

Correspondence: Wilcox, William H., 1972 September-
1973 September

FLOOD RECOVERY TASK FORCE, INC.
P.O. Box No.1367
Wilkes-Barre, Pa.18701

September 11, 1972

Honorable William H. Wilcox
Secretary of Community Affairs
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Mr. Secretary:

I have your letter of September 6th in which you suggest the "Recovery Fair" for Wyoming Valley. I think it is a great idea and we appreciate your suggestion. It also could be combined with our Fine Arts Fiesta which takes place some time in May. The combination could be something really very exciting. The Fine Arts Fiesta occupies a week and I see great possibilities in combining the two.

I shall take your suggestion up with our Executive Committee and be in touch with you again in the very near future.

Warmest regards and best wishes.

Sincerely,



MAX ROSENN

MR:cjr

cc: Tom Kiley
John Hibbard

Millenium

mlcinc

mlcinc

570
460-6120

FLOOD RECOVERY TASK FORCE INC.

P.O. Box No.1367
Wilkes-Barre, Pa.18701

September 11, 1972

Honorable William H. Wilcox
Secretary of Community Affairs
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

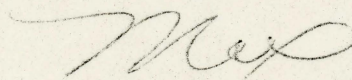
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Sincerely,

MAX ROSENN

MR:cjr



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AFFAIRS
HARRISBURG
17120

THE SECRETARY

September 6, 1972

The Honorable Max Rosenn
Room 229, Federal Building
197 South Main Street
Wilkes-Barre, Pennsylvania 18701

Dear Judge Rosenn:

I know how difficult it is for any of us concerned about Wyoming Valley to look very much more than a few weeks ahead. Nevertheless, I would like to make a suggestion that could only be realized by months of thought, planning and execution.

I should like to suggest that Wyoming Valley have, for three or four days in early summer of 1973, a "Recovery Fair", a celebration of the public and private work completed, underway and planned in response to the 1972 flood. Major subject areas could cover the Valley's history, its educational and cultural resources and the response of its industry and commerce. Water management plans would be a subject of much interest. The program should be for all ranks of the citizens and for the whole Valley.

Well, anyway, here's the germ of an idea. I, for one, would be happy to work with you and your associates in developing such a "Recovery Fair". If you'd like to discuss this, please advise.

Sincerely yours,

A large, stylized handwritten signature in blue ink, appearing to read "Bill".

William H. Wilcox
Secretary

cc: Mr. John Hibbard
Mr. Howard Grossman

Tom Kiley

FLOOD RECOVERY TASK FORCE, INC.

STERLING HOTEL

WILKES-BARRE, PENNSYLVANIA 18701

EXECUTIVE COMMITTEE

The Honorable Max Rosenn
President
Mr. Thomas Kiley
1st Vice President
Mr. A. J. Sordani, III
2nd Vice President
Mr. Harold Rose
Treasurer
Mr. Charles Hardwicke
Secretary
Mr. James Kenny
Assistant Treasurer
Mrs. Betty Kanarr Bierly
Assistant Secretary
Mrs. Frank W. Anderson
Mr. Edward J. Boltz
Mr. David DeCosmo
Andrew Hourigan, Jr., Esquire
Rev. Lane O. Kilburn
Dr. Francis Michelini
Mr. Roy E. Morgan
Joseph A. Quinn, Jr., Esquire
Mr. Edward Schechter
Mr. Andrew Shaw, Jr.
Executive Director

October 2, 1972

The Honorable William H. Wilcox, Chairman
Governor's Council of State Agencies for
Flood Recovery in the Wyoming Valley
30 South Washington Street
Wilkes-Barre, Pennsylvania 18701

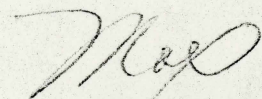
Dear Mr. Secretary:

This will acknowledge receipt of
your letter of September 20th. I apologize
for the delay but I have been sitting in
Court in Philadelphia for much of the past
ten days.

I have taken up with our Executive
Committee your suggestion for the Recovery
Fair. The Executive Committee has been
exploring the proposition and I believe we
shall have some definite answers for you
within the next fifteen days. My absence
from the city for the past ten days has
retarded my efforts to move the program along.
We consider it highly important nonetheless
and you can be assured that it will receive
careful attention.

We appreciate your proposal to
execute a \$12,000 grant contract for the
initial planning effort for the festival. I
suggest that the grant be held in abeyance
until further word from us.

Sincerely,



MAX ROSENN
Chairman

MR:cjr

Andy Shaw

FLOOD RECOVERY TASK FORCE, INC.

STERLING HOTEL

WILKES-BARRE, PENNSYLVANIA 18701

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October 2, 1972

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Flood Recovery in the Wyoming Valley
30 South Washington Street
Wilkes-Barre, Pennsylvania 18701

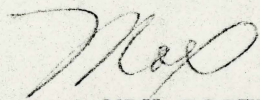
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Sincerely,



MAX ROSENN
Chairman

MR:cjr

October 2, 1972

The Honorable William H. Wilcox, Chairman
Governor's Council of State Agencies for
Flood Recovery in the Wyoming Valley
30 South Washington Street
Wilkes-Barre, Pennsylvania 18701

Dear Mr. Secretary:

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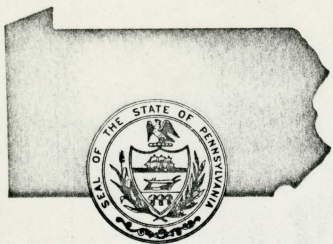
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Sincerely,

MAX ROSENN
Chairman

MR:cjr



THE GOVERNOR'S COUNCIL OF STATE AGENCIES for Flood Recovery in the Wyoming Valley

Wilkes-Barre, Pennsylvania

October 17, 1972

DEPARTMENTS:

Agriculture
Education
(Student financial assistance)
Environmental Resources
Health
Justice
(Consumer Protection)
Labor & Industry
(Vocational Rehabilitation)
(Employment Security)
Public Welfare
Transportation
Commerce
Community Affairs

Mr. James Price
Executive Director
Redevelopment Authority of the
County of Luzerne
140 Lee Park Avenue
Hanover Township, Pennsylvania 18700

Dear Jim:

At yesterday's meeting we discussed rather fully the flood-related urban renewal situation at this time. The main points generally agreed to as objectives at this meeting were:

1. Despite the unknown quantity at this time of the precise level of Federal project funding for Pennsylvania urban renewal projects, planning should proceed (based on reasonable funding assumptions) at maximum speed. General and preliminary plans should be possibly available from the separate redevelopment authorities between November 15 and December 15, 1972. Additional State urban renewal planning funds will be advanced, should they prove to be required, to speed the job of getting the plans prepared and before the public. It is hoped, by developing plans promptly, many flood victims will be helped in planning their futures and reservations of Federal funds for these projects will be accelerated.
2. The State will expedite responses to queries as to whether specific projects qualify as "flood control projects".
3. Citizens' committees representing a range of flood victims' interests will be organized to provide a citizens' input to the planning process.
4. The Federally funded interim assistance program for home repair in Wilkes Barre is an excellent program and should be extended to the entire valley. There is no reason why flood victims of one portion of the valley should be denied governmental assistance made available to victims in similar situations elsewhere in the valley.

Needless to say to you, there remains many difficult problems yet to be resolved. Nevertheless, by setting the above time references for moving ahead I think an important first step was taken at yesterday's meeting.

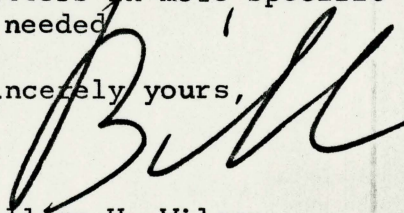
Mr. James Price

-2-

October 17, 1972

The Pennsylvania Department of Community Affairs stands ready to assist in any way, either with technical assistance or by providing needed planning funds from the disaster appropriations by the Pennsylvania General Assembly. No doubt further meetings will be required from time to time to deal with the above matters in more specific detail. Please consider me available as needed.

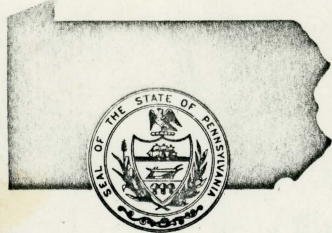
Sincerely yours,

A large, stylized handwritten signature in dark ink, appearing to read 'Bill'.

William H. Wilcox
Chairman

WHW:sb

cc: Frank Carlucci
Judge Max Rosenn ✓



THE GOVERNOR'S COUNCIL OF STATE AGENCIES for Flood Recovery in the Wyoming Valley

Wilkes-Barre, Pennsylvania

October 17, 1972

DEPARTMENTS:

Agriculture
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(Student financial assistance)
Environmental Resources
Health
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(Consumer Protection)
Labor & Industry
(Vocational Rehabilitation)
(Employment Security)
Public Welfare
Transportation
Commerce
Community Affairs

Mr. Leon Case
Executive Director
Redevelopment Authority of the
City of Wilkes Barre
1000 First National Bank Building
Wilkes Barre, Pennsylvania 18700

Dear Leon:

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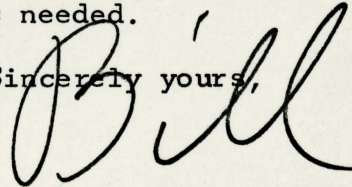
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2. The State will expedite responses to queries as to whether specific projects qualify as "flood control projects".
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October 17, 1972

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Sincerely yours,



William H. Wilcox
Chairman

WHW:sb

cc: Frank Carlucci
Judge Max Rosenn



THE GOVERNOR'S COUNCIL OF STATE AGENCIES

for Flood Recovery in the Wyoming Valley

Wilkes-Barre, Pennsylvania

October 17, 1972

DEPARTMENTS:

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(Student financial assistance)
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(Vocational Rehabilitation)
(Employment Security)
Public Welfare
Transportation
Commerce
Community Affairs

The Honorable Max Rosenn
Room 229, Federal Building
197 South Main Street
Wilkes Barre, Pennsylvania 18701

Dear Judge Rosenn:

I note in this morning's Times Leader the report on the meeting which your group had with representatives of the Small Business Administration. As I understand your position, as reported in the paper, it is about the same as that of the Commonwealth.

As you know, the State has funded two separate studies which clearly indicate the desirability of extending the SBA deadline. It is the State's position that this extension should be at least to December 31st of the current calendar year.

Sincerely,

Bill

William H. Wilcox
Chairman

WHW:sb

October 19, 1972

William H. Wilcox, Chairman
The Governor's Council of State Agencies
for Flood Recovery in the Wyoming Valley
Wilkes-Barre, Pennsylvania

Re: Urban Renewal Projects in the
Wyoming Valley

Dear Mr. Secretary:

I have a copy of your letter of October 17th to Leon Case and to Jim Price with respect to the flood related urban renewal situation in the Wyoming Valley.

This problem is of the utmost importance. It has an effect on the application for Small Business Administration loans. Applicants are discouraged from filing until they know what the nature of the urban renewal projects is and whether their property will be involved.

I hope that at the meeting scheduled today at Scranton some of the urban renewal planning problems can be resolved. I look forward to seeing you there.

Sincerely,

MAX ROSENN

MR:cjr

October 19, 1972

William H. Wilcox, Chairman
The Governor's Council of State Agencies
for Flood Recovery in the Wyoming Valley
Wilkes-Barre, Pennsylvania

Dear Mr. Secretary:

Thank you for your letter of October 17th
with respect to our representation to the Small
Business Administration.

The Task Force does believe that the
deadline for Small Business Administration loans
must be extended. We have made this request to ~~Tom~~
Kleppe, National Administrator, and we have similarly
made our position known to Mr. Frank C. Carlucci.

Thank you for your courtesy in writing to
me.

Sincerely,

MAX ROSENN

MR:cjr

October 20, 1972

William H. Wilcox, Chairman
The Governor's Council of State Agencies
for Flood Recovery in the Wyoming Valley
Wilkes-Barre, Pennsylvania

Dear Mr. Secretary:

I have your letter of October 18th enclosing a copy of the recent status report of the Governor's Council of State Agencies for Flood Recovery in Wyoming Valley. I thank you very much for your interest and thoughtfulness in sending me a copy of the report.

I shall study the report over the weekend and get back to you early next week.

It was a pleasure to see you yesterday afternoon and to participate with you in the meeting and announcement on the renewal funds.

Warmest personal regards.

Sincerely,

MAX ROSENN

MR:cjr

cc: Thomas Kiley
Andrew Shaw

DEPARTMENT OF COMMUNITY AFFAIRS

SAME LETTER TO ALL ON ATTACHED LIST.

Judge Rosen
Flord - Consolidation

November 20, 1972

Dr. G. E. Hudock, Jr.
Mayor, Courtdale Borough
51 East Valley View Drive
Courtdale, Pennsylvania 18704

Dear Mayor Hudock:

As you know, the Pennsylvania Department of Community Affairs is concerned with the maintenance of strong and effective local government in Pennsylvania. Our observations in recent months of the local governments of the West Side of Wyoming Valley, plus comments from civic leaders in the Valley, have led us to question whether these numerous governments can continue indefinitely, on a "go it alone" philosophy, to rebuild the West Side. While these governments are staffed by dedicated and concerned officials, in view of the magnitude of the havoc created by Hurricane Agnes, the separate local governments do not appear to contain the "critical mass" to do the complex rebuilding job which needs to be done.

We should, therefore, like to raise the possibility of one or more groups of local governments on the West Side - in the name of efficiency of public services for the people of the West Side - consolidating into single governments.

Among the advantages of major consolidations of West Side governments would be:

- (1) a more powerful and unified voice in public affairs on behalf of the people who live on the West Side,
- (2) better operation of important local government activities,
- (3) reduction of overhead costs by maintaining a single staff in a single municipal hall, with one administrator, etc.

Dr. G. E. Hudock, Jr.

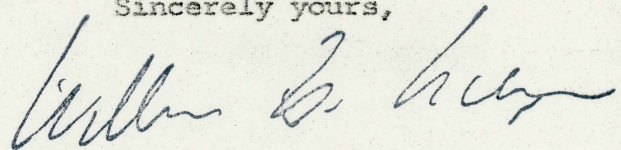
November 20, 1972

In addition to these advantages, experience in several major disasters has clearly proven that, in emergencies, the State and Federal governments can respond more effectively to a single government or several of them than to a large number of local governments. In fact, even under normal circumstances, larger governmental units are usually in the best position to secure prompt attention from State and Federal agencies.

As you know, the Pennsylvania Department of Community Affairs was the first public agency - Federal or State - to allocate funds after the disaster to help in the rebuilding effort in Luzerne County. The State, through the Department of Community Affairs will soon be called on to provide so-called "execution funds" for massive urban renewal projects in West Side communities. In approving the use of these State funds for local redevelopment projects we will want to know that the West Side communities, including your own, have carefully considered the possibility of local governmental reorganization and modernization to assure efficient local administration of these projects in the years ahead for all the people in your community, most particularly the flood victims.

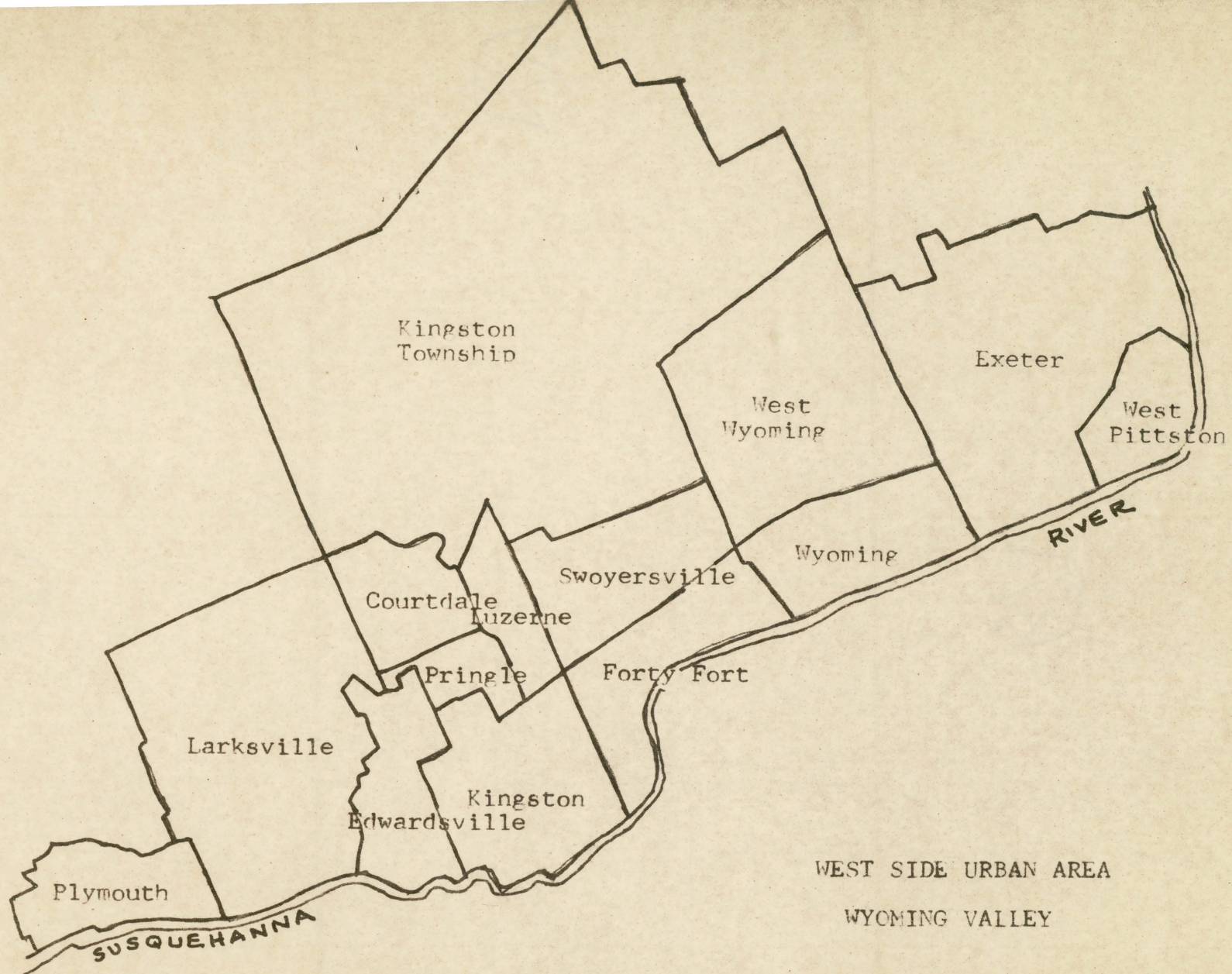
If citizens and officials of West Side communities would like me to schedule a public hearing on this issue, I would be pleased to do so.

Sincerely yours,



William H. Wilcox
Secretary

cc: Frank Carlucci
Economic Development Council of Northeastern Pennsylvania
Flood Recovery Task Force, Inc.
Luzerne County Planning Commission
Luzerne County Redevelopment Authority
Pennsylvania Economy League, Central Division



November 14, 1972

SUBJECT: Wyoming Valley

TO: Honorable William H. Wilcox
Secretary of Community AffairsFROM: James W. Guest, Director
Bureau of Policy Planning and Information

Attached map of Wyoming Valley municipalities on west of Susquehanna per your request. Following is a list of the Mayors and Presidents of Council of those communities:

Courtdale Borough
Mayor

Dr. G. E. Hudock, Jr.

51 E. Valley View Dr.
Courtdale, Pa. 18704

Pres. of Council

Joseph B. Hunt

21 Charles St.
Courtdale, Pa. 18704Edwardsville Borough
Mayor

Michael Capp

139 Zerbey Ave.
Edwardsville, Pa. 18704

Pres. of Council

Peter Stusnick

85 Church St.
Edwardsville, Pa. 18704Exeter Borough
Mayor

Andrew Mauriello

Town Hall
Exeter, Pa. 18643

Pres. of Council

Jerry Clapps

1211 Wyoming Ave.
Exeter, Pa. 18643Forty Fort Borough
Mayor

Ernest R. Balcomb

Rear 33 Dana St.
Forty Fort, Pa. 18704

Pres. of Council

Robert L. Taylor

55 Tripp St.
Forty Fort, Pa. 18704Kingston Borough
Mayor

Charles A. Bankes

500 Wyoming Ave.
Kingston, Pa. 18704

Pres. of Council

Ralph M. Brown

500 Wyoming Ave.
Kingston, Pa. 18704

Kingston Township
Chmn. Bd. of Supv.

Edward E. Richards

90 Staub Rd.
Trucksville, Pa. 18708

Larksville Borough
Mayor

John Dubinski

36 Wilson St.
Larksville, Pa. 18704

Pres. of Council

Joseph Krzywicki

117 Wilson St.
Larksville, Pa. 18704

Luzerne Borough
Mayor

Charles Heffron

572 Miller St.
Luzerne, Pa. 18709

Pres. of Council

John Osolnick

866 Charles St.
Luzerne, Pa. 18709

Plymouth Borough
Mayor

Edward F. Burns

162 W. Shawnee Ave.
Plymouth, Pa. 18651

Pres. of Council

Joseph R. Conniff

162 W. Shawnee Ave.
Plymouth, Pa. 18651

Pringle Borough
Mayor

Joseph Kopack

446 Pringle St.
Kingston, Pa. 18704

Pres. of Council

John Costello

478 Pringle St.
Kingston, Pa. 18704

Swoyersville Borough
Mayor

Henry C. Novroski

32 McHale St.
Swoyersville, Pa. 18704

Pres. of Council

Joseph B. Piazza

192 Oliver St.
Swoyersville, Pa. 18704

West Pittston Borough
Mayor

Robert Campbell

340 Baltimore Ave.
West Pittston, Pa. 18643

Pres. of Council

William J. Miller

200 Montgomery Ave.
West Pittston, Pa. 18643

West Wyoming Borough
Mayor

John Mizin

17 Florida Ave.
West Wyoming, Pa. 18644

Pres. of Council

~~William J. Miller~~
Joseph Amato

~~200 Montgomery Ave.~~
~~West Pittston, Pa. 18643~~
1320 Shoemaker Ave.
West Wyoming 18644

Hon. Wm. H. Wilcox

-3-

November 14, 1972

Wyoming Borough
Mayor

Robert Stroh

278 Wyoming Ave.
Wyoming, Pa. 18644

Pres. of Council

Joseph Soricelli

128 East Seventh St.
Wyoming, Pa. 18644

FLOOD RECOVERY TASK FORCE, INC.

HOTEL STERLING
WILKES-BARRE, PENNSYLVANIA 18701
717 - 829-1981

EXECUTIVE COMMITTEE

Hon. Max Rosenn
Chairman
Thomas H. Kiley
1st Vice Chairman
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Assistant Secretary
Mrs. Frank W. Anderson
Edward J. Boltz
David DeCosmo
Andrew Hourigan, Jr., Esq.
Rev. Lane D. Kilburn
Dr. Francis Micheline
Roy E. Morgan
Joseph A. Quinn, Jr., Esq.
Edward Schechter

November 22, 1972

Andrew Shaw, Jr.
Executive Director

Honorable William H. Wilcox
Secretary for Community Affairs
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

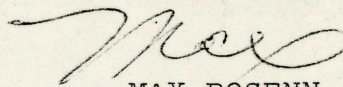
Dear Secretary Wilcox:

I regret very much that I did not have the opportunity to hear your address at the Service Clubs yesterday. I had hoped to attend but, unfortunately, could not make it. I read the account of it in the newspapers and the splendid editorial this morning complimenting you on your talk.

Personally, I approve of the views expressed by you as indicated in the editorial on consolidation of our local governments and restructuring them. I commend you for your interest and forthrightness in this statement. It needs to be said and it is important that a person in your position say it. When the Secretary for Community Affairs of the State of Pennsylvania sees from his own experience and observation the obvious need for the restructuring of local governments and unification, it is time that we take heed.

Personally, I live on the West Side. I have never lived in Wilkes-Barre. I chaired the Commission for Metropolitan Government some twelve years ago at which time I felt very vigorously that we needed to restructure local government. I still continue to adhere to these views and I favor a public hearing on the issue. This view also reflects the opinion of the Flood Recovery Task Force.

Sincerely yours,



MAX ROSENN
Chairman

MR:cjr



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AFFAIRS
HARRISBURG
17120

THE SECRETARY

November 27, 1972

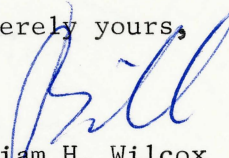
Honorable Max Rosenn
Chairman
Flood Recovery Task Force
Room 229, Federal Building
197 South Main Street
Wilkes-Barre, Pennsylvania 18701

Dear Judge Rosenn:

Enclosed, for your information, is a program agenda for a retreat to be held by this Department on November 30 - December 1.

I understand that your time on Friday is limited due to court duties. The Department appreciates your taking some of it to join us in a discussion on "The Outsider's View of the State's Response to the Flood Disaster."

Sincerely yours,


William H. Wilcox
Secretary

DEPARTMENT OF COMMUNITY AFFAIRS
RETREAT -- WYOMING VALLEY
HOLIDAY INN
ROUTE 315, WILKES-BARRE
NOVEMBER 30 -- DECEMBER 1, 1972

NOVEMBER 30

3:00 p.m. - 5:00 p.m. -- Tour of Flood Area (Tentative and Optional).

6:00 p.m. -- Dinner -- Holiday Inn

DECEMBER 1

7:30 a.m. - 10:00 a.m.

Continental Breakfast

The Outsider's View of the State's Response to the Flood Disaster

(Tentative participants: William Conner, Frank Carney,
Howard Grossman, Leon Case, Mrs. Min Matheson, Judge Max Rosenn,
Raymond Lowery)

10:00 a.m. - 11:30 a.m.

Department of Community Affairs Operations in Rural Development

James N. Wade
Harry Seyler

11:30 a.m. - 12:30 p.m. -- Lunch -- Holiday Inn

12:30 p.m. - 2:00 p.m.

Commonwealth Housing Rehabilitation and Registration Act

Karl C. Smith
Robert Barr
Mark Widoff
Mrs. Elisa Parker

2:00 p.m. - 2:15 p.m. -- Break

2:30 p.m. - 4:00 p.m.

Where to in Home Rule?

A. L. Hydeman, Jr.
Roderic Terry

December 6, 1972

Honorable William H. Wilcox
Secretary of Community Affairs
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Bill:

I thank you for your letter of November 28th in connection with the disaster relief housing problem raised by Associate Mortgage Companies. I think the problem that they raise is important and warrants some discussion. I would appreciate the opportunity of discussing it when you have time.

We enjoyed having you at dinner last Saturday night. The Mississippians were delighted to meet you and your presence added a warm note to the affair.

There are a number of matters that warrant discussion when you have time. I would enjoy meeting with you some time this week that is possible for I shall be engaged in Court for the next ten days, commencing Monday.

Sincerely yours,

MAX ROSENN

MR:cjr



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AFFAIRS
HARRISBURG
17120

THE SECRETARY

November 28, 1972

The Honorable Max Rosenn
Room 229, Federal Building
197 South Main Street
Wilkes-Barre, Pennsylvania 18701

Dear Judge Rosenn:

While the attached letter doesn't so indicate, I'm sure it was sent to me in confidence.

I am particularly concerned about paragraph 3 on page 1. If you think it would be useful to discuss this sometime soon, I'll certainly be glad to join you.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Bill", written over the word "Sincerely yours,".

William H. Wilcox
Secretary

Attachment



518 MARKET ST./CAMDEN, N.J. 08102/603-355-6068-215-923-7322

LOUIS H. MEYER
President

November 17, 1972

Hon. William H. Wilcox, Secretary
Department of Community Affairs
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Re: Disaster Relief Housing

Dear Bill:

My delay in responding to your letter of October 2, reflects the fact that I was away for most of October. . . but quite candidly, it also reflects a situation of some frustration on our part.

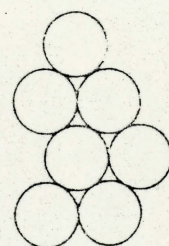
Following the meeting which my associates had with Mr. Grossman and the staff of the Economic Development Council of Northeastern Pennsylvania, arrangements were made to bring several builder-developers into the flood disaster area for the purpose of acquainting them with the need. . . with the market potential. . . with the possible site locations. . . and with the challenge of construction.

All I can tell you is that, at least to date, none of the people that we brought into the area are prepared to go ahead because they perceive the political and labor climate in the area to be too challenging and too disturbing.

On another front. . . we have been endeavoring with all of our resources to expedite the processing of rental projects for the disaster area through the Philadelphia office of the Department of Housing and Urban Development. I am sure you are familiar with the frustrations and difficulties of the HUD-FHA operations at this time. . . and the Philadelphia office is no exception. . . and within the Philadelphia office, the

Hon. William H. Wilcox 2

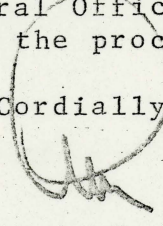
November 17, 1972



disaster area is no exception. I understand that we have been able to get a number of cases "stamped" with a priority classification, but I am advised that as a practical matter the processing moves (if it moves at all) at a snail's pace.

If this letter sounds somewhat discouraging, let me assure you that we have not given up. A new effort is going to be made by our Washington office with the top management of HUD at Central Office to see if "something" can be done to accelerate the processing here in Philadelphia.

Cordially,


Louis H. Meyer

LHM:bk



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AFFAIRS
HARRISBURG
17120

THE SECRETARY

December 18, 1972

The Honorable Max Rosenn
Federal Building, Room 229
197 South Main Street
Wilkes-Barre, Pennsylvania 18701

Dear Judge Rosenn:

The attached are unaudited statements by the Wilkes-Barre and Luzerne County Redevelopment Authorities for the use, to date, of emergency urban renewal grants to the two Authorities. As you will recall these expenditures are from emergency allocations of \$4 million to Wilkes-Barre and \$3 million to Luzerne County made by the Pennsylvania Department of Community Affairs almost immediately after the flood waters subsided. The Department was subsequently reimbursed for these funds by the budget office from the emergency \$150 million appropriation by the General Assembly of Pennsylvania.

I am sending this material to you as a report on one phase of the State's program to assist Wyoming Valley communities hit by the June disaster. If you have comments or questions, please advise.

Sincerely yours,

Bill
William H. Wilcox
Secretary

Attachments

Season Greetings!
Bill

RECEIVED 6 1972

COMMONWEALTH OF PENNSYLVANIA

December 5, 1972

SUBJECT: Use of Emergency Urban Renewal Funds
by the Wilkes-Barre and Luzerne County
Redevelopment Authorities

TO: William H. Wilcox, Secretary
Department of Community Affairs

FROM: *Karl G. Smith*
Karl G. Smith, Director
Bureau of Housing and Development

*Copies: Phil Chatter
Close Chatter
Ala Kard*

Attached are breakdowns provided by the Wilkes-Barre and Luzerne County Redevelopment Authorities on the status of the \$4 million and \$3 million grants respectively to these authorities.

You will note that Wilkes-Barre has used \$2,246,742 of its \$4 million grant. That leaves an unencumbered remainder of \$1,753,258. We had intended to leave them with a "cushion" of \$750,000 for emergency use during the winter. This was approved in general terms by the PERC committee. By shifting to other funding sources (primarily federal), an additional \$1 million is as yet unencumbered. We should be receiving a letter fairly soon from the Wilkes-Barre Redevelopment Authority containing the recommendations for the usage of these funds. As these funds have not yet been drawn from the treasury, I see no reason why we cannot accommodate them.

Attached also is a letter from the Luzerne County Redevelopment Authority, in which is presented commitments totaling \$1,608,196.60. That leaves an unencumbered remainder of \$1,391,803.40. You will note at the end of the letter that they may be requesting a nonfederal project in Wyoming Borough. I am in the process of investigating that potential request.

As in the case of Wilkes-Barre, since the funds still remain in the treasury, I see no reason to interfere with that remaining balance, as the winter season may bring some expensive surprises.

KCS/lw
Attachments

Redevelopment Authority of Luzerne County

272 Pierce Street
Kingston, Pennsylvania 18704

THOMAS E. LEHMAN, III, *Chairman*
ROBERT S. SLATER, *Vice-Chairman*
JOHN A. SALATA, *Treasurer*
LEONARD S. VALENTI, *Ass't. Secty.-Treas.*
DANIEL W. HOLLOWAY

JAMES E. PRICE
Executive Director & Secty.
Phone: 288-7565
Area Code 717
IRVIN C. PATTERSON
Assistant Executive Director

November 29, 1972

Mr. Karl Smith, Director
Bureau of Community Programs
Department of Community Affairs
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

In re: Emergency Disaster Relief
Project #512

Dear Karl:

In response to your recent request, there is presented as follows the financial commitment which this Authority has made against the subject project funds after approval of the budgets and/or contracts by your Scranton Regional Office:

- | | |
|---|--------------|
| 1. Property Improvement Program Staffing
(West Side Municipalities) | \$ 39,080.00 |
| 2. Payments for a period of one year to cover
monthly rentals for pads for mobile homes,
(the lease rental agreements for these
pads were executed by the Wilkes-Barre
Redevelopment Authority under the
direction of your Department. | 122,556.00 |
| 3. Technical Assistance Contracts:
These contracts included a broad scope
of services which included the pre-
paration of Survey & Planning Applica-
tions for urban renewal, OEP Applica-
tions for municipal reimbursements and
EDA Applications for public facilities.
In the case of the contract with
Associated Planning and Development
Services, this Authority, by letter, a
copy of which is enclosed, directed the
consultant to prepare property damage
estimates for the reasons indicated in
the letter. The contract with | 233,876.60 |

REDEVELOPMENT AUTHORITY OF LUZERNE COUNTY

Mr. Karl Smith, Director
Page 2
November 29, 1972

Associated Planning & Development Services has been closed out and the final figure is \$161,376.54. Enclosed is a copy of a letter that was previously forwarded to your office in regards to this contract.

Direction Associates prepared only Survey & Planning Applications for two small projects for a fee of \$8,500.00.

Mullin & Lonergan's contract will not exceed \$64,000.00, of which \$56,397.06 has been paid to date.

- | | |
|--|-------------------|
| 4. One-half of the cost of an Open Space Study to Luzerne County Planning Commission. | 12,250.00 |
| 5. One-quarter share of the Survey & Planning Budgets approved by U.S. DHUD as of this writing | <u>715,715.00</u> |

Total Commitments As Of This Writing	\$1,123,477.60
--------------------------------------	----------------

In addition to the above financial commitments approved by your Regional Office, this Authority proposes to request your office to approve the following expenditures from the subject project funds:

- | | |
|---|------------|
| 1. The preparation of a State-local application for the Wyoming Borough Disaster Urban Renewal Area.
(This is the project that DHUD has refused to approve because the structures involved were built within an impounding basin area) | 7,000.00 |
| 2. One-quarter share of the Survey & Planning Budgets, the Applications for which are still under review by DHUD. | 111,245.00 |

REDEVELOPMENT AUTHORITY OF LUZERNE COUNTY

Mr. Karl Smith, Director

Page 3

November 29, 1972

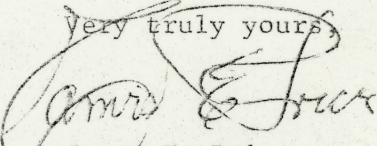
3. The full local share of an 366,474.00
Amendatory Application which has
just been filed for the Third
Avenue Urban Renewal Project,
R-301 in the Borough of Kingston.

Total Additional Commitments Which Will Be Requested	<u>484,719.00</u>
Total Approved Commitments To Date And Commitments Which Will Be Requested	\$1,608,196.60

If your Department looks favorably upon this Authority's request to submit the State-local application for Wyoming Borough as noted above, it is hoped that you will also be receptive to a proposal to pick up the total cost of the project. The project would be limited to the acquisition of properties so severely damaged by the recent flood waters that they cannot be restored--even with liberal SBA loans. The cost of this project cannot now be determined. However, I see no reason that there will not be sufficient funds remaining under the subject project contract to meet the cost of the proposed project.

I trust that this information will satisfy your immediate needs for information.

Very truly yours,


James E. Price
Executive Director

JEP:jmt

Enclosures (2)

Wilkes-Barre

11/23

Flood Disaster Relief Funds

Interim Assistance	\$ 950,000
P. I. P	109,317
Penn. Emergency League	25,000
Mobile Home and Rentals *	420,000
Acquisition of PARSON properties *	53,000
South W-B Project *	169,000
Downtown Project *	245,425
Traffic Survey *	25,000
ALL P. I. P. Funds *	250,000
Estimated + Actual Costs	\$ 2,246,742
Grant	<u>4,000,000</u>
Unencumbered	\$ <u><u>1,753,258</u></u>

* Estimate

File

FLOOD RECOVERY TASK FORCE, INC.

HOTEL STERLING

WILKES-BARRE, PENNSYLVANIA 18701

717 - 829-1981

EXECUTIVE COMMITTEE

Hon. Max Rosenn
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1st Vice Chairman

A. J. Sordoni, III
2nd Vice Chairman

Harold Rose
Treasurer

Charles Hardwick
Secretary

James Kenny
Assistant Treasurer

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Assistant Secretary

Mrs. Frank W. Anderson

Edward J. Boltz

David DeCosmo

Andrew Hourigan, Jr., Esq.

Rev. Lane D. Kilburn

Dr. Francis Michelini

Roy E. Morgan

Joseph A. Quinn, Jr., Esq.

Edward Schechter

Andrew Shaw, Jr.
Executive Director

2 January 1973

The Honorable William H. Wilcox
Secretary, Department of Community Affairs
216 South Office Building
Harrisburg, Pennsylvania 17120

Dear Secretary Wilcox:

One of the compelling conclusions that was driven home to each of the undersigned organizations by Hurricane Agnes is the necessity to improve and modernize governmental operations in Luzerne County, a need which you have previously noted. We should make government in Luzerne County more in tune with the needs of the people and the problems of the forthcoming 21st century. A superficial examination of the government structure reveals that it is designed and geared to the 18th century.

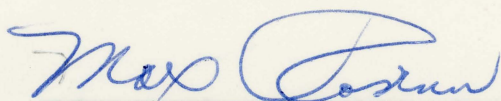
We do not suggest what changes or improvements ought to be made. We believe that is a decision which must be made by the concerned people of Luzerne County. The people should know, however, what are the options open to them to secure better and more modern services from their government. They want to be informed what kind of government can serve them effectively and efficiently, one which will deliver to them the most services at a fair cost. The Great Flood of 1972 has shown only too well that the people of Luzerne County need the kind of government that can serve them truly in time of disaster as well as hopefully on election day.

As you know, there is more than one way by which the people can improve their governmental operations in the county. The question is which is the best. One of the steps could be through an improved county governmental organization constituted through a County Home Rule Charter. We understand, in fact, that four counties in Pennsylvania have already activated Charter Study Commissions. Before a Charter Commission is activated, either by action of the County Commissioners or by initiative of the voters, the potential for delivering more services to the people more effectively and more efficiently needs to be documented.

The purpose of this letter, therefore, is to suggest that the Commonwealth of Pennsylvania consider funding a preliminary study of local government in Luzerne County. We ask that you consider favorably this suggestion for a grant to an appropriate agency for the proposed study at the earliest opportunity.

Sincerely yours,

FLOOD RECOVERY TASK FORCE, INC.

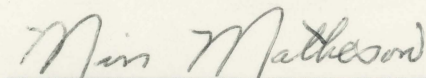


Max Rosenn, Chairman

ECONOMIC DEVELOPMENT COUNCIL OF NORTHEASTERN PENNSYLVANIA

John Hibbard, President

FLOOD VICTIMS ACTION COUNCIL



Min Matheson, Chairman

GREATER HAZLETON CHAMBER OF COMMERCE

William C. M. Butler, Jr., President

GREATER NANTICOKE CHAMBER OF COMMERCE

Frank Knorek, President

GREATER PITTSBURGH CHAMBER OF COMMERCE

Floyd Evans, President

GREATER WILKES-BARRE CHAMBER OF COMMERCE

Roy E. Morgan, President



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AFFAIRS
HARRISBURG
17120

THE SECRETARY

January 12, 1973

The Honorable Max Rosenn
Flood Recovery Task Force, Inc.
Hotel Sterling
Wilkes-Barre, Pennsylvania 18701

Dear Judge Rosenn:

In further response to the letter of 2 January 1973, of which you are a signator, on the letterhead of the Flood Recovery Task Force, Inc., I attach a prospectus prepared at my request by the Central Division, Pennsylvania Economy League.

I will be in touch with you shortly to suggest a meeting with you and the other signators to consider this prospectus and develop such revisions as you may desire.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Bill", written over the typed name.

William H. Wilcox
Secretary

cc: A. J. Sordoni, III

CENTRAL DIVISION



Flood - *John Gov. Rng.*
PENNSYLVANIA ECONOMY LEAGUE, INC.

706 FIRST NATIONAL BANK BUILDING * WILKES-BARRE, PA. 18701 * AC 717 - 824-3559

January 11, 1973

The Honorable William H. Wilcox, Secretary
Department of Community Affairs
P. O. Box 155
Harrisburg, Pennsylvania 17120

Dear Mr. Secretary:

Enclosed is a Governmental Reorganization Prospectus for Wyoming Valley, Pennsylvania, for your consideration. It is our belief that this examination of governmental organization and services throughout the Wyoming Valley is essential to provide a blueprint for improvement that will complement the efforts of your Department and other community organizations in their efforts to accelerate the recovery of the citizens of the Wyoming Valley in the most expeditious and effective manner possible.

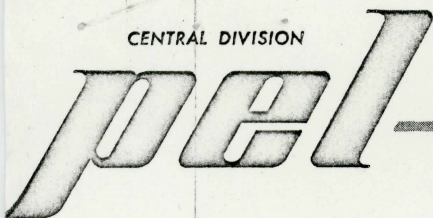
We are prepared to move on this project as soon as it has received your consideration, and, I trust, approval.

Very truly yours,

Raymond R. Carmon
Raymond R. Carmon
Director

Enc:

CENTRAL DIVISION



PENNSYLVANIA ECONOMY LEAGUE, INC.

706 FIRST NATIONAL BANK BUILDING * WILKES-BARRE, PA. 18701 * AC 717 - 824-3559

January 11, 1973

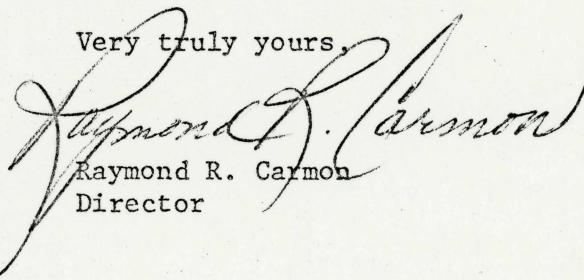
The Honorable William H. Wilcox, Secretary
Department of Community Affairs
P. O. Box 155
Harrisburg, Pennsylvania 17120

Dear Mr. Secretary:

Enclosed is a Governmental Reorganization Prospectus for Wyoming Valley, Pennsylvania, for your consideration. It is our belief that this examination of governmental organization and services throughout the Wyoming Valley is essential to provide a blueprint for improvement that will complement the efforts of your Department and other community organizations in their efforts to accelerate the recovery of the citizens of the Wyoming Valley in the most expeditious and effective manner possible.

We are prepared to move on this project as soon as it has received your consideration, and, I trust, approval.

Very truly yours,


Raymond R. Carmon
Director

Enc:

GOVERNMENTAL REORGANIZATION PROSPECTUS

FOR WYOMING VALLEY, PENNSYLVANIA
(Greater Wilkes-Barre Area)

The Wyoming Valley along the Susquehanna River in Northeastern Pennsylvania is a clearly identifiable geographic area which is generally recognized as a single economic community. For many years, the civic leadership throughout the Valley has expressed concern about the excessive number of governmental units and the resultant adverse effects on the quality, quantity, and costs of local government services. There is continuing concern that the governmental pattern remains a major obstacle to further economic growth.

The disastrous flood of June 23, 1972, compounded and magnified the serious fragmentation of local government and its inability to respond to the emergency and to move effectively in recovery efforts. There is a critical need for more prompt and effective governmental response at the local level to set sound guidelines for future rebuilding, long-range planning and development, and more efficient delivery of municipal services to the citizens of the Valley. The establishment of a number of recovery organizations made up of area citizens and the positive moves on the part of the Federal and state governments to consolidate their own services in the region attest to the need for the community to reorganize so as to maximize its ability to recover and build an even greater future. Investments by the state and Federal governments of hun-

dreds of millions of dollars to assist the area and its citizens in short-range recovery needs and long-range planning and development make effective government organization more imperative.

What is needed is an action plan for the creation of a governmental mechanism to provide the citizens of the area with modern municipal services in the most efficient manner possible. The advantages of governmental reorganization in the Wyoming Valley must be identified and any questions regarding the structure, financial capability, services to be provided, and accountability to all citizens of the area must be answered in the proposed plan. An integral part of the plan must be a comprehensive inventory of the programs, services, facilities, personnel, and cost of all existing governmental units in the Valley which would provide the basis for the documentation and support of a reorganization proposal.

The development of any plan for governmental change must clearly demonstrate that the primary goal is a dynamic process of community reorganization to assist all citizens in their efforts to recover from the severe setback of the flood and that change for change itself and bigness in and of itself are not the goals. The objections and pitfalls inherent in bringing about major changes in governmental organization are fully recognized, but the critical nature of the present situation provides a "once in a lifetime" chance for needed change. The traditional loyalties, community pride, and attachment to established and familiar governmental organizations are fully appreciated. It is our belief the advantages that will accrue to each citizen in the area will far outweigh any localized disadvantages, imagined or real, that loom as obstacles to governmental reorganization. A new governmental arrangement will permit a more

unified flow of Federal, state, and private resources into the most effective recovery and rebuilding projects possible. The impact on the image of the area insofar as the rest of the state and nation is concerned would be tremendous and the economic potential and attractiveness for long-term capital investment would be greatly enhanced. The plan and the corresponding citizen education program necessary can do much to raise the vision of all citizens of Wyoming Valley and contribute greatly to the potential success of the recovery effort.

It is proposed that this project be undertaken by the Pennsylvania Economy League, Inc., Central Division. The project will be designed to explore the practical options available for governmental reorganization including but not limited to County Home Rule; area-wide government; municipal cooperation agreements; the council of government approach; and environmental improvement compacts. Any legislation necessary to effect the change would be identified and outlined. The League would seek the cooperation and utilize the technical assistance and expertise of all community, regional, state, and national organizations whose input would enhance the potential for success of the project. An Advisory Committee would be established comprised of representatives of each of the organizations which formally communicated their interest and concern on this matter to the State Department of Community Affairs in their letter of January 2, 1973, as well as representatives of other appropriate segments of the community. The Committee would meet regularly to evaluate the data gathered and assist in the research and analysis phase of the study and could also serve as an informed nucleus for a widespread citizen education campaign on the find-

ings, conclusions, and recommendations which will evolve out of this study.

This comprehensive examination of governmental organization and services in Wyoming Valley will take four months to complete and will cost approximately \$35,000. The following is a breakdown of the estimated cost of the project:

PROPOSED BUDGET FOR INVENTORY PHASE

I. Data Gathering	\$16,000
II. Research, Analysis and Write Up	10,000
III. Travel	2,150
IV. Clerical, Printing, Office Supplies, etc.	<u>6,500</u>
Total Estimated Cost	<u>\$34,650</u>

January 1973



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AFFAIRS
HARRISBURG
17120

THE SECRETARY

January 17, 1973

The Honorable Max Rosenn
Federal Building, Room 229
197 South Main Street
Wilkes-Barre, Pennsylvania 18701

Dear Judge Rosenn:

Thank you for your warm letter of January 5.

I look forward very much to continued pleasant association
with you.

Sincerely yours,

A handwritten signature in dark ink, appearing to be "W. H. Wilcox", written over a light blue circular stamp.

William H. Wilcox
Secretary



52 PUBLIC SQUARE ■ 717 825-4592
WILKES-BARRE, PA. 18701

JERRY L. EDDY *Executive Director*
ROBERT LEONARDI *Chairman*
JAMES CONAHAN
EDWARD HEISELBERG
THOMAS R. MCGEEHAN
ROBERT MISCAVAGE
JOSEPH O'KARMA
JAMES M. REVIE
GEORGE P. SAILUS
EDWARD SCHECHTER

Flood Transportation

February 9, 1973

Secretary William H. Wilcox
Department of Community Affairs
Room #216
South Office Building
Harrisburg, Penna. 17120

Dear Secretary Wilcox:

This letter is in response to your telephone conversation of February 8, 1973 with Judge Max Rosenn. Its purpose is to express in further detail the Luzerne County Transportation Authority's (LCTA) interest in obtaining Pennsylvania Agnes Emergency Relief Funds to provide the local share for acquisition of the two private transit systems providing Flood Plain Service under contract to the Authority.

This letter is being sent to meet your immediate need for Fund commitments' information. It has unanimous approval of an LCTA Budget Committee meeting attended by three of the nine Authority members including the Chairman and Vice Chairman, and a resolution to this effect will be forwarded after the February 21, 1973 LCTA Meeting.

You asked for further information on background of the project to establish flood-related need; a more detailed description of the project; and an estimate on funds required. This information follows:

Background - In the aftermath of Hurricane Agnes, public transit halted in the Wilkes-Barre urbanized area. Operations ceased for the week following the flood. The next week saw very limited bus service, which sputtered to an end due to the high start-up cost and low patronage. Meanwhile, traffic congestion mounted, and tens of thousands of people, relocated and without automobiles, had no means of mobility.

February 9, 1973

When the Office of Emergency Preparedness (OEP) assumed responsibility for flood recovery, it quickly recognized the key role that transit could play in the recovery effort. Thereupon, OEP took an action unprecedented in U.S. transit history: reincarnation of the bus system through support of free transit for the entire Wilkes-Barre urbanized area.

During the 101 days under OEP sponsorship, free-fare transit service and patronage grew tremendously. Extensions to existing routes, as well as two new routes, were added to service 21 mobile home parks. Frequency of service was increased. Altogether, almost half of the system's mileage was new service, not run before the flood. Transit's patronage more than doubled under free fare, with over 10% of riders never having used the bus before.

As the period for free-fare transit drew to a close, it became apparent that the success of the OEP transit program had generated a dilemma. The revitalized transit system, a product of the flood, had become vital to the lives of thousands of citizens. To turn this expanded system back to the private operators, who were economically constrained to discontinue 80% of the service and run the other 20% at sharply higher fares, was unconscionable. Guided by local community leadership and supported by the Luzerne County Commissioners, four agencies joined together to meet this challenge: Urban Mass Transportation Administration, Pennsylvania Department of Transportation, City Demonstration Agency (CDA) of Wilkes-Barre, and the Office of Emergency Preparedness. These agencies undertook the sponsorship of a \$1,535,000.00 Demonstration Project, whose purpose is:

"Design and implementation of a transit transition program to return to normal service from civil emergency status with:

- maximum retention of emergency-generated riders
- reduction of transit operating deficit to a level commensurate with state and local financial capacity
- special transit programs to assist in revitalization of the Wilkes-Barre Central business district."

To complement the Demonstration, a companion Capital Grant Application of \$2,250,000.00 was submitted for new buses and other capital improvements, under sponsorship of UMTA, Penn DOT, CDA and the Appalachian Regional Commission.

Approval of the Capital Grant is expected in February, 1973.

In early October, 1972 the Luzerne County Transportation Authority (LCTA) was formed and empowered by the Board of Luzerne County Commissioners under the Pennsylvania Municipal Authorities Act. Section 5 of the LCTA Resolution reads:

"The initial project of the Authority will be to organize, acquire, hold, construct, improve, maintain and operate, own, lease, either in the capacity of lessor or lessee, all facilities necessary or incidental thereto for the operation

February 9, 1973

of a mass transportation system including motorbuses for public use in Luzerne County, and do all acts and things necessary or convenient for the conduct of its business and the general welfare of the Authority, limiting such service to the area presently serviced by the White Transit Company, the Wilkes-Barre Transit Company, the Flood Plain and mobile home parks connected with the Flood Plain."

On October 19, 1972 the support of transit services in the Wilkes-Barre urbanized area was transferred from OEP to the LCTA, administering Demonstration Project funds. Due to the extremely short time interval between organization of the Authority and its assumption of responsibility, the two private transit companies remained as operators under six-month-purchase-of-service agreements.

While as a short-term arrangement these agreements have allowed uninterrupted transit service, the LCTA, with its consultant, Simpson and Curtin, has reached the conclusion that acquisition of selected assets of the two private operations to compose an Authority-owned system is in the public interest. UMTA concurs in this assessment.

There are two major weaknesses with the present purchase-of-service arrangements. The first is that, upon expiration of the six-month agreements, transit service in the Flood Plain will again be placed in extreme jeopardy. One, or both companies may elect to discontinue operations, in which case the patrons, many of whom are still in temporary housing, become the responsibility of the Authority.

The second disadvantage of the purchase-of-service agreements is inefficiency. Under these agreements the -- LCTA pays many duplicative overhead costs, and pays a management premium to each operator. Yet LCTA administrative and operations control is ineffective. It is estimated that in excess of \$100,000.00 could be saved annually through Authority ownership, funds which would help to maintain low transit fares.

In summary, the acquisition of selected transit assets to allow Authority-owned operations is a flood-related need in that the transit system is specifically designed to provide mobility for flood-affected families, and in that not only the efficiency but the very existence of this system is jeopardized under current purchase-of-service arrangements.

Description of Project - The Luzerne County Transportation Authority is seeking Pennsylvania Agnes Emergency Relief Funds as the local matching share for an UMTA capital grant amendment to appraise and acquire selected assets from White and Wilkes-Barre Transit Companies. The assets to be appraised and acquired would be those used and useful for continued Wilkes-Barre urbanized area transit operations under LCTA ownership. Specifically, these assets are:

White Transit

- o 13 transit buses fully equipped
- o Spare parts and components

February 9, 1973

Wilkes-Barre Transit

- o 39 transit buses fully equipped
- o 20 school buses fully equipped
- o Garage, maintenance facilities and general offices
- o Shop and garage equipment
- o Service cars and trucks
- o Fare collection equipment
- o Spare parts and components
- o Office furniture and supplies
- o Miscellaneous items

As the local matching share, every dollar of Pennsylvania Agnes Emergency Relief Funds would generate two additional dollars of federal funds for support of transit in the Flood Plain. UMTA has indicated to the Authority that a Capital Grant amendment for transit acquisition would be favorably received and expeditiously processed.

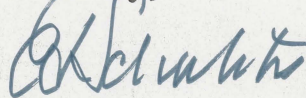
Funds Required - As part of the UMTA Capital Grant amendment process, two appraisals must be undertaken to determine the exact value of assets to be purchased. While detailed appraisals cannot begin until the source of local matching funds is identified, a preliminary review of White and Wilkes-Barre Transit assets useful to Authority-owned operations has generated a planning value of \$750,000. Of this amount \$250,000 would be local matching share.

It is proposed that Pennsylvania Agnes Emergency Relief Funds be made available in an amount not to exceed \$250,000 for this project. It is anticipated that the money would either be spent or placed into an escrow account pending final valuation within the next three months. In the event that local funds are required above the Relief Fund commitment due to a higher subsequent valuation of assets, these would be obtained from another source.

I hope that the above description provides sufficient information for an initial commitment of Pennsylvania Agnes Emergency Relief Funds to the LCTA transit acquisition project. The LCTA is working very closely with the Pennsylvania Department of Transportation, particularly Jacob Kassab, Secretary; Jack Kistlinger, Deputy Secretary for Planning; and Bill Underwood, Director of the Bureau of Mass Transit Systems, who are aware of our needs and program.

Immediately after the Authority's February 21, 1973 meeting, I will forward to you the LCTA formal resolution. We would be happy to meet with you to review this project at your convenience. Please do not hesitate to contact me if you have any questions in the interim.

Sincerely,



Edward Schechter
Vice Chairman

Copy to:
Judge Max Rosenn
Jacob Kassab, Sec. Dept. of Transportation

IN THE MATTER OF LEWIS JONES, INCORPORATED, ET AL DEBTORS - CHAPTER XI

HAROLD J. CONNER, SAMUEL S. BAXTER - RECEIVERS

2012 Upland Way
Philadelphia, Pennsylvania 19131

LEWIS JONES, INC.
OVERBROOK STEAM HEAT CO.
LONGACRE PARK HEATING CO.
PENNSYLVANIA UTILITIES INVESTMENT CORP.
INTERNATIONAL SERVICE INDUSTRIES, INC.

215-879-9000

SCRANTON STEAM HEAT CO.
WILKES-BARRE STEAM HEAT CO.
BUSINESS SERVICE, INC.
ENERGY SUPPLY, INC.
STEAM HEAT SERVICES, INC.

April 13, 1973

The Honorable William H. Wilcox
Secretary, Department of Community Affairs
216 South Office Building
Harrisburg, Pennsylvania 17120

Dear Bill:

We have received a copy of a letter to you, dated March 28, 1973, from Andrew Shaw, Jr., Executive Director of the Wilkes-Barre Flood Recovery Task Force.

The letter states that this group sees no further role for itself in the steam heat situation. We feel sure this does not reflect a lack of interest in the future of the Steam Heat Company.

Of immediate concern to the Receivers is the possibility of adverse or negative communication with the customers, either through direct communication, or releases to the news media. The Receivers have put the steam companies on an operationally sound basis, and there is no basis for assuming that the companies will not continue to operate in the future.

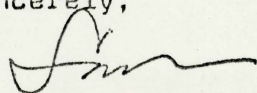
The question of exactly how the companies will be reorganized, or what specific plan of arrangement is finally approved by the U. S. District Court and the creditors, should not be construed by anyone as indicating no future steam heat for the customers.

While we are sure the efforts of the Flood Recovery Task Force have been commendable in many areas, they have never been in touch or communicated with either the Receivers or the management of the Steam Heat Company since November 10, 1972. Communicating now, to our customers, when they have never communicated with the company management, would certainly appear inappropriate and could cause much unnecessary concern and even panic when there is no need for either.

The Honorable William H. Wilcox
April 13. 1973 - page two

We recommend that any person, committee, or government agency interested in the present status or future operations of any of the five (5) steam companies, should contact the Receivers.

Sincerely,



Samuel S. Baxter
RECEIVER

SSB:gm

c.c. Andrew Shaw, Jr. ✓
6 Bernard Gallagher
 Edgar Lashford
 Wilder Lucas

Disaster Relief

TESTIMONY OF WILLIAM H. WILCOX
SECRETARY, PENNSYLVANIA DEPARTMENT OF COMMUNITY AFFAIRS
BEFORE THE SENATE SUBCOMMITTEE ON DISASTER RELIEF
WASHINGTON, D. C.
SEPTEMBER 13, 1973

On May 11 of this year Governor Shapp appeared before this Subcommittee in Wilkes-Barre, Pennsylvania. He noted, in dramatic terms, the widespread failure of government to confront, in any organized or rational fashion, the needs of the victims of America's greatest natural disaster--the Agnes disaster of June 1972. You, Mr. Chairman, very kindly permitted me to supplement Governor Shapp's testimony with further comments the following day in which I listed, in my written submission, 18 ways in which government had failed to make an effective response.

From these two days of hearings, the field trip by helicopter by the Chairman on the third day, and the late evening discussion with the Committee of a film on catastrophic insurance, I came to have a respect and affection for the dedication and hard work of the members of this Subcommittee as high as I hold for few human beings.

Now I am here today to present, based on our experience with both short-term and long-term recovery efforts, our appraisal of S.1840--the proposed "Disaster Preparedness and Assistance Act of 1973". When S.1840 was forwarded to Congress it was described as "comprehensive" and said to be part of the new Federalism. In our view, however, S.1840 would, if enacted, (1) represent a retreat from the fiscal commitment of the Federal government for disaster assistance

contained in Public Law 91-606, and (2) constitute a failure of the Federal government to correct the serious operational shortcomings in the Federal disaster response documented by Governor Shapp, Judge Rosenn and others at the Wilkes-Barre hearings.

We have conducted an in-depth comparative study of the estimated disaster assistance that would have been provided under S.1840 as against the actual Agnes assistance that was delivered in Pennsylvania by the Disaster Relief Act of 1970 (Public Law 91-606) and other existing Federal programs. To summarize it in a simple sentence, our comparative study shows that the Administration's purported new approach to disaster assistance is to give the States the money--or at least some of it--and run.

Pennsylvania's Effort

Let me at the outset note that Pennsylvania has not come before this Subcommittee with a "gimme" attitude. The General Assembly of Pennsylvania has authorized more State spending for disaster assistance than all the other States combined for all natural disasters in American history. Our three major categories of costs are:

	<u>Millions of Dollars</u>
1. Direct assistance appropriation from current revenues	\$150
2. Bond issue for non-Federal urban renewal costs	140
3. Estimate interest cost over 30 years for item #2	<u>140</u>
Total Cost to Pennsylvania Taxpayers	\$430

Of category #1 above, among the major expenditures are (1) \$40 million for direct grants, a kind of partial catastrophic insurance for Pennsylvania victims of Agnes, (2) \$12 million for tax rebates and grants to municipalities for taxes lost due to the Agnes disaster, a kind of Section 241 (of P.L. 91-606) that works, (3) \$12 million in grants to Pennsylvania farmers, (4) \$3 million for the restoration of flood damaged recreation facilities matching Federal Bureau of Outdoor Recreation grants, and responding to the present Federal prohibition against assisting by disaster funds the restoration of recreation facilities damaged by flooding, (5) \$6 million for site acquisition and development for HUD temporary housing, (6) \$3 million for flood damaged volunteer fire companies, and (7) a proposed \$3 million to assist flood damaged nonprofit agencies.

In the light of this evident Herculean Pennsylvania effort under Governor Shapp's leadership you will, I trust, understand my vigorous objection to the suggestion on Tuesday by a Federal official that Governor Shapp saw his role in response to the Agnes disaster as that of only an advocate to drain the last possible dollar from the Federal Treasury. Nothing could be further from the truth!

Net Estimated Loss Under S.1840

The actual combined Federal assistance, either expended or committed, allocated to Pennsylvania in the Agnes disaster amounts to 1 billion 970 million dollars, including both grants and loans. But, had the Federal government been providing its Agnes disaster assistance to Pennsylvania under the provisions of S.1840, we estimate that the total amount available to Pennsylvania would have been \$540 million,

or \$1.4 billion less. This is a mere 27% of the Federal assistance under Agnes.

Before going into fuller detail about these estimated losses and the specific deficiencies in S.1840 that are pointed out by our comparative study, let me briefly summarize the over-all net estimated loss under two broad categories of disaster relief. These categories are:

--Restoration of Public Facilities. Under existing legislation and programs, the State and local governments of Pennsylvania received \$831 million of Federal assistance. Under S.1840, we would have had this amount cut back by \$519 million. This figure includes an estimated loss of \$119 million for restoration of public facilities and \$400 million of urban renewal. The latter loss is based on the assumption that urban renewal is to be phased out by the Better Communities Act--a more rigid form of Federal aid not readily adapted to disaster conditions.

--Temporary Housing. Under existing legislation, disaster victims' families in Pennsylvania were supplied with \$128 million worth of temporary housing funds. Under S.1840, this Federal contribution would have been cut by \$65 million.

Disaster Loans to Individuals

Under legislation in effect at the time of Agnes there were

direct and indirect subsidies to the flood victims. First of all in virtually all cases the flood victim was provided up to \$5,000 "front end" forgiveness on his SBA disaster loan. There were, however, added benefits less evident but, in fact, just as real. Since he was forgiven \$5,000, he was also freed of the market interest payment which he would have been required to pay under normal loan requirements. Second, his 1% interest rate for the amount he borrowed was well below market rates and constituted, therefore, a further subsidy. Quantified, these add up as follows for Pennsylvania flood victims:

<u>Class of Benefit</u>	<u>Millions of Dollars</u>
1. Forgiveness	\$255
2. Interest on forgiven principal, i.e. on item #1 above	215
3. Subsidized interest	400
Total subsidy	<u>\$870</u>

None of these subsidies for disaster victims would be available under S.1840.

Temporary Housing

Continuing on the subject of temporary housing for disaster victim families, I will now present in more detail some of the deficiencies in S.1840 which our analysis suggests. While the dollar cuts are higher in other categories, temporary housing is the area in which S.1840 most starkly reveals the highly questionable action of putting the burden of administration on the states without providing adequate enough resources to do the job.

Had the Commonwealth of Pennsylvania been operating under S.1840 in the aftermath of Agnes, we would have been required to procure, distribute and site manage 9,977 mobile homes and 5,788 units of leased housing, plus oversee the repair of 2,780 homes so victims could move back promptly, plus house other victims in 1,594 travel trailers, and all under an allowable administrative overhead of \$2.5 million. In actual fact, however, HUD has spent \$13.5 million alone to administer the mobile home program.

There are major problems encountered in buying, shipping, storing and siting mobile homes for temporary housing in a disaster as intensive as Agnes was. The only conclusion to be drawn from our experience in Pennsylvania is that there has to be a better way. Yet S.1840 is totally silent on the matter, ignoring the Federal government's responsibility and superior capacity on a nationwide basis to develop truly workable temporary shelter for disaster victims. The Federal government's domestic and military agencies have spent millions of dollars in developing easily stored and quickly erectable shelter units. Is it then part of this bill's vaunted comprehensiveness to leave to the trials and errors of the 50 States the question of what kind of housing will be provided to displaced disaster victims? Only very few States-- Pennsylvania is one of them--have developed a sophisticated technical assistance capacity in housing. What would happen in disaster States with little or no technical assistance capacity in housing? We reject the suggestion you heard on Tuesday that the fact that most states had recently had some sort of natural disaster qualified them in administering disaster housing. I happen to know that the early summer extensive flooding

in Vermont, for example, involved little rehousing--there the damage was mostly to public facilities--roads, buildings, etc.

Returning to our comparative analysis, had Pennsylvania been required in the case of Agnes to provide temporary housing under the terms of S.1840, we would had to have done so under a very questionable restriction to spend a fixed amount per individual or family. Not only does the bill cut Federal assistance by 25% and place awesome administrative costs and responsibilities on the states, but it also sets an equalizer ceiling on spending per family in a case where all things are not necessarily equal. Variables such as climate, terrain, locale, costs of material, transportation and wages fluctuate widely within the nation and from place to place within individual states. How would the Federal government propose to enforce this measure in a multi-state disaster such as Agnes? And, just as importantly, where is the "strengthening of the role of the states" when the Federal government is supplying only 75% of the pie but still cutting all the pieces?

At the very least, the Federal government should turn over to the states the kind of resources to provide temporary housing that it found necessary in the aftermath of Agnes. There was a period in the first few days after Agnes when HUD approached the State and negotiated with us, unsuccessfully as it turned out, to take on the entire mission of providing temporary housing. The arrangement didn't work out, but money was no obstacle. At that time, the Federal government intended to give us not one cent less than it was prepared to, and did in fact spend.

The temporary housing provisions of S.1840 are defective because they (1) place an added fiscal burden on the states at the very moment--at a time of disaster--when they are least likely to have the required resources, (2) they contain no provision for research and development expenditures by the Federal government to improve on the inadequate and unduly slow present system of temporary housing, and (3) they would require some states--again at the moment they are least able--to develop an instantaneous technical capacity in housing, even where they have previously chosen not to assume housing as a State function.

Restoration of Public Facilities

I will now turn to the matter of what S.1840 proposes to do in the restoration of public facilities damaged or destroyed by a natural disaster and discuss several major failings and oversights which we see in the bill.

The foremost problem is the already mentioned one of the 25% cut-back in funding, in our comparison between S.1840 and the actual assistance received under Agnes, this would have amounted to a \$119 million loss for flood ravished Pennsylvania communities.

Because of the lack of reliable figures on just how much it cost the Federal government to administer the restoration of public facilities in Pennsylvania after Agnes, our comparative analysis has no estimate of what it would have cost the State if it had had to deliver this service. But some notion of both the cost and complexity of doing this job can be gained by considering these facts: Pennsylvania

has some 2,600 political subdivisions. After Agnes, the entire State was declared a disaster area, and of the 2,600 subdivisions nearly 2,000 local communities applied for some portion of the \$240 million appropriated by the Office of Emergency Preparedness. The uses of these funds ranged from debris clearance to the vital repair and restoration of local roads and buildings. No doubt, under these conditions, administrative costs were substantial.

Lastly, on this particular subject, I will comment on the abandonment of a crucial disaster relief concept that exists in present legislation but which was not carried over into S.1840, namely, the revenue maintenance feature of Section 241 of Public Law 91-606. Because of poor drafting of Section 241 compounded by stringent regulations adopted by OEP governing this program it proved useless in the aftermath of Agnes. Grants were to be based on property tax revenue averaged for the three years before Agnes, compared to the disaster year itself and the following two years. Because of the constantly increasing taxes after as well as before the disaster, the difference between the two averages is never a loss of sufficient revenue to qualify.

Yet the need for reimbursement for lost property taxes owing to flood damaged property was such an important one in Pennsylvania that the State stepped in and partly filled the gap with a \$12 million grant program. In addition, some \$42 million of \$72 million in Department of Health, Education and Welfare assistance to school districts in Pennsylvania will have been applied to this area through support for operating expenses. Can we expect that in a future disaster under S.1840 that

these HEW funds would not be forthcoming? Our suggestion is not the abandonment of this principle of disaster relief, but the creation of a program--especially for local governments--that really works.

Urban Renewal--A Special Case

It is not feasible--even though we know the Committee's review is of S.1840--to look at S.1840 apart from other pending legislative developments in Washington. Of special importance for this Committee is the combined impact which S.1840 and the Administration's proposed Better Communities Act would have on disaster recovery. Under existing legislation, legislation which is considerably more flexible than special revenue sharing, HUD allocated \$400 million to Pennsylvania for disaster-related urban renewal. (More than one-fourth of this amount--\$140 million--is being matched by the State.)

The key point to be made here is that S.1840 neither looks back to Agnes to see how important urban renewal money is in long-term recovery nor forward to see the flexibility that would be lost if it had to work in tandem with the proposed Better Communities Act. BCA is a proposed formula grant program, and, with HUD acting as little more than a pass-through agency, could the Secretary ever hope to amass on a timely basis contingency or discretionary funds equal to the \$400 million which have been aimed directly at Pennsylvania's disaster-affected communities? Furthermore, it should be noted that not only were urban renewal funds specially directed to disaster-affected communities, but that it has been within the power of the HUD Secretary to relax certain requirements for program approval, requirements

appropriate for normal urban renewal but out of place for disaster conditions. The most important element of flexibility permitted the HUD Secretary to change local matching requirements for urban renewal in most cases from 1/3 local to 1/4 local of total project costs.

No disaster recovery measure could ever be considered "comprehensive" unless it deals with the problem of long-range recovery, and S.1840, in our view, clearly fails to do that. If S.1840 is, as claimed, "comprehensive" we can only conclude that long range Federal assistance for disaster recovery will be a thing of the past, if S.1840 were to become law. Therefore, write off \$400 million of Federal assistance for a future disaster of the magnitude of Agnes!

Disaster Loans to Individuals

We are aware that the subject of disaster loans to individuals also is not a matter within the specific jurisdiction of this Subcommittee, but, since these loans make up such a large portion of Federal effort in the past, I feel a few comments are relevant.

Our comparative analysis of proposed S.1840 disaster loan assistance and the actual assistance received following Agnes showed that Pennsylvania disaster victims would have been denied grants and interest subsidies for SBA and FmHA loans for a total loss of \$870 million. Since S.1840 eliminates any forgiveness feature and sets the interest on disaster loans at the current U. S. Treasury rate, we assumed the 5.6% rate on long term U. S. obligations that prevailed as of June 1972.

The disaster loan provisions of S.1840 are the very same as those in force now under Public Law 93-24, which Congress is seeking to amend for the benefit of this year's Mississippi River and New England flood victims via the Conference Committee Report on S.1672. The Conference Report provides for a \$2,500 forgiveness feature and an interest rate of 3%, or 1% with no forgiveness. It would carry these features to 1975. But, should Congress adopt the bill as reported, and should the President sign it (and we understand that there may be some reluctance on his part to do so), and should Congress subsequently enact S.1840 and the President sign it, then the liberalized features of S.1672 would apply only to those SBA and FmHA disaster loans made in the brief time between the enactment of the two bills, for S.1840 puts SBA and FmHA out of the disaster loan business, replacing them with the new Federal Disaster Assistance Administration of HUD. In short, as we read the legislation S.1672 would giveth and S.1840 would taketh away.

Needy Families

Section 404 A.1 of S.1840 says loans will not be given unless "there is a reasonable assurance of repayment." The bill also does away with all special consideration SBA can now give to the retired and the elderly.

It appears then, that the needy family provision is for families who would never qualify for loans in the first place. As to being capable of passing a means test, it appears to us that the elderly might be in limbo--not quite needy but not quite capable of paying back.

Finally, the State will get \$3,000 per needy family (if the President agrees) and of the total amount it gets, it can give only a maximum of \$4,000 per family...in some disaster circumstances mere peanuts.

Few people are now happy with the categorical public assistance grant programs which have been in effect in America since depression days. Yet, by creating a means test for disaster assistance, S.1840 would create a new class of poverty assistance--the poverty disaster victim. We favor a form of insurance in place of a new means test and a new class of welfare recipients.

Some Provisions of S.1840 Endorsed

S.1840 is not without its useful features. It would make disaster damaged nonprofits eligible for grant assistance. It would remove the present restriction against recreation facilities and it would increase the role of the States--though, unfortunately, failing to provide the fiscal resources and the technical know-how.

Major Steps Needed

As suggested at the Wilkes-Barre hearings, we propose National Catastrophic Insurance, research and development in better temporary housing and site development and, most important of all, much improved Federal disaster operational capacity with pre-trained Federal and State employees pre-equipped to assist in facing the problems of housing, food supply, transportation, medical care, municipal facilities and communications at the time of major disasters. While there is much talk--and clearly a need--for a man in charge--really in charge--in the field in

a major disaster there is an even more critical need for trained, organized, equipped, technical skill at the operational as well as at the administrative level. So far as I have been able to observe no such skill now exists--either at the Federal level or in any State.

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