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STEVE ADUBATO, host:

Building back New Jersey's cities next on CAUCUS.

Announcer: Funding for this edition of CAUCUS: NEW JERSEY WITH STEVE ADUBATO has been provided by The Fund for New Jersey, a private foundation focusing on New Jersey public policy issues, and by New Jersey Natural Gas Company, proud to support our community.

ADUBATO: Welcome to Agenda New Jersey, a special CAUCUS series looking at key issues affecting the quality of life in our state. I'm Steve Aduabato. Despite recent revitalization efforts, New Jersey's urban centers are still not considered the best places to live or work. What can be done on a state level to help build back our cities?

Here to discuss that question and more are Diane Sterner, founding executive director of the Housing & Community Development Network of New Jersey; Randy Primas, former mayor of Camden and former commissioner of the New Jersey Department of Community Affairs; Alan Mallach, a writer, scholar and consultant on housing, land use and urban affairs; and finally, Susan Bass Levin, the newly appointed commissioner of the New Jersey Department of Community Affairs. I want to thank you all for joining us. This is part of our Agenda New Jersey series. In fact, Agenda New Jersey is a series of public policy reports commissioned by The Fund for New Jersey. Throughout this program, you're going to see a telephone number, a Web site--two Web sites, ours at CAUCUS and also at The Fund for New Jersey, for you to log on and get more information about these reports on a whole range of areas. OK?

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ADUBATO: And this is a public service that we're bringing to you, and please, take advantage of it. Let me--let me throw the question out to you, Commissioner. You know, people talk about our cities, revitalizing our cities. Say someone--a large number of people watching this program, they don't live in a city, they don't think they're connected to a city, they left the city a long time ago. Why should they care about this program and about this report?

Commissioner SUSAN BASS LEVIN (New Jersey Department of Community Affairs): Well, if someone says 'I'm not connected to a city' and they live anywhere in New Jersey, they're wrong. That's the starting point. Wherever you live, you're connected to a city. Because the

cities are really the heart and soul of our state, and we're a little state. Everybody's within driving distance or a bus distance of a city, and we need to make sure wherever we live, whether it's in the suburbs or down the shore, that our cities are strong and vital. It's essential to all of us.

ADUBATO: And we should make it clear, Commissioner, you are the former mayor of Cherry Hill.

Commissioner LEVIN: That's right. I'm the former mamor--mayor of the quintessential suburb.

ADUBATO: So as--so there you are on Cherry Hill, right, population?

Commissioner LEVIN: Seventy thousand.

ADUBATO: And 69,000 voted for you. But that being said...

Commissioner LEVIN: We're still looking for that last thousand.

ADUBATO: But--but, OK, then you have Camden. How mu--how far away?

Commissioner LEVIN: Just a couple miles away.

ADUBATO: The connection?

Commissioner LEVIN: It's a very real connection. But what you started with, there are many Cherry Hill people who would say, 'I moved out of Camden. My grandparents lived there. It's not about me.' But it is. It is. And just because you live a few miles away or perhaps because you live a few miles away, you need to care. And a--and I saw that every single day of my 14 years as mayor.

ADUBATO: Now, Randy, I'll come back to you..

Former Mayor RANDY PRIMAS (Former Mayor, Camden): Sure.

ADUBATO: ...the former commissioner and former mayor of Camden. Let me ask you this. I'm going to ask you to finish something for me, Diane, this sentence. The city of the future--because, in fact, Agenda New Jersey's looking at what the state should look like, best-care scenario. The city of the future of New Jersey should look like?

Ms. DIANE STERNER (Housing & Community Development Network of New Jersey): The city of the future should be a center of culture that draws people back for all sorts reasons. It should be the center of economic prosperity and growth for the re--its region. It should be a transportation hub, and it should be a place where people want to live and work. It really draws--draws people from the region back into the city.

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ADUBATO: We should make it clear that you and Alan worked on the Agenda New Jersey report together.

Ms. STERNER: That's right.

ADUBATO: Different orientations. You're--fi--if you were to--because there are--because there are five areas--five areas you looked at in the report: transportation, taxes, housing, schools, economic development. OK. Did you break it down in any certain way?

Mr. ALAN MALLACH (Planning Consultant): Well, we both worked on a lot of it, but I guess my side was the large-scale, the economic development, the transportation, finance side. And I think Diane concentrated more on the--the housing, the jobs, the neighborhood side of the overall issue.

ADUBATO: So let me ask you, city of the future in New Jersey should look like?

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Mr. MALLACH: I think what Diane said is pretty much on target. It should be a place that is economically strong, a place where people actively want to live, where people live by choice, because it offers a good quality of life, and it has assets, whether it's a New Jersey PAC or a baseball stadium or a thriving downtown or ethnic neighborhood, that the suburbs don't have. And this is something that I think affects everybody's quality of life.

ADUBATO: You know, Randy Primas, what Alan's talking about sounds like the city of the past in some ways, without New Jersey PAC and a baseball stadium and a bunch of other things. What would it take--what would it take for us to have cities that look and feel like Diane and Alan just described? What stands in the way?

Mr. PRIMAS: Well, I think there are a couple of things. One, tax policy. I think tax policy is one that--that has not worked well for the cities and--and the state.

ADUBATO: Be specific.

Mr. PRIMAS: Well...

ADUBATO: Let's talk property taxes. How have property taxes hurt our cities?

Mr. PRIMAS: Well, cities are in a confined geographic space, and in the cities that I had the--the pleasure of--of serving as the mayor, we didn't have room to grow. It is where the old industrial complexes were. It was full of houses that--that needed either rehabilitation or demolition.

Commissioner LEVIN: Right.

Mr. PRIMAS: So the--the--the--the ratable chase in order to make your budget work, something that mayors have always had to go to in order to--in order to have the--the necessary funds to operate. But in the cities, I mean, the rules have changed. And I don't think that in--in--in certainly many of the cities, they don't have the ability to raise enough local taxes to fund--to fund government. We rely on taxes more than--than most states in this nation. I think we are the first or the second in terms of the reliance on property taxes. And when you don't have a base to be able to--to generate those taxes, you then have to go to the state for what turns out to be additional aid or assistance from the state, because playing by the rules, you can't make it work in--in your town.

ADUBATO: Let's do this. And--and if you just tuned in to the program, this is part of--this is the first--the first in a series of programs, part of our Agenda New Jersey initiative; Agenda New Jersey a series of public policy reports commissioned by The Fund for New Jersey. Please, log on to the Web site, call the telephone number. We'll get those reports to you free of charge. But let me--let's try to break this down. It's one thing to talk about what the problems are, what stands in the way. It's quite another to say, 'What do we need to do?' So let's go through it. Tax policy--the biggest changes in tax policy that would move our cities forward in the way most of us say we would like to see them move forward. Diane, what should we do?

Ms. STERNER: Well, I think New Jersey--in the report, we acknowledged what we believe is a fact, which is that New Jersey needs overall tax reform, but there's some short-term steps that can be taken to move this in the right direction and to give cities more tools to raise the revenues they need to pay their bills. And one of the possibilities that we discussed is moving toward a system of--of revenue sharing where new development for a region is put into a--a pool and is redistributed according to needs between the municipalities and the...

ADUBATO: Well, let me see, revenue sharing. So how might this work? Help us on this.

Ms. STERNER: It--it's similar to the system that's in effect in the Meadowlands right now, where--where development...

ADUBATO: The 13 or 14 communities in the Meadowlands come together. Do they send their money all to one place, Alan?

Mr. MALLACH: No. What happens is that wh--yeah. Whenever a new ratable is developed anywhere within that district, the tax revenues from that ratable go into a central pool, which get redistributed on the basis of a formula that recognizes need. The beauty of this is that you can have overall planning that is based on what's appropriate for an area without the town's worrying about the ratable chase.

ADUBATO: So, for example, Cherry Hill gets a new shopping center. Given this shared revenue concept--revenue sharing, right?--how could Camden conceivably or practically benefit?

Mr. MALLACH: OK. Cherry Hill gets a new shopping center. The ratables--the additional ratables from that shopping center go into a regional pool. Maybe the region is Camden County. Maybe the region is three counties. Then there's a formula that has to do with need. It has to do with budgets. There's a formula that takes all the money that comes in from those new developments and redirects it. So Camden would get a piece of all of the incremental property tax revenue, from all the shopping centers, industrial parks, office parks, being developed within the region.

ADUBATO: So let me ask you, Commissioner...

Commissioner LEVIN: Well, keep in mind, in some ways, this is already being done, because you're in a county like Camden County, and the property taxpayers all throughout Camden County are paying their property taxes, and a third of everyone's property taxes is going to the Camden County tax bill and a significant portion of those monies are going to Camden. So it is being done indirectly without a formula and without people recognizing that it's being done. But make no mistake, it's being done.

Ms. STERNER: Yeah. I think that's true. I think we're talking about doing it on a larger scale. And it's sort of--there's--there's a few other suggestions in the report also. And we--we tried to come up with a menu of possibilities to be looked at, so, you know, there's a--a few different solutions that could help.

ADUBATO: Well, let's--this is a wonderful opportunity--excuse me. You have the commissioner of community affairs here. You have the former commissioner. But right now, Susan, is, in fact, charged--in charge of community affairs. I hate to use the term, lobby, but you have this direct opportunity to share with her your ideas in the report. A couple of things that the department and government agree we could do that would make a difference. Go ahead.

Ms. STERNER: Well, the--the other part to the--giving cities the tools to stabilize themselves and pay their bills and draw people back and get the private sector back to--back involved--there's a whole set of recommendations that we made that have to do with restructuring state's revenue--the way the state spends its money and the way the state creates incentives for development to come into New Jersey.

ADUBATO: For example.

Ms. STERNER: For example, the business incentives that go to bring corporations into the state right now are evenly divi--are evenly available to anybody that--that locates anywhere. So if they lo--locate in Cherry Hill they get the same benefit as if they locate in Camden or Trenton. And one of the recommendations in the report is to change that, so that there's higher incentive to move into cities. That's a very simple thing that could be done.

ADUBATO: Let's stay on that. React to it.

Commissioner LEVIN: Well, I think that makes a lot of sense, and I think you will see in the McGreevey administration a real focus on revitalizing our cities as an economic stimulus for all of New Jersey, that it's part of, overall, bringing our state back. And I think that we need to recognize--it goes to all these issues--people are talking about smart growth. Well, what does that mean? That means building in the cities where you have the space available. You need to reuse what you have, sort of recycling on a grander scale.

Ms. STERNER: Right.

Commissioner LEVIN: You know, to just go back to your first question about what should it look--what should the city of the future look like, I think we need to focus on the look. What should it look like? It should be pleasing to the eye. It should feel good because we're only going to accomplish what the three of you talked about if people want to be there.

Unidentified Panelist: Absolutely.

Commissioner LEVIN: So I think we need parks in our cities, and we need trees in our cities and we need to have the place look like the suburbs look.

Ms. STERNER: Right.

Commissioner LEVIN: That's why people moved there because the cities got too crowded and too dirty. We need to clean it up.

Ms. STERNER: And one of the recommendations that we made in the report that--that gets to that is there are a lot of programs the state administers right now that fund open space, transportation infrastructure, schools, and they're not working together and they're not being targeted in the most strategic way to create that kind of effect in--in the urban communities.

Commissioner LEVIN: Well, that's an understatement.

Ms. STERNER: So it--so we...

Mr. MALLACH: Well, it is...(unintelligible).

Ms. STERNER: So we have a lot of recommendations that try to get at that.

ADUBATO: One of the recommendations--one second, Alan--one other recommendation that is interesting in light of what you just said about how a city looks, Commissioner, is that in your report, in the Agenda New Jersey report, you recommended that we create parks close to schools. It makes a lot of sense.

Mr. PRIMAS: True.

Mr. MALLACH: This is one thing that we could do very easily. I mean, here, the state is spending a huge amount of money on open space. The spa--state is spending a huge amount of money on transportation between state and federal funds. The state is committed to spend \$6 billion on rebuilding urban schools. The state spends a fair amount of money, not as much as we might like, but a good chunk of money on urban housing, rehabbing and reconstruction. You know, if we took all of those things and we put them together and we said, 'OK, here's a neighborhood where we're going to build a new school and we're going to use our transportation money to extend public transit in here and we're going to use our open space money to build a park around this school and our housing money to fix up the houses here,' we could have so much more impact than we have today when all of those programs are being run basically as department turf, which are being spent without regard to any of these connections.

ADUBATO: But your description is much more integrated--Right?--a much more systematic approach. Is that doable from your vantage point, Randy Primas? The kind of integrated planning and implementation of just say the Agenda New Jersey initiative that you just talked about, that have to do with transportation, taxes, housing, schools--and we'll go back to schools in a second--and economic development? Doable?

Mr. PRIMAS: I think it is.

ADUBATO: In New Jersey?

Mr. PRIMAS: I think it is, and I think we've got a--a--a real opportunity with Governor McGreevey having been a mayor. He's dealt with those issues at the local level and knows the impact and I think really has made a--a--a commitment to smart growth. And I think that's what we're really talking about. We know we've got to grow, we've got to make changes, and as Alan has indicated, there are going to be significant dollars spent. The real question is: Are they--are they going to be spent in a very smart way? I think the state government is certainly looking in that direction, but there's a responsibility at the local level, so that the--the individuals who

are living in the communities have got to come to grips with what their community needs to look like.

One of the challenges, I think, we have is that there's a lot of nostalgia in cities. We talk about what it 'used to be,' how it 'used to be.' You know, I don't believe that the city of the future is going to look like the city in the past.

ADUBATO: Not going to happen?

Mr. PRIMAS: Not going to happen.

ADUBATO: Nor should we try to?

Mr. PRIMAS: Nor should we try to. I mean, look at society today. When people talk about building the way it used to, the nuclear family--the last statistic I saw suggested that only 25 percent of the households in this nation are husband, wife and children. So, I mean, society has gone through a lot of changes. And at the local level, I think the individuals in the communities have to come together with some professional planning in terms of looking to the future and necessarily abandoning the notion that it's got to look like 'what it did when I was a child.'

ADUBATO: But pleasing to the eye...

Mr. PRIMAS: Absolutely.

ADUBATO: ...as the commissioner said.

Mr. PRIMAS: Absolutely.

ADUBATO: We no--have no--no disagreement there.

The other recommendation--one second, Alan--that you had in your report with Diane--schools--turning schools into community centers. Open 24/7? Now it sounds like a great idea, but I'm thinking, again, from a--say you've got a mayor, you have a councilmar--person, you have a community activist, you have citizens all across this region, but particularly in New Jersey watching us, saying, 'That would be great. How can we afford that?' Talk to us about that.

Mr. MALLACH: First, it doesn't cost that much. It's a question of combining things that we're already doing. This is what it's all about is combining what we're doing. Perhaps they wouldn't be open 24/7. They might close from midnight to 6 AM or something. But you combine--instead of having a school building, today, what we're doing, typically, is you build these school buildings, they're free-standing buildings. They're utilized eight hours a day, if that, five days a week. They're closed the rest of the time. Meanwhile, we're building other buildings--we're building recreation centers, we're building public libraries, we're building health centers. Each one of them has

a separate physical plan. They're not connected to each other. Each one has its separate costs. By combining these, the first thing you do is you're creating real anchors for a neighborhood.

ADUBATO: So what would the school have?

Mr. MALLACH: The school--it could have whatever the neighborhood needed. It could be--I've seen in European cities, you know, I've seen places--in fact, in Toronto, a place where they built a shopping center on the first floor, the next two floors were the public school and they had housing on top of that. No reason why you couldn't do that.

ADUBATO: So you advocate, in your report with Diane, health-care center in the school, recreation resources for neighborhoods, right?

Mr. MALLACH: Right.

ADUBATO: In the schools, all in the school.

Mr. MALLACH: Well...

ADUBATO: Doable? Is it doable in New Jersey.

Mr. MALLACH: Of course, it's doable in New Jersey.

Commissioner LEVIN: Absolutely, it's doable. And it's...

ADUBATO: Well, then talk to us then, Commissioner, and I'll come back to you, Diane. Talk to us.

Commissioner LEVIN: I think we have to do it. We're putting \$6 billion into new schools in the city. It's the biggest public works project that you're going to see for the next five years. And yet, last year, the Legislature cut out the funding for what we call community schools.

ADUBATO: Right.

Commissioner LEVIN: Building parks, building neighborhoods around those schools. What a foolish, short-sighted decision. We're building these buildings, and we're not thinking about how we bring life back. You know, if you speak to somebody who lives in just about any suburban town and you say, 'Why'd you move here?' almost always, they'll say, 'Because of the schools.'

Mr. MALLACH: Absolutely.

Commissioner LEVIN: Doesn't matter what town they live in...

Mr. MALLACH: Schools.

Commissioner LEVIN: ...that's what they say. We need to make that happen in our cities and perhaps, as Alan said, maybe it's not 24/7 and maybe it's not everything in every school, but you add pieces to it.

ADUBATO: Move in that direction. We have to move in that direction...

Commissioner LEVIN: Right.

ADUBATO: ...even if it's not 24/7.

Commissioner LEVIN: Right.

ADUBATO: We can't continue to see schools in this isolated fashion.

Mr. PRIMAS: We've got to break...

ADUBATO: Randy, jump back in. I'll come back to you, Diane.

Mr. PRIMAS: We've got to break down the fiefdoms.

Commissioner LEVIN: Right.

Mr. PRIMAS: When I was mayor...

ADUBATO: Fiefdoms in New Jersey?

Mr. PRIMAS: Local government. You know, absolutely.

ADUBATO: How dare you?

Mr. PRIMAS: Absolutely. When I was mayor, Steve, we couldn't convince the school board to open up the schools during the summer for summer recreation programs. Now tha--that's absurd. And I didn't have any legal ability to make it happen. So that's what I mean in terms of fiefdoms. There are buildings sitting there and there are a million reasons why I was told it couldn't happen, but it's the same kids...

ADUBATO: That's right.

Mr. PRIMAS: ...who are going there during the school year, and we wanted to make use of during the--during the summer, and we couldn't make it happen.

ADUBATO: Diane.

Ms. STERNER: I was just going to say that there are some schools that are being planned now in some of the Abbott Districts that are designed along the com--community schools concept.

ADUBATO: Be clear when we say Abbott Districts, they're in 28 districts right now?

Ms. STERNER: Thirty.

Mr. MALLACH: Thirty.

ADUBATO: Thirty--30...

Ms. STERNER: Thirty cities.

ADUBATO: Thirty cities in New Jersey...

Ms. STERNER: Right. And they're the ones...

ADUBATO: ...that the courts--go ahead.

Ms. STERNER: The courts determined that they should have a lot of things put in place to bring the kids--give the kids the same opportunities that other cities in New Jersey have to have good lu--quality education. But one of them was to have better facilities. And the \$6 billion facility construction program that Alan mentioned is a great opportunity. And all of the districts right now are supposed to be planning facilities to replace old schools or--or expand in--in cases where that's needed. So some of the school districts have been trying to figure out how to integrate community facilities into their planning, and some of them have been doing very proactive things. And in the last couple of years, they haven't been very encouraged to do that.

They're--I--I just got an e-mail from somebody from one of the Abbott Districts yesterday, actually, asking what ideas they had for bringing in other monies because they have a community school planned, and they can't figure out how to fund it because the state, under the formula they have, will only fu--fund the educational part of it and they won't fund these other facilities. So there was an attempt by the Legislature when they passed this bill to--to support other expenditures, but now we hear from the new administration that they are--they're interested in going that direction and figuring out some really strategic ways to combine the housing programs and the economic development programs that EDA runs and all that to help create some of these ideas that are coming up at the local level is--is the--is what needs to happen now.

ADUBATO: And--and then I think it speaks volumes that you, Commissioner, have participated--have agreed to participate in this program and your colleagues, several commissioners in the McGreevey administration, we have to say, have agreed to participate in this series. The commissioner of the Department of Community--excuse me--Department of Environmental Protection, part of our program talking about preserving water and land. It--it speaks an awful lot about your level of participation. But I want to make it clear if

you've just joined us--about four minutes left in the program--you're seeing a Web site, Agenda New Jersey--this is part of our Agenda New Jersey series in which Agenda New Jersey, an initiative in which the Fund for New Jersey commissioned a series of public policy reports on a range of important issues--what should New Jersey look like in the future? That's what this initiative is about.

Let me--let me--in the few minutes that we have left, let me throw this out here. Two policy experts, two people who served in very high--currently serving in a high-level position in government, former government official--how do we make this discussion about preserving our cities, building our cities--how do we make it more relevant to the average person? How do you engage the average citizen in the, quote-unquote, "planning process" on the local level?

How do you do it, Alan?

Mr. MALLACH: Well, I think the first thing is you get their attention. And I think we've come a lot way in the last five or 10 years. I think New Jersey citizens today--they're not there yet, but they're substantially more aware of the cities than they were 10 years ago. I think things like PAC, at the baseball stadium, the aquarium--they haven't solved the city's problems, but they've made people realize that the cities are, in some fashion, part of their lives. That's a beginning. I think we have to do more to make people understand how, if we don't solve the problems of the cities, that'll hurt them, and if we do solve them and create cities that are more attractive, it'll help them. I think we have a good message, but we've got to get that message out more.

ADUBATO: Just a couple of more moments left. Anything else to engage citizens--we're gonna--I'm going to try to get housing in here real fast. Anything else we can do?

Commissioner LEVIN: You have to be on the road. And I think a perfect example is government--Governor McGreevey and his town meetings. He'll be in Camden next week. He's going to be out there. That brings attention in the news media, so that people think about, 'Hey, this is my state.'

ADUBATO: And we will continue to do our part here. Let me just throw the housing thing out here real fast. One of the pieces in the Building Our Cities initiative that you wrote talks about assisting home owners and small landlords to maintain and upgrade, more middle-income housing, increased tax incentives and tax credits. Real quick comment on that, Diane?

Ms. STERNER: Well, I would say that there's a--a bunch of programs that are needed to help people to have better lives in the cities, and one of them is in the area of housing, helping to create middle-income neighborhoods and helping to create programs that will really target poor people, which...

ADUBATO: Few seconds left. Go ahead.

Ms. STERNER: ...which right now the current programs don't do very well. And there's a need to help low-income people move to the suburbs, too. As we attract more people to the cities, we need to make opportunities for people to go where the jobs are.

ADUBATO: We have 30 seconds left. First, I wish we had another 30 minutes, but I want to thank you all for being so terrific. Commissioner, I ask the same thing of your colleagues each time they come on: What will you take away from this conversation? Twenty seconds.

Commissioner LEVIN: That there are people who care and people who have great ideas, and we need to bring people into the process.

ADUBATO: Don't you wish you had something like this, Randy, when you were commissioner?

Mr. PRIMAS: Absolutely. We're very fortunate. We're very fortunate now in the state.

ADUBATO: Well--well, the Agenda New Jersey initiative is something we're proud to be a part of and we're proud to have you on with us making so much sense of difficult issues.

Thank you so much. Great job.

Ms. STERNER: Thank you.

ADUBATO: OK.

Announcer: If you would like more information on this program, or if you'd like to express an opinion, e-mail us at talkcaucus@aol.com. And visit us on the World Wide Web at www.caucusnj.org.

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Steve Adubato, proud winner of the 2001 Mid-Atlantic Emmy Award for outstanding host.