COHEN: Thank you very much.

I’d like to express my deep appreciation to Senator Rice for holding this hearing today in Jersey City on two very important bills that will help reclaim distressed and abandoned properties. It’s really great that my fellow Newark resident is coming out to hear from people from around the state on these critical pieces of legislation. I thank Senator Charles, who had to leave, for hosting us here today.

The Housing and Community Development Network of New Jersey is a statewide association with more than 250 nonprofit, housing, and community development organizations, individuals, and other organizations working to create housing and economic opportunities for low- and moderate-income community residents around the State of New Jersey.

Last month, we released data from a national report identifying New Jersey as one of the least affordable states in the nation. According to the Out of Reach Report, the average two-bedroom apartment in New Jersey costs $980, which is the fourth highest in the nation. For Jersey City, it’s over $1000 a month. And what we’ve seen in Jersey City, this is an 18 percent increase over the past year, a tremendous jump.
We’ve also seen, according to the latest census data, is that from 1970 to 2000, Jersey City has lost 25 percent of its housing stock. The City of Newark has lost 47 percent of its housing stock. Clearly, we need to do something to prevent this kind of tremendous loss of housing, much of it affordable, that is hurting our residents.

While production of new affordable housing remains a critical goal, it is also essential that we pay attention to preserving existing affordable housing stock. Thousands of low-income New Jerseyans live in older housing that is deteriorating to the point where it is no longer habitable. Without a strategy to preserve this housing, we’re in danger of losing more units each year than we are creating through the combined efforts of affordable housing developers throughout the state.

Throughout New Jersey, our members are tackling deteriorated and abandoned properties in their communities, not just to stem the loss of affordable housing, but because problem properties also pose a danger to tenants and neighbors, drive down surrounding property values, discourage new investment, attract crime, and represent millions of dollars every year in unwanted cost to municipalities. As they do so, however, our members have encountered numerous barriers that make it all but impossible to go after absentee landlords, who let their properties deteriorate, or get possession of abandoned properties that are undermining a neighborhood.

Consequently, the Network urges the Committee to support two bills that will provide better tools for local government, concerned citizens, and organizations to intervene before housing is abandoned and able to reclaim abandoned properties. Senate Bill No. 1676 would make it easier for
responsible receivers in charge of at-risk properties and give them the tools to repair their properties and preserve them as quality, affordable housing.

The second bill, Senate Bill No. 1675, would provide municipalities, community-based organizations, and others with a body of strong tools to deal with nuisance properties and to speed up the process of returning abandoned properties’ productive use as homes or other community assets.

We thank you for taking the initiative to really move these bills forward.

SENATOR RICE: Thank you, Arnold.

Hopefully, some of your network will testify in Trenton on the 28th.

Next, I have Michael J. Regan, Construction Official. (no response) He’s gone.

Elaine Love. Is Elaine Love here? (no response)

Christopher -- Domus Corporation. Your last name looked like your ink ran out. (laughter) What’s the last name for the record?

CHRISTOPHER GARLIN: Garlin.

SENATOR RICE: Garlin?

MR. GARLIN: Garlin, G-A-R-L-I-N.

SENATOR RICE: Okay.

MR. GARLIN: Thank you, Senator.

First, by way of background, for the past seven years, I’ve been the Director of the Domus Corporation, which is the affordable housing, nonprofit development arm for the Roman Catholic Archdiocese of Newark. And
hopefully, if Arnold doesn’t kill me, I also, for the last several years, have served as the President of the Housing Community Development Network of New Jersey.

Domus is active in four counties here in the State of New Jersey, which includes Bergen, Hudson, Essex, and Union. As you know, those counties include three of the four largest cities in this state. I’m not going to reiterate everything that was said. I agree with Etta and Justin and Arnold, but I do want to make one point. I think this point is probably more apropos for those legislators who are not here. These two bills not only make good social policy, they make good business sense. Because, in this State, we’ve had a tremendous amount of development. We’ve talked about that here today -- the Federal low-income tax credit dollars, home dollars, HUD Section 202 dollars, going into neighborhoods. But it doesn’t make good business sense to continue to invest in these neighborhoods and in buildings when next door we have buildings that are deteriorated and in various stages of disrepair.

For example, one of our projects, which is in Councilwoman Richardson’s ward, we developed a five-building, 87-unit project, where we can get in the car and drive around the corner and find buildings in disrepair, vacant buildings. So I’m just submitting today that when we talk about these bills, we talk about them in a sense that we can’t afford not to have these pieces of legislation passed. They’re needed. I congratulate and thank the Senator for moving the neighborhood revitalization tax credit bill last week, along with the multi-family housing State tax credit bill.

All of these initiatives point to good urban revitalization policy. And quite frankly, it’s about time that we’ve had this, now, in this State.
We’ve have a unique opportunity, and we don’t have a choice. We’re in the throes of an affordable housing crisis in this country and in this State that we haven’t seen in 50 years.

So I thank the Committee for your time, and on behalf of all of the advocates and developers, both nonprofit and profit, that we push to get these pieces of legislation passed. They’re needed.

Thank you.

SENATOR RICE: Thank you very much.

I think you need to knock on my door. I’ve been in Newark all my life, and I haven’t heard of numbers yet. What are you, a secret agent for-- Which one of those nonprofit groups you-- (laughter)

Okay. What do you want?

MR. GARLIN: (indiscernible, speaking from audience)

SENATOR RICE: Yes, but -- 494 Broad Street. That’s the Archdiocese?

MR. GARLIN: (indiscernible, speaking from audience)

SENATOR RICE: Okay. I’ve got you, man, all right. Okay.

There were a lot of names under those diocese. Okay.

Harold Colton-Max, Fairmount Housing Corporation.

HAROLD COLTON-MAX: Good afternoon, and thank you, Chairman Rice, for coming here to Jersey City to hold this extremely important hearing. I also want to thank the people here from Jersey City, from the Jersey City government -- Councilwoman Richardson, Darice -- and your staff for coordinating this. I think it’s a lot of work that goes into this, as well as
working with the Senate staff. You deserve a lot of credit for bringing this here, and I want to thank you very much for doing that.

My name is Harold Colton-Max. I am here in my capacities both as President of the Jersey City Affordable Housing Coalition and as Executive Director of the Fairmount Housing Corporation. The Jersey City Affordable Housing Coalition is a multicultural, community-based, not-for-profit, 501C3 membership organization committed to increasing housing and economic opportunities for low- and moderate-income residents and those with special needs.

The Fairmount Housing Corporation, a member of the Coalition, is a nonprofit, community-based development organization that is dedicated to the provision of permanent, affordable housing and to the revitalization of the communities in which our tenants live, most of which are in Jersey City and, as Councilwoman Richardson knows, most of which are in Ward F.

The demand for quality, affordable housing for low- and moderate-income households in Jersey City is overwhelming, and the signs are quite evident, which is why both the Coalition and Fairmount Housing Corporation support both S-1675 and S-1676. In a position paper, which you should be -- I think you just received a copy of right now -- issued by the Coalition in October of 2000, a number of statistics were cited showing the mismatch between the market rents of available apartments in Jersey City and what would be affordable for working families in professions such as accounting, secretarial work, and security work. The same paper cited the lack of production, only 46 units in 1999, and a long waiting list for the Federal Section 8 Program.
A more vivid example of the reasons to support these two pieces of legislation is the story relating to a project recently completed by the Fairmount Housing Corporation. In fact, it had -- its anniversary for this story was one year ago yesterday. On October 20, 2001, Fairmount opened its doors to accept rental applications from low-income households, the same income restriction as -- you’ll have to excuse me -- for low-income households.

Fairmount distributed more than 500 applications -- I’m going to repeat that number -- 500 applications to potential applicants and received back 250 of those applications in just five hours, for just 13 apartments. One potential solution suggested by the Coalition in its platform, returning vacant property to productive use, is specifically addressed by the bills being considered today by the Committee. That is why the Jersey City Affordable Housing Coalition and the Fairmount Housing Corporation have endorsed both S-1676 and S-1675.

The Multi-Family Housing Preservation and Receivership Act, S-1676, will make it easier to turn an at-risk rental property over to a receiver, who will repair it and maintain it as quality affordable housing. It will also create a $16 million fund, and we think this is a particularly important part of this bill, at the New Jersey Housing and Mortgage Finance Agency to help stabilize these properties and build the capacity of more organizations to preserve and maintain affordable housing in Jersey City. The Abandoned Properties Rehabilitation Act, S-1675, will provide municipalities, community-based organizations, and other parties with a number of new tools
to deal with nuisance properties and to speed up the process of returning abandoned properties to productive use.

In conclusion, I would like to provide you with one particularly telling example, which I alluded to earlier, where these two bills might have made a significant difference in Jersey City for Jersey City residents, and that is, again, 99 Rutgers Avenue. Ninety-nine Rutgers Avenue is a four-story, pre-war, brick building located in the inner-city neighborhood of Greenville. The building, which had once contained 16 units of housing, stood vacant and abandoned for more than 20 years before the city of Jersey City was able to gain title through the in rem tax foreclosure process.

By the time that the Fairmount Housing Corporation was able to inspect the apartment building, at 99 Rutgers Avenue, it was completely gutted, leaving mainly four walls and a basement filled with debris from vagrants and other criminal activity. As a result, massive subsidy and public investment of almost $2.1 million was required to reclaim this building as 13 units of housing for low-income families. The deterioration of 99 Rutgers Avenue could have been arrested if the option of receivership laid out in S-1676 had been available. Once the building was vacated, the city could have obtained possession of 99 Rutgers Avenue much faster if the mechanisms laid out in S-1675 had been enacted back then.

This would have meant that more affordable housing could have been available many years earlier, and that scarce subsidy, that would have been saved had the building not deteriorated to such an extent, could have been allocated to other projects producing more affordable housing in Jersey City. Because of the immense demand in Jersey City for affordable housing
for low-income households and moderate-income households and working households, and stories like the one I just related about 99 Rutgers Avenue, I strongly urge that the Committee support both S-1675 and S-1676.

Thank you.

SENATOR RICE: Thank you very much.

We will make sure your testimony is not only on record, but your written testimony is shared as well.


Moses M. Ballon Jr.? (no response) Okay.

Allan Roy Bardack. Sorry, you must be a doctor.


As I look around, Senator, I see I am losing my audience.

SENATOR RICE: That’s all right. You got us, and that’s what counts.

MR. BARDACK: But that’s how I got you, is right, and that’s what I’m here about.

SENATOR RICE: Yes, that’s right. We voted.

MR. BARDACK: I want you to know how happy I am to address this distinguished panel representing the Legislature in Trenton. This is legislation that will benefit Jersey City and will be appreciated by its citizens, as well as other inner cities throughout New Jersey.
I’m Allan Roy Bardack, President of the Bardack Realty Company. Over 51 years as a Realtor here in Jersey City, I have observed the abandonment of properties, mostly in the uptown section of Jersey City. The abandoned properties have been broken into, and they have been havens for drug dealers and homeless who occupy these buildings without heat, electric, or sanitation. As a result, homes in these blocks have suffered because of this negative occupancy, and these buildings have decreased in value, since perspective home buyers would not buy in these blocks unless it was below market.

I know dozens of qualified developers and contractors who are in Jersey City and want to come into Jersey City and fix these abandoned buildings where, years ago, you couldn’t get anybody to come in, the neighborhoods were so bad.

Mayor Cunningham is one of our first mayors to be concerned with inner-city problems. He’s anxious to get these buildings, once again, on the tax rolls and to promote much-needed affordable housing for our residents. Your proposed legislation would be a big step in the right direction to help eliminate our abandoned buildings and the inner cities. I congratulate the New Jersey Senate Community and Urban Affairs Committee for coming to Jersey City for the public hearing.

Thank you.

SENATOR RICE: Thank you, Mr. Bardack.

A question for you, since you’re in the real estate business. I suspect that that’s sales, as well as development.
MR. BARDACK: Yes, we do everything. Eighty-two years we’re in the city. My father started it.

SENATOR RICE: How do we— I have some ideas, but I suspect you probably was here when the issue was — came up regarding “corporations,” and outside entities. Coming from a Realtor’s perspective, it has to be frustrating to you, as well — just from a business perspective, as well as a citizen.

MR. BARDACK: You’re saying corporations that were not competent and didn’t do the job?

SENATOR RICE: Well, we can’t find them, and then you have to bring— Remember the issue raised by one of the inspectors that you have to get them in court, and they’re all over the place. You can’t bring them in.

MR. BARDACK: Yes.

SENATOR RICE: I know that frustration myself.

MR. BARDACK: It’s bad. It’s bad.

SENATOR RICE: Do you have any suggestions -- you can think about it, if you don’t have -- as to how we address that? Because even as a Realtor—

MR. BARDACK: Right.

SENATOR RICE: --you should be able to put your hand on someone besides a corporation, in many cases—

MR. BARDACK: We do.

SENATOR RICE: --on the abandoned things.
MR. BARDACK: Yes. But the majority of the developers that I’m addressing for these abandoned places, the majority are not corporations, they’re individuals.

SENATOR RICE: Well, I’m not talking about the developers. I’m talking about the persons that own the property that we’re trying to get the developers to develop.

MR. BARDACK: Oh, I see what you mean. Yes, that’s--

SENATOR RICE: That was the issue.

MR. BARDACK: Yes, very bad, very bad. Yes. Let me think about it. And if so, I’d be happy to communicate my ideas.

SENATOR RICE: Right. Because you and I both know, from a Realtor’s perspective, you go check the tax records. Ron Rice is on the property. Where does Ron Rice live? Down the street. Down the street there’s a vacant lot. So you go back. The tax is not paid, water is not paid. So then you have to spend money or take your own time and go to the county and do a search. Last on the record: Ron Rice. Who was the lending institution, whatever it is? The next thing you know, that’s been conveyed to someone else. It’s been assigned. The assignment’s out of business or have assigned somebody else, but it has not been properly recorded. That’s the kind of thing that bogs real estate down for 20 years, and we have to figure out a mechanism, legislatively, to say, “hold it.” Any bill that which we want to, we can put our hands on someone that’s responsible for that property. That’s the kind of support I need from your organization.

MR. BARDACK: Very good. I will communicate to you my thoughts, and thank you for the opportunity in speaking to you.
SENATOR RICE: Thank you for coming in and being concerned.
All right. Next we have Charles Odei. Is that right, Odei?

CHARLES ODEI: Odei. (indicating pronunciation)

SENATOR RICE: Odei. Okay. You know the E can be silent, the E can be with the I, you know.
Okay, Charles.

MR. ODEI: Good afternoon, Senator, and thank you for making the trip down to Jersey City.

I think Senate Bill Nos. 1675 and 1676 could not have come at a better time. We are at a time when housing costs are running very astronomically high. Meanwhile, in other parts of this city, we have buildings that are totally out of use. On that note, I’d like for you to convey my sincere thanks to Senators Codey and Singer for bringing this bill into being.

I think most of the earlier speakers have made very significant points, and obviously have already said all I have to say. However, I would like to leave a few comments. I’m looking through the bill. I see a few problems in terms of the definitions. For instance, now, from the--

I’m sorry. To identify myself, I’m the Acting Director for Rent Control Office in Jersey City. So, from an enforcement perspective, for instance, in S-1676, Section 3, where we’re trying to define what is an abandoned property, it goes on to say something like -- “it has not been occupied for six months.” I can see, from my office, why I have somebody coming in, assuming this was something within my jurisdiction, who is leaving a property vacant for five-and-a-half months, gets somebody -- a relative, somebody from the corner -- to occupy it for a few days and then move out.
My question is, would this then pass, or how do we come up with a solution? In our definition, how do we come up with the solution to address that possible anomalies?

SENATOR RICE: Walk through that one more time, since everybody up here understood it but me, maybe because I was reading.

MR. ODEI: I’m sorry. Yes.

Let’s take S-1675, Section 3. Yes, please.

SENATOR RICE: Oh, okay. I was on S-1676. Are you sure it’s S-1676?

MR. ODEI: Yes, it’s S-1675.

SENATOR RICE: Okay. All right.

MR. ODEI: I’m looking at the sheet that was passed to us.

SENATOR RICE: All right. Let’s start again. You had me a little worried. I thought something happened to me up here while I was reading.

MR. ODEI: I’m sorry. Forgive me. I’m trying to save time, but it is not helping. Now, I’ll read it for the record.

SENATOR RICE: All right. Repeat, for the record, the issue.

MR. ODEI: It says the act defines abandoned property as, “any property that is not legally occupied in whole or in large part” and meets one of the following criteria: (a) has not been occupied for six months. That was essentially where my comment was. I see the need to, kind of, define it, but how do we come up with a definition that can get the enforcement officers out of the situation where somebody may, for instance, leave a building vacant for five-and-a-half months and then create occupancy for a few days or weeks and then, essentially, leave it up and vacant again. Yes. Okay.
In fact, as the same sentence continues, and it goes on to say, “Is in need of rehabilitation...and no rehabilitation has taken place for six months.” Again, on the same -- what constitutes rehabilitation? In a speculative market like Jersey City, if a speculator buys 20 buildings and he visits one every six months to try to make repairs -- thus, he's bringing a box of sheetrock there and nailing a few in, and then leaving for the next six months -- constitute rehabilitation? Again, I think this would be critical questions that will eventually face the enforcement agencies.

SENATOR RICE: All right. I think those are very valid points. Maybe we need to address, in the legislation, about the local government. I've run into situations before about ordinances in the city of Newark, when I was on Council, and we, kind of, defined those situations. We may have to use words like consistency or the amount or whatever. But it's something that I want staff to make notes on -- that we go back and see if we can get the sponsors to address, and OLS.

In the interim, Dr. Shostack has a question for you to address regarding this. Go ahead.

MS. SHOSTACK: What I was wondering is whether the list of criteria for abandoned meets any one of the following criteria, and it lists a series of criteria, that being one of them. I'm wondering if the landlord that you're talking about would usually be violative of a number of these and not just that one.

MR. ODEI: Yes. I think both scenarios are possible. We have some landlords who are very, very -- especially the very speculative ones. They
are hard to get your hands on. They can use any trick in the book, and that becomes a concern of mine.

DEPUTY MAYOR CRUZ: For instance, Charles, if I could, in a rent-controlled apartment, they would have to show sizeable capital improvement in order to increase that rent in that unit, right?

MR. ODEI: Right.

DEPUTY MAYOR CRUZ: So the formula was -- I don't know. They came out with, if you do capital renovations that equal $4000, you may be able to raise the rent, a month, $100 or $99, a month, on that tenant.

MR. ODEI: Right.

DEPUTY MAYOR CRUZ: So something like that, that can stipulate that you can't speculate on this or move somebody into that apartment.

MR. ODEI: Here we're talking about a whole vacant building. So I think maybe the -- it's tough, very tough. I've looked at it and thought about it for a few minutes, and it's tough. Maybe instead of rehabilitation we can say substantial rehabilitation and, somehow, find a way to define substantial rehabilitation, in conjunction with that -- has not been occupied for six months, maybe continuous occupancy. It's tough. Again--

SENATOR RICE: We'll go back and play with that. I think it's a very valid issue, and that's why we're holding public hearings.

I'm going to ask Arnold Cohen, who is still here, if-- Arnold, do you understand what he's saying? Could you have the Coalition look at that as well? I think that the more minds that we have prior to us getting this to the Governor, the better off we're going to be. I know you have some of the
same concerns about making units affordable, but at the same time, not to have landlords play games without definition, which means we still chase them all over the place. Okay.

Go ahead, Mr. Odei.

Mr. ODEI: Thank you.

My other comment on the definitions is -- and I think (indiscernible) have been alluded to it, in expanding the definition to include vacant lots. If we could--

Senator Rice: Yes, we have amendments coming through from the advisory group or some of our network to address the vacant lots.

Mr. ODEI: Very good. Okay, then one more comment and I’ll leave the floor. Again, I’m a little concerned about the power of private entities to do the foreclosure or take up on the part of eminent domain. I think I share this with my Director, Mark Munley, who had expressed this at the early meeting we held. So maybe it would be wise to limit the power of eminent domain or foreclosure to the municipalities, as opposed to opening it to the nonprofit or private nonprofit entities.

Ms. Shostack: I think that was part of the amendment as well. It was previously communicated--

Thank you, Charles, for reinforcing that.

Mr. ODEI: I think that’s all I have to say.

Senator Rice: All right. We’ll be holding a hearing in Trenton on the 28th. You may want to come then and get on the record, if your director, or whoever, will allow you to do it. Tell him the Senator said
you should be down there. If not, we can’t get money to your organization.
No. (laughter)

MR. ODEI: Talking about money, though, on the legislation dealing with receivership, I know money is hard to come by these days and Trenton is very concerned. But I think when it comes to our rent receivership, money is going to be very, very necessary. Again, whatever you can do in your powers, Senator Rice, to attract money to this legislation, we’ll sure appreciate it.

SENATOR RICE: That’s why I was reminded of my ambitious time frame of the 31st is going to be delayed, because this legislation will come out the 28th, and it will be moved over to Appropriations. But I’m confident that since this is being sponsored by the Democratic Senate President and Republican Leader Senator Singer, that we should be able to get them to move through that quite rapidly. I believe, knowing those two colleagues, they probably already have identified the dollars, or at least some of the moneys. But I think the testimony, in Trenton on the 28th, before the full Committee is going to be very important for those who articulate not just support, but help us to identify the potential problems, whether they’re definitions or others.

Okay, and that’s going to be important for you to put that on your calendar. If you come down, we’ll give you an opportunity to testify again. If you have any suggestions, by then, as to what changes should be made, in terms of definition or what the language should be, we would accept that as well, as a consideration.

MR. ODEI: Thank you so much.

SENATOR RICE: Thank you very much for being patient.
Okay, we’re getting there. We have three more speakers. I have Barbara Thompson. Is Barbara still here? Okay, Ms. Thompson, the New Jersey Alliance for the Homelessness.

Is Gloria Wilson still here? You will be next, Ms. Wilson.

Lawrence Kenchen, is it Kenchen or Kencher? Okay. All right, and then you’ll be the final speaker, okay.

**BARBARA THOMPSON:** Thank you for allowing me to speak. I first, and foremost, would like to commend you on these bills, both S-1675 and S-1676. I am a member of the New Jersey Alliance for Homelessness, which consists of a number of service providers to homeless families across the State of New Jersey. We work as advocates for homeless families. This bill would really help in providing housing for our clientele. As you know, this sector of the public will become what is called, now, the working poor, because it’s a known fact that the highest paying job market for our clientele is less than $25,000 a year. Now, that family could consist of a mother and one, two, three, four children, which would make them very poor.

As you’ve been informed, the average price in New Jersey for a two-bedroom apartment is $980 per month. When people think of urban communities, it’s synonymous with the abandoned building, dilapidated conditions, high crime, substance abuse, and unsafe conditions, in general. These bills will help us to take our communities back, to get rid of some of that dilapidation, and help us to try to help people, like the families that I work with, to become assets to the community.

I have a short story that happened and, unfortunately, it’s true. I have a client that was able to come into our shelter to live for up to 12
months, and she was able to secure Social Security, which gave her a liveable income. This person was not allowed to take her three children and move into a nice-sized apartment, because she couldn’t afford it. The only apartment that she could afford was a $650-a-month, two-bedroom apartment, which is cheap in New Jersey.

However, the condition of this apartment is such that the ceilings are falling in, the apartment upstairs is occupied by some unruly characters that have been able to hide behind the skirts of the law, in order to keep from being put out because there’s children in that apartment. However, my client has to live under them. She has to live in a building that has become unsafe because they’re not, at least, respectable enough to try to keep the building in a presentable condition. They have to live in unsafe conditions because the landlord is able to, by whatever means, avoid fixing up the apartment. She can’t go to any entity to get help, because if she reports the condition of this building she and her three children will be homeless.

So these bills will help clients like that across the State of New Jersey to, hopefully, obtain decent housing with these bills. They will probably come into more affordable housing. However, we realize that affordability hinges on wages. And without proper wages, the affordability becomes unaffordable. But in the interim, we will be able to, at least, have an urban living, not synonymous with dilapidated living, with dilapidated buildings, with unsafe conditions.

I commend you on your bravery to even address these issues, and I do support you, along with the New Jersey Alliance. I thank you, again, for allowing me to speak.
SENATOR RICE: Thank you very much.

You understand. At least, I understand, and I’m sure my colleagues do. Many of us who have wrestled with this, we were caught between a rock and a hard place, and some things we just can’t move fast enough on. I think the biggest problem is that there are 40 State Senators, and I’m about the 6th senior Senator. I think, with people that listen to me, or Assemblyman Charles, who was in the Assembly before I went there, years ago, some of these issues may have been addressed. It took a long time to educate folks.

For example, this bill is sponsored by Senator Codey as co-prime sponsors, and Senator Singer and myself and Senator James, etc. But the two co-primes -- Senator Singer, really, represents Monmouth County area. “Sure, suburban with urban ills.” And he understands what’s been at stake. Senator Codey represents the urban, but I would suspect that 16 years ago, when I’m arguing the case before things got traditionally worse, and my colleagues before me, no one paid attention.

Now, not only has the cost gone up for some of these run-down buildings. I mean, what people are living in -- I’m shocked. I said, “Well, how much rent you pay here?” And I find they’re paying the kind of rents they’re paying. I said, “Wait a minute. That’s all the people up money hill are paying, okay,” which means that -- between code enforcement checking on these folks, the DYFS agencies, the social workers overtired -- somebody is not doing this right. And the conflict, or at least the contradiction or the problem, that gets compounded, primarily because the law also says that you have to have so many rooms for male and female and certain ages-- So you can’t afford to go
into a three bedroom when you need it, but you’re not allowed to stay in a two bedroom, under the law.

So we know we have a lot of work to do. And once again, Senate Bill Nos. 1675 and 1676 are not intended to address all those problems, but to be another tool in the tool kit that mayors and council people can utilize to start to address it. There are other bills -- we’re going to have to figure out how to legislate them and get them approved to address some of those other areas.

I’m just hoping that by cleaning up apartment buildings and forcing building owners to sell them or do something, it would create at least some additional opportunities in terms of apartments. We know a person making 576, or receiving 576 a month, on Social Security really -- they just can’t make it out there. We know that. So what do you do with that? If that’s the only income, what do we do? We can’t keep saying you’re still on the street. We can’t even keep saying you stay in a shelter. So public housing is bigger, bigger. I think we have to clean up public housing.

Some things people don’t want to address. You have to understand, I’m a real person. I always tell people, “Don’t let this suit and tie fool you.” And this gray hair is not premature, so I can be as articulate as anyone. I can be just as academic, but I come from the real world. I know that public housing -- and that’s a political fight there, Councilwoman -- we do that. But public housing needs to be purged. I know there are people who are living in public housing -- I don’t care if they look like you, look like me; I don’t care if they are Caucasian; I don’t care if they’re Latino; I don’t care if they’re large, small, etc. -- who shouldn’t be there. It was never intended for permanent housing.
The State had generation after generation telling me that something that had to be wrong in the first place. That’s an area that politicians don’t want to attack, because if you talk to me, they’re going to run you out of office. Well, maybe the right thing to do, across the board, is for all of us to hold hands together, as elected officials, and say we’re going to purge public housing. We’re going to be fair, but we’re going to be real. You’re not going to drive a Mercedes and sleep up in that place, and I got a person making 576 and got to wait for 2000 people. We just can’t do that. And that’s the real part of it. So we don’t have all the answers. Some of the answers we have, some of the answers I, personally, have. I’m not the-- I’ve done that before and got no place. Because elected officials have this notion about: it’s more important to get elected and hold a title than it’s about doing the right thing.

I think we should pay attention in doing the right thing, then elections take care of themselves. And if not, the joke is on those who put us out, because I always tell people in my neighborhood, “You can throw me out, but I’m holding you accountable.” But I guarantee you this, when I walk in the street, I’m going to laugh and say, “They are safe. Now it’s better.” That’s where the joke should be, on that side. I don’t worry about these titles.

MS. THOMPSON: Anything to improve the neighborhoods is going to be an asset, because most of the people, they become successful. The key to success is how far away you can move from the urban area. Our clients have no choice. They look within the urban area to find what they can afford. So anything that can be done to help--
SENATOR RICE: The key to success, now, are folks who want to move back to the urban cities and take them over. We better be very careful what success really is, okay, and that’s the problem. By the same token, I just want to indicate that we have to-- And I know Kibili very well. He’s right on point. But I think that, to be quite frank, African-Americans -- and I don’t know how else to put it -- Latino leadership, ministers, and others need to (indiscernible) disadvantaged whites, too, in our neighborhoods. We got to be honest. There’s a percentage of folks out there that we have to hold accountable for living right. We can’t assume they know how to live, nor can we assume they know what home ownership is, and there can’t be no one day, few hours orientation. That’s real stuff that we don’t want to talk about. So, when we said that to people, we’re not belittling adults, okay. We’re being honest.

People tell us, “Well, what do you expect from that young girl. She’s a kid having a baby. She don’t know how to be a parent.” Well, why do you keep saying that? That’s reinforcing her excuse for not trying to be a parent. Why don’t we teach her how to be a parent. What are you talking about -- that young man, over there, he’s only a kid. Well, he’s acting like an adult. Why don’t we try to teach him to be a responsible adult. The thing is we-- People are looking at the things that we say, and they’re using them as excuses. They know right from wrong in many cases to (indiscernible) to do. It should be one policy. There are certain rules in our community, in Jersey City, and Newark, etc., and these are rules that are not even written. There are certain things that we are not going to tolerate. These are the rules we are playing by. You can’t run to Councilwoman Richardson and get one message
and come over here and get another. These are the rules we are playing by. We have to, at least, start there.

And if organization folks, who have to shelter people, and churches and others who have the aggregate of people right under their direction, don’t help us reinforce this, and if elected officials -- and they go into these meetings or run for elections -- should tell people, “I’m running now. You hold me accountable, but I’m holding you accountable, too.” Just basic things. Basic scripture things. So I just want to say that, because I get out here and I get to preaching, because I get angry about how government is expected to do everything, and we don’t want people to be responsible, and elected officials think it’s good politics to go to the public and say, “Well, we’re going to do it all,” rather than saying, “Hey, I’m holding you accountable.” Well, I ain’t voting for you no more. But don’t vote for me no more, but I’m still holding you accountable, because I’m in charge now.

M S. THOMPSON: I agree with accountability, as well as with responsibility. I am -- as a service provider, I do work with homeless families, and we do work with helping them to become assets in the community, although we’re small. I also work with an organization that works for home ownership with low-income families, and we do, also, teach them to become active and assets of their community, as well. So I understand on a number of levels where you’re coming from. And, again, I commend you.

SENATOR RICE: Thank you.

Okay, the good news is Doc told me that the Assembly bills to the companion bills was voted out of the Assembly Committee today, which means they’ll be coming to me. I can assure you they don’t have the amendments we
have, so we’re smarter. (laughter) So we’ll make sure those amendments are there, then they get concurred with, and then we’ll move to Appropriations, which is by the fast track. So, to those who were patient with us, throughout these hearings, things are moving forward.

Thank you, Doc, for that report.

All right. Next I have Gloria Wilson, Housing Coordinator, Jersey City, right?

G L O R I A   W I L S O N: Yes.

SENATOR RICE: Okay. And then the final speaker, who can move towards the front, will be Lawrence Kenchen, and then we’ll wrap up.

M S. W I L S O N: Okay. First of all, I want to say good afternoon to everyone. It’s been a long afternoon. I want to commend you for this panel. In addition to being Housing Coordinator -- and I work with low- and moderate-income families -- I’m also a Realtor, and I’ve been in Jersey City for almost three years now. I’ve had a chance to observe some things.

One of the things that I’m concerned about is the fact that Jersey City residents, and people in this whole corridor, have come under what I call a catch-22 situation, in that, at one point, the properties were so bad nobody wanted to touch them. Now, all of a sudden, they’ve got an influx coming in of gentrification, which I don’t think that they’re totally aware of, where they’re actually coming in, getting Federal dollars to upgrade properties, upgrading them to substandard levels in some instances, and still charging cutthroat money for the properties out the back end.

So in a neighborhood like Armstrong Avenue, where they’re taking a property and putting it up in a neighborhood where the properties used to
$70,000, $80,000, all of a sudden, they're $285,000. And nobody benefitted from it but the people who came in and did the so-called work. None of the people in the community are going to get those properties, period. It's going to go totally over their head. They couldn't get them when they were on the vacant building rolls, because they were being auctioned out, under their noses, to the speculators in bulk. So nobody got a chance to do that, if they came in for an auction, and a lot of people in the community are vested in this community. They want to do hands-on work. They want to work and bring their neighborhood up, and they come into the auction, here, or wherever it's held -- in the courthouse -- and they are intimidated by the people who come from New York, Pennsylvania, Chicago, Detroit, who get this stuff on the Internet and know that they can come in and bid the upset price up so high that the local residents don't have a chance.

I've had several phone calls from people totally upset, because they've been insulted, they've been intimidated, they've been threatened at the auction process. So my concern is that we need to get a handle on this, and I think that we need to set some priorities in reference to the people here. I don't care whether it's Jersey City or Camden. I'm sure it's going to be replicated in Asbury Park, because that's becoming a hot item, too, where there's some kind of set-aside criteria, where you've got, maybe, four criteria.

The first one would be those houses that need cosmetics. Maybe these were the ones that were walked away from because the guy didn't pay his water bill, because the water companies privatized here, and they couldn't afford it, so they just left. So maybe they just need some paint and some
things like that. Those, then, could be handled by the people, here, in Jersey
City.

The second set would be those properties that, maybe, need a little bit more like the mechanics, maybe there’s some plumbing or some wiring. So they get a home loan, or something through HUD, that makes it possible for them, with a reputable contractor using a 203K, to go in and rehab it. Those are their homes.

Now, the next group would be those houses that are just so dilapidated that it would take a contractor, who really knows what he’s doing and has the wherewithal to do it, to come in and do the work and then put it back out for sale, but not so high that the people in the community, who have endured all this for years, can’t, with a reasonable amount of down payment and everything, afford the property.

And the last group of those groups -- that property that just needs to be torn down, that would also go to the developers, because most of the people here don’t have the wherewithal to do that kind of demolition, rehab, etc. So that was one thing that I wanted to propose, because I think that we really, really do need to make sure that the people in Jersey City get a break.

Because, as a Realtor -- and I started out doing rentals when rentals were decent. And all of a sudden, I looked up and a three bedroom in an area that you wouldn’t walk into once upon a time -- all of a sudden was going for 1200 a month. And you’re trying to figure out, well, who is going to rent an apartment in this neighborhood for 1200 a month? The people are buying them from outside. They smack a little paint on it, and then when they put them in the paper, they’re advertising them as three bedrooms, four
bedrooms, when it’s really not even that. But the thing is, that they’re not aiming for the people who live here who really need homes. So that was one of the things that I wanted to say.

The other thing is that we need to, in Jersey City or wherever else we are, and however we put this legislation together, we got to have some kind of standard of aesthetics. Because I see all kinds of stuff happening around here. I have a background in development, and I see people using stuff that you know, good and well, has no business being used on an interior or on a front porch, but because you know that the other people don’t know, they get away with it. Or some developer who will come in and take a place and gut rehab it and then try to make it into a three or four bedroom, but the bedroom’s the size of that little corner right there. He gets away with it, because nobody calls him on it. Or some of the other things that I have seen that happened.

So we, absolutely, have to educate ourselves and the people and the community to some kind of standard of quality, so they don’t walk in and say, “This looks so pretty. Yes, I want it,” and then they pay for it and find out, two weeks later, that every time you flush the toilet, it runs into your basement. I’ve seen that happened. I’ve seen sewage back up in some of the houses on Burl (phonetic spelling) Avenue that were developed. So every time that happened, the lady had to go and get new carpeting. So, I mean, we’ve got to have some kind of way of being able to ascertain that the people who are doing the work are doing it to code and above code. Because we don’t want to adjust the code. I think we deserve better than that. We’ve endured a lot.
The other thing that I wanted to mention is Mel Martinez, who is the head of HUD, recently, supposedly, put an additional -- was it $2 or $3 billion he said, on the Web site -- into a program called SHOP, which is the Self Help Ownership Program. I know that not everybody believes in sweat equity. I think that there could be a good mix of that, especially if you’re dealing with those properties that are cosmetically in need of repair, but they are underwriting people in other communities. We are an urban community and somehow we always get overlooked, because we are a multiple-family community. Everybody else has nice little single-family homes with nice yards and everything. So, when it comes to those of us that have multiple-level homes, somehow we don’t get into that loop.

We really, definitely, need to be able to get some of this stuff that’s out there in other areas and bring it in here into the other areas that need that kind of attention, so that the people begin to take ownership and pride and responsibility for what’s going on in their community, and they don’t wait for somebody from the outside to come in and do an overlay and then say, “Well, if you don’t like it, it’s better than nothing,” or, “It’s better than what you had,” or, “This is the best we can do,” or some of the other things I have heard from the mouths of some of these developers who come in with biases, attitudes and looked down on the residents of Ward F, which is my ward, as though they are nothing but scum. So I think, somehow or other, we definitely have to have not just the legislation, but a way of making sure that it’s done with the spirit and not just the letter, so that that kind of attitude and that kind of -- let’s just throw it in there and go back down on the waterfront and really do the real quality -- stuff doesn’t continue to happen in
the community.

This is the last thing that I wanted to bring up -- was in reference to some of the issues of the Realtors that we have here. I heard a Realtor-- I’m a Realtor, but I have a tendency to take more of a -- Darice can tell you -- more of a social work attitude toward the people that I deal with, because homes are very important, very significant, and a very key element to a person’s psyche and well-being. Some of the Realtors that we have here -- they look at the bottom line. If you’re not buying below Jersey Avenue, if you’re not buying in the Heights, if you’re not buying in Society Hill, if you’re not buying over on Port Liberty or wherever else, later for you.

What they call the medium income in Jersey City is sad, maybe somewhere between $27,000 and $30,000. That’s not going to get you a whole heck of a lot without some other people supporting you. If they find that you want to buy a property that’s somewhere between 90,000 to maybe 120,000, which is really hard to come by now, they’re not going to give them the time of day. So somewhere in there we need some help in helping the people get the kind of affordable homes that they deserve, because they work hard. People working two and three jobs.

So, basically, I just wanted to commend you. I wanted you to know that I support both legislations. The only other thing I want to caution about your receivership is, make sure that when you get the people, like Kibili said, that they are who they say they are and they will treat the people with respect, because they’ve already endured enough at the hands of unscrupulous landlords.
Last word -- we need to modernize how we record our deeds and everything else. One of the reasons you can’t find anything -- I’m an appraiser. Do you ever try to go over to that courthouse and look up a property, find a trail of liens or anything? It could take you months. And that’s why we pay so much money to these guys to do title searches. Because we don’t have anything on CD-ROMs, like the developers have. We have no way of tracking anybody. Our stuff is antiquated. We really need to bring it up to date.

That’s all I need to say. So thank you very much for your time.

SENATOR RICE: Thank you very much.

Let me just say, any comments you have -- you made some very good points -- that you can get to us in writing, please do, and you can send them to me, to Hannah, or you can give to Darice. She can get it to us.

The issues addressing the courthouse and the searches and the information recording, as you know that’s another bill, but it needs to be addressed. I have a real estate license since ’76. I only use it with my neighbors. One thing about me, I’m smart enough to know if my neighbor wants to sell a house, I better find somebody to live there. (laughter) This way I know (indiscernible), okay. But years ago, I did some title work and one of the reasons I got out of the title business -- because there are too many problems. There are too many legal problems. People flipping left and right. You can’t catch up with them in the courthouse. And that’s why you have the predatory lending bill coming out, because people are taking advantage of folks.

I mean, they’ll get a mortgage and, even as a searcher, you will search and show that the mortgage has been recorded. But you also find out,
for the fact, that someone was paid and never paid off the other mortgage. And so, it’s just a headache, and we do have to address that. I think with predatory lending schemes and others we’re moving in the right direction. But any comments you have about this legislation and the other, please get them to us, okay.

M.S. WILSON: Yes.

SENATOR RICE: And thank you very much for being so patient.

Okay. We have one other, final speaker, and that’s Mr. Kenchen. I want to thank you, also, for being patient. I apologize that we’ve been here so long.

LAWRENCE KENCHEN: Good afternoon, Honorable Body, ladies and gentlemen in the audience.

There were several comments made today that I just -- I felt that I wanted to touch on. I do consulting work for residents in Jersey City, Section 8 recipients. I also sit on the Board of Operation Turnaround, which is an organization that’s been here in Jersey City for 30-something years. We’re trying to turn it around and make it a viable organization, because the work we do in the Greenville community is very much needed.

A representative from the Jersey City Housing Authority came and made a comment: about 13,000 people applied for Section 8 housing in Jersey City. What wasn’t said about that comment was, the application process was approximately two weeks. The number of people who might actually need Section 8 housing might be triple that number. In representing people who have received Section 8 housing here and moved into apartments, I’ve seen some very, very deplorable situations: Apartments that don’t meet HQS,
apartments that are overrun with vermin, ceilings falling down, mold -- actually, affecting the health of the residents of the apartment.

One would hope that as housing authorities throughout the country move towards HOPE VIIs -- well, HOPE VI has been done away with, but many of the authorities have already received HOPE VI funding -- and move away from actual public housing and into more mixed-community-type situations where housing authorities are becoming developers, if you will, as the representative of the housing authority has stated -- that we don’t forget that there was a purpose in developing housing in the United States in the 1930s. The purpose was, no one could afford the rents that were starting to be generated by homeowners or property owners.

Now, we live under a system, and I’m glad we do, that has a Constitution and safeguards homeowners, as well as residents. But we can’t forget that many people are not keeping track or are not making the type of money that would be necessary to pay for market-rate apartments. Apartments in Jersey City now, contrary to being $900 for a two bedroom--I live in Paulus Hook. I have a one-bedroom apartment that is, roughly, 650 square feet, where I pay $2000 a month. The residents who have lived on that block where I live, for over 30 years, have all been moved out. They no longer can afford to live there. Even as homeowners, they can’t afford to really keep up the properties any more, as the taxes start to raise.

The two bills are wonderful bills. I think they’re focused on trying to do away with a lot of the blight and a lot of abandoned properties that aren’t being maintained. I was a city assessor in New York for over four years, and there the city was the largest landowner. They owned most of the vacant
apartment buildings and land throughout the city. My big fear about the ability of a city to take a piece of property through receivership is this: Cities sometimes can warehouse properties. I heard one of the speakers here talk about landlords who would come in and warehouse properties and wait just to flip them, but the cities can do the same thing. Some of the more deplorable buildings in the city of New York, in the city of Boston, or even in the city of Chicago, were city-owned buildings.

One hopes that, as this legislation goes through, there is going to be something here that makes sure that as municipalities take over these buildings, they don’t warehouse them and then wait to dole them out to their political cronies as patronage. That’s one. Two, one would also hope that something can be done about the diminishing amount of affordable housing, here, in Jersey City or throughout any of the municipalities in the State of New Jersey. We really do need affordable housing.

What needs to go hand-in-hand with affordable housing is jobs. Because it doesn’t really matter if you make an apartment or a house affordable to someone. If they don’t have the money to keep the house up, all you’re waiting for is for that house to go back down. Most housing that is being put up now has a life of between 15 to 30 years -- sometimes we’ve mortgages of 30 years. At the end of the 15-year period, when the house is starting to fall apart, the person who is living in the house or the families who are living in the house no longer have the means to keep it up. They only have the means to pay the mortgage.

Again, if we don’t create jobs right along with creating the affordable housing, all we’re going to do is revisit the grounds or the area that
we’re trying to get away from. Affordable housing without jobs going along with it is doing nothing more than doing a Band-Aid on a massive wound, and the Band-Aid won’t hold the wound very long. Doing away with public housing in municipalities is going to do nothing more than create a homeless situation that mandated the necessity for public housing under the Roosevelt administration. It’s going to come back again. It’s going to come back in a very big way, because the population has tripled and quadrupled since the need for affordable public housing came around.

Now, I grew up in New York City, but my family has had ties to Jersey City since the 1920s by my grandfather’s family. Jersey City has a population, according to the five-year plan that I’ve read on Jersey City, that many of the folks here do not have the necessary requirements, as far as education or as far as job training, to keep pace with the changing atmosphere here in Jersey City.

What can be done, is the big question, to rectify that situation. Otherwise, the population here in Jersey City is going to change. Gentrification is very real. The fear is that people who have lived here for over 50 years, or 20 years, or 10 years, or 5 years, won’t be able to live in this community any more. Where are they going to go?

One last point, and I know I’m making more of a statement than anything else. It’s wonderful when a municipality takes over a building that’s been neglected. And it’s wonderful, if a landlord who can’t keep the property up, either he’s given an opportunity to rectify that situation or the property will be taken away. In areas like Greenville, or areas that are blighted, or where you have a majority, possibly, minority -- and when I say minority, I mean
Latino and Black. And let me -- just for the record, my father is Black American and my mother is Cuban.

Many times in neighborhoods, banks have red-lined. It makes it impossible for homeowners to keep track or keep up with the repairs that are necessary on a house. What would we do to safeguard those landlords who are never given the opportunity to keep the property up in a way that they would have liked because they didn’t have accessability to the funds necessary to do that?

And that’s my statement.

SENATOR RICE: Thank you very much.

I commend you for being articulate and having a good grip on the problem. Let me try to respond to some of the things you said, and I wholeheartedly concur, but I want to put things in a perspective in terms of the roles of government. It’s most unfortunate government, in essence, do not have jobs to give out. It is our role to create job opportunities by growing cities. That’s what this legislation, hopefully, would do -- is to help us grow the cities. And if, in fact, we can do that, there are jobs created.

The problem with job creation is that people in urban cities -- and I can say this because I’ve been doing this for 20 years, and as an elected official, I get these hues and cries every day in my office. I’m Deputy Mayor, as well, in Newark. I’m telling you, people come in and they want us to get them a job. It’s almost like they want me to call you and say, “You have to give this person a job.” I can’t do that legally. We can recommend. But then we find out that, unfortunately, we don’t want to accept the realities, even though we’re trying to address it -- we, meaning folks, in general, not you, not
the folks here -- is that a lot of our folks in the urban areas, whether they’re minorities, culturally disadvantaged whites, just poor people, in general, have dropped out of school for whatever reason. Not the same problem in rural America, where they have taken the land and people haven’t gone back for their education.

Well, we’re beating our heads against the walls, because we’re creating job opportunities that our folks are not -- meaning that’s our folks; I’m talking about urban dwellers and rural America -- are not prepared for, for whatever reasons. Then we’re getting held accountable in government for those people not being prepared. I didn’t say, “Drop out of school.” The thing is, is that, “It said take a drug trip.” I have to accept the reality of those things happening, for whatever reason, and try to get people back in perspective, me, meaning in government, now, okay, and so, you’re right, without a job--

The other problem I find-- I’m a Southerner. I’m proud to be a Southerner, because there are common value systems and there are value systems that differ. Interesting enough, you can go South, particularly in the country, and you can find some very poor people there, but the land stays in the family. Those little kids will tell you, “When I get 18, I’m going to build a house.” They don’t have one dime, turn 18, you still don’t have a dime, and everybody in the country, the “family value,” they come and they build that house. That’s why they have it, but there’s a difference.

I always tell people that my little house -- my son who’s grown, my daughter who’s grown -- one or two things would happen to my house if I leave it for them. They’re going to sell it or abandoned it. See, the difference is, in
other areas, when people say, “Well, the real estate—”, the real estate is paid for in many cases, because it goes from generation to generation.

I can’t address that one, legislatively. I really wish we had a way of getting people to say, “Well, look, hey, I’m moving on. I’m going to a senior citizen building,” and, “Darice, this is your house now. I’m so happy,” and then we go on to the next one. So we’re going to have to try to, some kind of way, figure out for those people who do maintain jobs for a period of time. Because it’s like you indicated, people work and eventually reach an age where the income is not there. We’re going to have to figure out how to, hopefully, convince those individuals to maintain their properties over the long hauls—stay with us, be good residents, as they are, where when they retire, or at least come close to retirement, the mortgage is paid down and off, and we still have good residents.

I don’t have all those answers, but I do know where you’re coming from, and, hopefully, by creating the job opportunities— I hear the debates. People get angry with me, because I stood up on the floor of the Senate and said the project labor agreement is not a good bill, to be quite frank, for Black and Latinos and urban dwellers, particularly Black and Latinos.

Now, I know they’re going around asking council people to do stuff. I’m pro union. I want to show you the record, when it comes to health, safety, benefits, etc. But some union leadership are like politicians, they b.s. their membership. But then I said, “Well, look, give me the number of people who are minorities, particularly Black and Latino and women in your unions, right now and throughout the state. Where the numbers are small, I know they’re small, but give me the number.” I have not gotten that number yet,
that’s how small they are. But, yet, they would tell us their project labor agreement, because school construction is coming, a lot of housing is coming, it’s going to help minorities get into the union. But it’s the same union folks that I meet with in Newark that tell me, “Well, your people don’t read and write that well.” I say, “You may be right, and we have to educate them.” But by the same token, there are some folks who never are going to read and write so well, because they don’t want to know how to read and write so well. But that same person is a better painter than every painter in your union, and you’re telling me I can’t put that person to work. I can tear his house up or her house up, and this man want to hire, and you said they can’t hire because of your criteria. Well, your criteria is not my criteria.

And let me tell you the contradiction. I’m glad to be in Jersey City. Because I told Darice this last week -- when I looked at the Statue of Liberty and Ellis Island -- I said, it’s very interesting how union folks can sit there and tell me -- now I’m African-American -- they forget what boat I came on. I think they forgot. I didn’t come through Ellis Island, okay. My ancestors did not come through Ellis Island. Maybe some of them did, but that was after the fact.

But the issue -- you can’t come and say “The World Trade Center, and all these wonderful things, and the Statue of Liberty -- and I’m proud. I’m proud because my parents were the first generation of immigrants. They came through Ellis Island, and you know what? They couldn’t speak the language, they couldn’t read, they couldn’t write, but with these hands they built America.” They’ve got multi-billion-dollar corporations and contracting firms. Then they come back and say, “Well, Blacks and Latinos can’t read and write
too well,” so we can’t do the same thing that the immigrants’ parents did. So we have to pay attention as elected officials, because there are a lot of jobs right now, and everybody knows that.

When you rebuild Jersey City, as you are doing in Newark -- forget about the $14 billion State budget deficit -- a lot of jobs are coming in. Can we do them all? No. But there are things we can do. We can still push wheelbarrows. We can still do this. We can’t insist that they be paid $30 an hour as an unskilled laborer, when they can’t do anything -- then the mason is going to run away from the job, because he’s only making 34, etc. There are things that we have to put in perspective. I think that urban cities, who happen to be majority-minority dwellers, if you will, and women, at this time, need to wake up and not be so fast to jump into what sounds good.

Elected officials who get tickets purchased by these organizations to come to their little fundraiser should say, “Look, I appreciate the support, and there are going to be times we agree and we disagree.” On this one, you’re talking about real people needing real jobs and real help. Whether they have skills or not, there’s something in construction they can do. We know that. Somebody has got to clean that job site up. Now, you can’t paint so good during the day if you don’t move that project real quick and keep stepping off the ladder and picking up paint, too. Somebody has to come behind you. The numbers are factored in. The problem is that the labor pool, really, if you’re talking 100 people, is just not 100 people, or part of the people are just not from our location.

So those are the kinds of things that this legislation cannot address. But they’re the kind of issues that we’re going to have to continue,
I guess, to come to Jersey City with your Senator and your Legislators and address. I don’t think that your Legislators can fall shy of understanding, just like I don’t fall shy of my side of understanding. The difference is that I may be a little bit more vocal about it, because I talk this way every day. Doc can get a little tired of hearing it sometimes, but I think it’s an education process that I’m trying to fulfill, and hopefully, others-- We’re not going to have these times all the time. Where New Jersey is right now, economically -- forget about the budget deficit -- the kinds of battles flowing in here from north, south, east, and west, we’re not going to have this era again.

So those who are destitute, those who are struggling with or without education to have an opportunity, if we don’t, kind of, compel them or propel them into the opportunities now, at any level, then it means that we’re never going to resolve these problems.

MR. KENCHEN: I agree with you, that there could be an argument that many people make, that possibly Latinos and Black Americans don’t read and write as well as, let’s say, some other groups in America do. But one point that I will point out is this: When many of those labor unions were started, the people from Eastern Europe and various other parts of the world that came and founded those unions could not read and write English as well. That didn’t stop them from getting good jobs. It still stops us.

If you were to give a test to a Latino in Spanish, I’m sure they’d be able to read and write just as well as anybody else. If you permitted a Black American to read and write -- or write in a form that many of us speak in, when we go back to our neighborhoods or when we’re at home, we’d write very well. Language can sometimes be political as well.
The only thing I’d like to say, also, is -- I was Director of Special Affairs for the Central Advisory Council in Chicago for a number of years. The one thing that I really wish you would do, in addition to these statutes, is remember this. In Chicago, which was the greatest assemblage of public housing in the world-- I think the Robert Taylor homes was the largest assemblage of public housing -- just that one development had more people than many, many authorities throughout the country. They’re going to have a terrible homeless problem, because many of the former residents are no longer lease compliant. Many of the former residents can no longer pay the new market rates that are coming into these mixed communities.

The one thing that I don’t think that you’re going to want, here, in Jersey, and especially in Jersey City, is a group of homeless people who have worked their entire lives and can no longer afford to find an apartment. It’s a horrible situation, but I think it’s one that’s going to come, unless some other legislation goes hand-in-hand with the legislation you’re wishing to enact here.

Thank you.

SENATOR RICE: I concur, and thank you very much.

This is going to conclude our public hearing. I want to thank everybody, particularly staff, for just enduring the time frame. I know we started at 1:00, and most of the time we’re used to starting, like, 9:00 or 10:00. I, maybe, needed a break from Trenton this morning, so I wanted to get up late and--

Let me do this. Let me just pass over to and--

Did we announce you today, Republican staff?

MR. SIM EON: No. I came late.
SENATOR RICE: Okay. Why don’t you identify yourself and say hello and then have the Deputy Mayor say some words, and also we’ll have Darice say some words, and I’ll close out.

MR. SIMEON: My name is Magregoir Simeon from the Senate Republican Office, Rutgers alumni.

DEPUTY MAYOR CRUZ: Okay. Anthony Cruz, Deputy Mayor. I really get bold when there’s not that many people here. It’s sort of intimidating when everybody’s out there, unlike the Senator. He’s had a little more practice.

I want to thank Senator Rice and Senator Charles and distinguished guests, up here, for putting this panel together and putting this piece of legislation together, because we know the numbers are out there that are against us. You have to work 160 hours a week at minimum wage to qualify for a two-bedroom apartment in this city. The State is coming down with a study saying 45 percent of us can’t afford a two-bedroom apartment. You’ve got to earn $35,000 a year. There’s a lot of things going against us. You’re right, this is--

The gentleman, Mr. Kenchen, who just came up here before and spoke, the industrial society is over and now we’re into the informational society. So we need to try to bring back some of those industrial parklands to bring in retail, to bring in that kind of blue-collar job back into the cities, which really could be the engine in this city.

These two pieces of legislation are going to help us tremendously, and we’re going to be following it. We’re going to be utilizing it to (indiscernible). We speak often. I was just happy to see this, because I think
it was like a year ago, we were talking about: we need to be more aggressive; we need to start knocking on these guys’ doors and saying, “Hey, we need to bring back the receivership somehow.” We need to bring back home funds and all the other funds that the State has that are out there. We’re going to aggressively go out there to continue to put Jersey City-- As the Mayor said, a holistic approach to the healing process in the city from economic, from crime and drugs.

You saw the front page the other day in the Jersey Journal. Four thousand ten drug arrests in less than a year and two months. That’s a 510 percent increase in drug arrests. But we realize that that can’t be the only solution. That’s why I do drug reports -- are important. That’s why second chance programs are important that we’re doing in the city. It’s not enough that we’re building some amount of affordable housing. We’ve got, like, $60 million in affordable housing projects out there, 15 million in-fill housing, but we recognize the fact that this is going to be a living project.

You may look at it as putting a Band-Aid approach on something that’s hemorrhaging, which is a good analogy. If you would look at the insurmountable work that we have to do in order to make it right -- what these two pieces of legislation under your leadership, Senator Rice-- We’re very optimistic about the future of Jersey City’s abandoned buildings. Because just this past year, we were in a process of registering all the abandoned buildings and looking at what kind of legislation or what kind of policy we’re going to implement in terms of the abandoned buildings that we have.

So it just came at the right time. And hopefully, that being on the same page, it’s all gelling away. We’re going to make this happen, where I
mentioned before. People know where you live or what parish you belong to --
that kind of feeling we want to try to bring back and keep the middle-class
African-American here, the Latinos here, and the whites -- everybody in here
together, because we’re losing a middle class of Jersey City that really was the
backbone of the city. We’re losing them rapidly. Hopefully, these two pieces
of legislation will put us in the right direction to maintain, at least, some kind
of decent, affordable housing in the city.

So I want to thank you, Senator.

SENATOR RICE: Darice.

M.S. TOON-BELL: I’d like to thank Senator Rice for his
leadership and for his commitment to working and serving urban centers in the
State of New Jersey, as well as to serving all of New Jersey. I’ve had the
privilege of serving on Senator Rice’s Urban Advisory Affairs Committee, and
I must say that-- One of the things I could say about Senator Rice is that he’s
real. He truly is committed to making a difference in New Jersey. I can truly
appreciate that.

Senator Rice, I so appreciate you coming down to Jersey City and
taking the time, now, to have this here in Jersey City. I certainly hope that you
have found this to be a beneficial dialogue, and we certainly want to look
forward to having you in Jersey City for future hearings, as well, too.

So, again, thank you, Senator Rice, and thank all of you for
coming out and spending the time with us today.

SENATOR RICE: Thank you very much.

Let me close by saying that Hannah, to my right here, has been
with me 20 years, almost. She’s been here before me, and I’m going on 17
years. She worked with the State, and she crafts and writes this legislation that we do in different categories. She has staff people like her, and they’re very knowledgeable. So, certainly, the record reflects, and her notes reflect, the concerns.

Just in terms of a process, what happens is we will go back, and we will look at this, and we will make recommendations for amendments to the legislation as we see fit or see needed. It does not necessarily mean that the final bill that comes out and gets signed by the Governor is going to reflect all those amendments or suggestions, which means we have to just stay with the task and keep rolling forward until we get those things done.

Some of the issues, here, were not directly on the bill itself, but the bill cannot be effective, or as effective as we would like to be, if, in fact, we don’t, through additional legislation, subsequent to these bills passing, start to address those issues. There is only one approach to dealing with urban cities, and that’s dealing with real people. Whether those folks are developers who come in or wealthy people who are speculating or poor people who have nothing or middle-class people who have something, all of those categories of individuals or groups have to be addressed. When you neglect one, then the other is harmed or the other benefit. That’s just the way it is. A slum lord has to be addressed. A good landlord has to be addressed. We can’t have a good landlord yelling about bad tenants.

Government has to be addressed. So there is only one way to address issues in the cities, and that’s to recognize that these are real cities with real people with real problems that need real help.
With that, I want to thank the Councilwoman, and again, the Mayor, the Deputy Mayor, for being with me all day, and staff. I want everybody to drive safely, and hopefully, we’ll see you in Trenton. With that, this meeting is now officially adjourned.

Thank you.

(HEARING CONCLUDED)