

# The case of Newark, USA.

by *Mara S. Sidney*

Contact:  
Mara S. Sidney  
Department of Political Science  
Rutgers University-Newark USA  
7th Floor, Hill Hall  
Newark, NJ 07102-1801, USA  
Tel. +1 973353 5787  
Fax. +1 973 353 5103  
E-mail: msidney@andromeda.rutgers.edu



Source: CIA factbook

## A. INTRODUCTION: THE CITY

### I. THE URBAN CONTEXT

In recent years, a diverse set of voices have heralded Newark as a city on the rise. The Mayor and prominent business leaders talk about the Newark Renaissance, marked by a surge in high-profile development projects like the New Jersey Center for Performing Arts and the lower profile new housing construction taking place across the city. Newspapers report consistently on new businesses locating in the city, or expanding their existing operations. We read about the city's state-of-the-art fibre-optic network, which draws high-tech businesses such as IDT and others. We hear of plans for waterfront development, the creation of downtown "urban villages," and hopes for a new arena for the state's professional basketball and hockey teams. In the recent mayoral election, the winner, incumbent Sharpe James, pointed to such examples as indicators of the city's progress and rebirth.

Despite enthusiasm about the city's revival, and the new buildings both completed and envisioned, Newark remains a deeply troubled city. Scholars of the contemporary urban landscape coined the phrase "dual cities" to describe places where sparkling playgrounds for the rich coexist with deteriorated landscapes and limited opportunities for the poor. Newark might become such a place, as new investments in the downtown and waterfront areas attract wealthier suburbanites for a

concert or a job, and as city officials and private-sector boosters attempt to create an environment that will attract middle-income people to live in new town homes and lofts. But for years, Newark residents have been disproportionately working-class and poor, experiencing low levels of educational achievement and high levels of ill health; many city neighbourhoods, including parts of downtown, are marked by vacant lots and abandoned or deteriorated dwellings. Indeed, Cory Booker, unsuccessful challenger in the recent mayor's race, ran on the promise of bringing "a renaissance for the rest of us." Still, the starkest contrast is not between neighbourhoods within the city, because the variation is not so great. What is striking is the contrast between Newark neighbourhoods and those in nearby suburbs, which include some of the country's wealthiest communities.

During the 20th century, Newark has been on the losing end of the transformations occurring within US metropolitan regions, and among the country's system of cities. At the start of the 21st century, Newark is benefiting from globalisation, in the form of increasing immigration and international trade. Like other central cities, Newark experienced an exodus of middle-class and wealthy residents to the suburbs, as transportation technology and highway construction enabled such

movement. Like other central cities, Newark's African Americans were not able to take advantage of suburban housing opportunities because of discriminatory practices in the real estate and banking industries. Today Newark and surrounding suburbs are extremely segregated by race, with blacks and whites most separated from one another. The index of dissimilarity between whites and blacks is 80.4, between blacks and Asians, 75.1, between whites and Hispanics, 65, between blacks and Hispanics, 61, and Whites and Asians are least separated, with an index of only 35.2 (Metropolitan Racial and Ethnic Change 2002).

Newark is also home to a disproportionate number of the region's poor. Like other central cities, Newark responded to federal housing programs whereas surrounding communities did not, resulting at one time in the city's having the highest proportion of public housing per capita of any US city. Like other central cities, an exodus of jobs accompanied the movement of people to the suburbs, driven by cheaper land but also by economic restructuring that sent manufacturing jobs to the South and then overseas. Finally, its location in the Northeast/Mid-Atlantic region places Newark in a declining region of the US. Over the past several decades, population has shifted from the Northeast and Midwest to the South and West of the country. In a decentralised political system in which local governments provide services, including education, from revenues raised largely by property tax, Newark's declining tax base has had grave consequences for the quality of life in the city.

The transformations have a racial cast, also not unique to Newark. As the city's fortunes declined, its population became predominantly African American. By 1970, Newark was a "majority minority" city, with 54 per cent of its residents African American. Conflictual race relations, marking much of US history, also underlie this demographic transition. Newark's African Americans built a vibrant community, founding political, professional, and social organisations, but did not benefit equally from the city's early growth, were long excluded from local government, and have suffered the most from the flight of wealth (Jackson 2000, Price 1981, 1975). One response to generations of neglect and discrimination was the civil strife in 1967, touched off when a white police officer allegedly beat a black taxi driver he arrested for resisting arrest after a traffic violation. Riots brought thousands of National Guardsmen to the city, left 26 people dead and 1,200 wounded, 1,500 people under arrest, and an estimated \$47 million in damaged property (Keesings 1970). These disturbances prompted further flight and disinvestment from the city; today some land remains vacant in the heart of the city from property destroyed during those days. But the disturbances also catalysed the political transition from white to black. A black mayor was elected in 1970, and blacks have dominated city government ever since.

As indicators below will show, Newark not only epitomises many urban transformations, but has become a "worst-case" example for many of them. In 1970, the then mayor Kenneth Gibson predicted that "Wherever America's cities are going, Newark will get there first." Certainly this seems true in terms of urban decline, but observers often remark that other old, industrialised cities such as Cleveland and Baltimore seem to be ahead of Newark in their revitalisation processes. Today, transformations related to globalisation are affecting Newark, like many other US cities. For example, record high rates of immigration to the US have helped to stabilise Newark's population. Today, nearly a quarter of the city's population is foreign born, many from Latin American countries. The 2000 census showed less than a 1 per cent decline from 1990, the smallest loss in many decades; observers say the city's population has actually been growing since the mid-90s, and project growth for the next decade (NJ State Data Center 2002). Finally, the city stands to benefit from any growth in international trade, with its large airport and seaport.

Of course, Newark has long existed in the shadow of the much larger New York City with hundreds of attractions and employment opportunities, only a ten-minute train ride away. But recently even New Yorkers are discovering some of Newark's appeal. The New York producers of a series of "walking tour" television documentaries came across the river for the first time this spring to tape a show about Newark. The show's historian praised the city. "You can open a map on the street and someone will come up and ask if they can help you. I find it to be a very gracious city, with a small town's ability to take time with you, with none of New York's 'get-out-of-my-face' attitude" (Gordon 2002). To many outsiders, the city has a negative image, although experience with new development projects may be changing that. A 1998 survey found that nearly 40 per cent of New Jersey residents thought more positively of Newark as a result of the new performing arts centre (Strom 1999). A poll conducted this year of Essex County residents showed that nearly 60 per cent reported that they could be enticed to spend more of their leisure time in the city, although 69 per cent reported they would never move to Newark, regardless of changes in the city's housing, schools, and cultural and physical environment (Cornwall Center, 2002).

## 1.1 History<sup>1</sup>

Newark is one of the oldest American cities, founded in 1666. It was mostly agricultural until the 1800s, cut off from New York by salt marshes and rivers. But by the mid 19th century, Newark had canals and freight rail. Its port opened in 1915. These water and rail connections contributed to the viability of manufacturing and commercial activity in the city. Soon, Newark

was known for its textiles and leather fabrication, its thread, shoe, and jewellery fabrication, along with its breweries, radio equipment, paint production, and military supplies. Banking, insurance, and legal services were located in the city by the late 1800s. The city gained population rapidly during the first decades of the 20<sup>th</sup> Century. Newly arriving immigrants constituted a ready labour supply, and different ethnic groups settled in various Newark neighbourhoods. By 1910, more than 450,000 people lived in the city. The intersection of Broad and Market streets became legendary for its retail activity; Newark's downtown boasted department stores, cinemas, a museum, and public library.

Newark comprises five electoral wards, many with distinct histories of ethnic-group settlement. For example the Ironbound section of the East Ward has been a Portuguese enclave for decades, and more recently has attracted immigrants from Brazil and Central America. Historically a centre for manufacturing in the city, the neighbourhood's name comes from the railways surrounding it. The South Ward's Weequahic and Clinton Hill were traditionally Jewish neighbourhoods. Newark's first synagogue opened in 1848, and the Jewish community eventually grew to support 34 more synagogues, along with a wealth of kosher delis, butchers, and bakers. The population reached its peak in 1948, with an estimated 60,000 Jews in the city. Today, they are virtually absent, with most former synagogues used by other religious groups, or for other purposes (Dunn 1990, DePalma 1985). The North Ward was traditionally Italian, and by the 1920s, it was the fifth largest Italian-American community in the country, filled with groceries, bakeries, saloons, and four macaroni manufacturers. While vestiges of this history remain, today Hispanic residents have become a major presence in the North Ward, evidenced by the recent city council elections in which an Hispanic challenger beat the Italian-American incumbent who had served for 28 years. The Central Ward became predominantly African American over time, for a variety of reasons. white and ethnic white enclaves elsewhere in the city discriminated against African Americans in the housing market, and the construction in the late 1950s and 1960s of four high-rise public housing projects operated on a segregated basis for low-income black people (Sasaki 1993-94, NJ State Advisory Committee 1968).

Despite early predictions that Newark would rival New York City or Los Angeles in growth and vitality, the city declined in the post war period, in part due to seeds planted and decisions made in earlier years. Between 1960 and 2000, the city lost more than 165,000 people. Kenneth Jackson (2000) cites six reasons for Newark's decline - choices made by city leaders that had lasting negative consequences for the city. Failure to expand the city limits in the early 20th century meant that Newark lost people and wealth to nearby suburbs. Weak land use controls resulted in a toxic environment

for city dwellers, and deterred residential and commercial investment; industry was able to locate close to residential areas, sewers were substandard, the Passaic river was polluted. Redlining by government and private mortgage insurers prevented private investment in the city. City government was often characterised by corruption, or incompetence, or the choice of short-term over long-term gains. Finally, Jackson notes that Newark's willingness to serve the poor at a time when surrounding communities declined to do so resulted in the concentration of poverty in the city.

## 2. The Physical City<sup>2</sup>

Newark is located in Northeastern New Jersey, on the banks of the Passaic River and Newark Bay, waterways which run into the Hudson River via New York Bay. It is eight miles east of New York City. The city is the county seat of Essex County, and the largest city in New Jersey. Newark measures only 24 square miles (62 km<sup>2</sup>), making it the smallest of the country's 100 large cities.

Photo: William St. looking east



Source: [www.gonewark.com](http://www.gonewark.com)

Consequently, it is among the most densely populated, with about 11,500 people per square mile (29,670 people per km<sup>2</sup>). Annexations in the late 1800s and early 1900s added North Newark, Vailsburg in the western part of the city, and the Weequahic area to the south. The Newark International Airport and Port Newark-Elizabeth occupy about one-fifth of the city's land mass. Climate ranges from an average of 31 degrees F (-1°C) in winter to 76 (25°C) in summer; mean rainfall is 42 inches (1,066mm) and snowfall, about 22 inches (559mm). Its elevation ranges from 0 to 273 feet (82m) above sea level, with an average of 55 feet (16.5m). The city boasts numerous parks designed by the firm of renowned landscape architect Frederick Law Olmsted, designer of New York's Central Park. In addition, the city owns a watershed area north of the city, outside of the city limits.

**Table 1: Population Change in Newark**

	Newark	Population Change	% Change
<b>1930</b>	442,337	-	-
<b>1940</b>	429,760	-12,577	-2.8
<b>1950</b>	438,776	9,016	2.0
<b>1960</b>	405,220	-33,556	-7.6
<b>1970</b>	382,377	-22,843	-5.6
<b>1980</b>	329,248	-53,129	-13.9
<b>1990</b>	275,221	-54,027	-16.4
<b>2000</b>	273,546	-1,675	-0.6

Source: Abeles et al (2001), Sasaki 1993-94, Census data

### Who Lives in Newark?

In 2000, Newark's population was 273,546, making it the largest city in New Jersey. About 2 million people live in the Newark metro area, which consists of five counties. The 1990s was the first decade since 1950 when a substantial population decline did not occur in Newark, signalling that the population has likely stabilised. As **Table 1** shows, Newark lost about 54,000 people during the 1980s. Indeed from the 1930s to 1990, Newark's population was practically cut in half. The city is small relative to other major cities in the US. Still, during the 1990s, population declined by only about 1,670 people. Estimates suggest that since 1996, the population has been growing, and a population of 295,000 is expected by 2010 (Abeles et al. 2001).

**Table 2** outlines a variety of demographic characteristics of the city. The majority of Newarkers are African American (53.5 per cent), although the city is truly multiracial. White people make up 26.5 per cent, and Asians 1.2 per cent of the population. Nearly 30 per cent of Newarkers are Latino. Latinos represent the fastest growing population group in Newark. Newark has a relatively young population, with 28 per cent under 18 years old. The number and proportion of foreign-born residents has been growing through the decade, reaching 25 per cent of the population by 2000. Nearly 70 per cent of the city's households are families, with about 43 per cent being married couples, and 57 per cent single parent families. The economic position of Newark households declined slightly during the 1990s, with the median income dropping to about \$27,000 and the poverty rate moving closer to 30 per cent. Compared

**Table 2: Demographic and Socioeconomic Characteristics of Newark**

	1990	2000
<b>Population</b>	275,221	273,546
<b>Age Structure</b>		
0-17	28.5 %	27.9 %
65+	9.3 %	9.3 %
<b>Sex</b>		
Male	131,584	132,701
Female	143,637	140,845
<b>Race &amp; Ethnicity</b>		
White (Non-Hispanic)	46,276 (16.8 %)	38,950 (14.2 %)
African American	155,055 (56.3 %)	142,083 (51.9 %)
Hispanic (any race)	69,204 (25.1 %)	80,622 (29.5 %)
Foreign Born	51,423 (18.7 %)	66,057 (24.1 %)
<b>Families</b>		
Married Couples	47.1 %	42.9 %
Single Parent	52.9 %	57.1 %
<b>Income &amp; Poverty</b>		
Median Household Income (in 1999 Dollars)	29,088	26,913
<b>Income Distribution: National Income Brackets</b>		
Low (Natl. Lowest 20 %)	33.0 %	37.0 %
Middle (Natl. Middle 60 %)	54.9 %	52.6 %
High (Natl. Top 20 %)	12.1 %	10.2 %
Poverty Rate	26.3 %	28.4 %
<b>Educational Achievement: % aged 25 or older who,</b>		
Did not graduate high school	48.8 %	42.1 %
High School Graduate	27.5 %	30.5 %
Some college, or Associates degree	15.1 %	18.5 %
College Graduate	8.5 %	9.0 %

Sources: U.S. Census Bureau, [www.census.gov](http://www.census.gov); Metropolitan Racial and Ethnic Change (2000); and State of Cities Database, [www.huduser.org](http://www.huduser.org).

**Table 3: Housing Characteristics**

	1980	1990	2000
<b>Total Housing Units</b>	121,347	100,017	102,416
<b>Vacant Units</b>	10,435 (8.6 %)	10,864 (10.6 %)	8,635 (8.6 %)
<b>Occupied Units</b>	110,912	91,552	91,382
<b>Owner-occupied</b>	21.1 %	23.1 %	23.8 %
<b>Renter-occupied</b>	78.9 %	76.9 %	76.2 %

Source: US Census Bureau, [www.census.gov](http://www.census.gov).



with the national distribution of incomes, Newark has a higher portion of low-income households, a lower number of middle-income households, and about half the proportion of high-income households.

**Table 3** sketches housing characteristics in the city. The overall number of housing units has declined during the last twenty years, with the number of vacant units rising, then falling. Most people living in Newark rent their homes (76.2 per cent), although the portion of homeowners has risen slightly. Some housing unit loss has occurred through dis-investment and abandonment, although some has occurred through demolition by the public housing authority, as explained below. Meanwhile, construction of new housing, and creation of low-cost homeownership opportunities, have been focal points of city government.

### 3. The Urban Economy<sup>3</sup>

Newark's economy, like that of other urban areas, has changed from a manufacturing to a service- and transportation-sector economy. In the 19<sup>th</sup> and early 20<sup>th</sup> centuries, Newark's vibrant economy was legendary largely for its strength and diversity in manufacturing, with factories producing goods ranging from leather and textiles to breweries, paints and chemicals. Port Newark, founded in 1915, and the Newark Airport, dating from 1929, strengthened the city's position in transportation of goods. Today, the service sector and the transportation sector dominate the economy, with manufacturing, finance, insurance and real estate, and high-tech industries playing supporting roles. The city suffered job losses from the 1970s through much of the 1990s, declining from 196,000 private sector jobs in 1969 to 110,700 in 1998. During the 1990s, much of the loss consisted of manufacturing jobs, whereas there was a slight increase in other private-sector employment. The unemployment rate hovered around 9 per cent in the late 1990s, since dropping from a high of nearly 17 per cent during the recession of 1992. With the recent economic downturn, and in the wake of the September 11 terrorist attacks, unemployment has risen to its current 11.4 per cent. In general, Newark's unemployment rate has been double the state average. Still, Newark's private-sector job base, at 110,700 jobs in 2000, is the largest in the state, significantly higher than second-place Jersey City at about 72,000.

The service sector comprises nearly a third of the private-sector jobs in Newark, with particular strengths in health and social services. The public education sector employs a number equivalent to 20 per cent of the private sector job base. Four major public institutions of higher education are located in the central city, including Rutgers-Newark, the New Jersey Institute of Technology, the University of Medicine and Dentistry of New Jersey, and Essex County College. They bring students into city, and are among its major employers,

with 11,800 workers. Newark's public school district employs about 10,000 people.

The private transportation sector employed about 25,000 people in 1998. This sector consists largely of companies based in the Newark International Airport and the Port Newark-Elizabeth seaport complex. The airport is in the midst of a \$1.4 billion modernisation and expansion program. In 1999, more than 33 million passengers used the airport, and about 1.12 million tons of cargo and airmail passed through. The Port employs about 4,600 people, and accounts for more than 75 per cent of the tonnage moving through New York Harbour. It is among the world's largest container ports. In 2000, the port hired new longshoremen for the first time in decades to meet growing demand. An expansion program is underway there, as well. Finally, freight rail lines, trucking companies, and the public New Jersey Transit also are located in Newark.

Manufacturing represented 14 per cent of the employment base in 1998, a huge decline since 1949, but still the third largest private employment sector in the city. Industrial jobs and manufacturing sites occupy more than 25 per cent of the city's land. Nonetheless, neighbourhoods that were home to manufacturing and industrial employers who now have left the city today suffer from vacancies and blight. Today the bulk of the state's manufacturing base is in the suburbs.

Smaller but still significant players in the local economy include finance, insurance, and real estate, with Prudential and Blue Cross/Blue Shield based in the city. High-tech companies have taken advantage of about 20,000 miles of fibre-optic lines within the city's infrastructure. Telecommunications companies, such as IDT, have located in Newark, and the recently opened University Heights Science Park, and two state-funded Technology Enterprise Development Centers were developed to attract research-oriented high-tech firms. Finally, Newark once had a strong retail sector, but today this lags behind other parts of the metro area, and behind the needs of the city's neighbourhoods and central business district.

### 4. Governance

Newark has a mayor-council form of government, with a strong mayor. The city council consists of nine members, five elected by wards, and four at-large members. All elected officials serve four-year terms, and run for office in non-partisan elections. The mayor appoints heads of city departments, with concurrence of a council majority; chief among these is the business administrator, who supervises all city departments. The mayor, with the business administrator, drafts the budget, which the council approves, and may amend. Sharpe James, recently re-elected to his fifth term, is the current mayor. Prior to serving as mayor, James served on the city council for 16 years; he currently

represents Newark in the State Senate, as New Jersey allows multiple office-holding. James succeeded Kenneth Gibson, who had been elected in 1970 as the city's first African American mayor, marking a transition from white to black political power in the city.

Economic development, reducing crime, and housing construction have been central features of the city's policy agenda for the past ten years, and longer. For the past several decades, city leaders have focused on economic development, seeking to attract investment into the city, especially in the downtown area. Vacant office buildings have been occupied, as more companies have chosen to locate in Newark, and some new construction has occurred. The New Jersey Performing Arts Center (NJPAC) opened in 1997, and was the first step of what the city hopes will be a revitalisation of the CBD's waterfront. NJPAC's 2,700-seat concert hall and 500-seat theatre have drawn visitors from throughout the metro area, and city leaders believe it has improved the city's image while catalysing investment in the business district (Strom 1999). NJPAC's success is one reason that the US Conference of Mayors recently recognised Mayor James for his leadership in supporting the arts. The city's strategy for economic development has been described by scholars and members of the business community as relying on ad hoc deals secured with tax abatements rather than carried out according to a master plan (Schulgasser 2002).

In addition, fighting crime has been a key concern. Long-range trends show the crime rate declining, although 2001 and 2002 saw increases in homicides. City leaders see crime reduction as integral to successful economic development and homeownership. Recent initiatives have included computer analysis of arrests, crime reports and emergency calls to identify patterns and guide placement of police officers; increasing the number of police officers and reducing response time (Stewart 2002). New Jersey field offices of the federal DEA and FBI have been cracking down on drug trafficking and gangs this year, resulting in a series of arrests in Newark. Finally, encouraging housing development

has been another priority of the current administration, with particular attention to increasing the homeownership rate. The mayor has stated that homeownership stabilises a community more than police and other services. Thus, for the past several years, the city has been selling vacant lots to private developers for single, 2- and 3-family house construction, partnering with state and federal government to offset construction and purchase costs. Property tax abatements and low-cost mortgages are available to home buyers.

The city's operating budget for 2000 was \$474 million; including county and school taxes, the budget rose to \$599 million. City revenues provide about 65 per cent of this income, state aid provides about 25 per cent, and federal aid about 10 per cent (Know Your City 2001). Property was reassessed this year for the first time in 40 years, and the results are not yet available. In 2000, the city had \$807 million in taxable property. The city has an extremely high portion of tax-exempt property, representing \$2.6 billion in 2000, and nearly 60 per cent of the city's land. These parcels include government buildings, parks, schools, churches and other non-profit institutions.

Although Newark municipal elections are non-partisan, the city is a bastion of the Democratic Party, and old-fashioned machine politics prevail, characterised by patronage and other selective incentives for Newark residents to "do the right thing" in the voting booth. In some respects, elements of city governance can be characterised as anti-democratic. The 2002 mayoral election was the first with a viable challenger in James' 16-year career as mayor. City employees expressed their loyalty by donating 30 per cent of James's campaign funds. Workers at city agencies reported pressure to post campaign signs, and newspapers reported incidents of retaliation against storekeepers posting signs or volunteering for the challenger (Jacobs 2002). Other observers have characterised city government as exclusionary and/or disempowering, noting that grassroots community organisations have had little success penetrating City Hall or influencing development policy, and that a set of well-established non-profit organisations receive regular funding, effectively keeping them from criticising the Administration (Mathur 2002, Schulgasser 2002). Sometimes the success of non-profits hinges on their ability to raise funds from outside sources rather than to try to develop a co-operative relationship with the city. Finally, over the years, city officials have been convicted, or accused, of corrupt practices including extortion, taking payoffs, theft, and fraud (Jackson 2000).

Photo: A vacant lot and the new Central Ward Post Office



Source: [www.gonewark.com](http://www.gonewark.com)

## B. SLUMS AND POVERTY

Before considering the features of particular poor neighbourhoods in Newark, one must keep in mind the regional context. That is, most of the city's neighbourhoods have a higher poverty rate than that of Essex County generally. In turn, Essex County fares worse than nearby counties. There are some parts of the city where the majority of housing appears in good condition, but most neighbourhoods seem to contain some evidence of poverty, disinvestment, and abandonment. Many neighbourhoods have vacant lots, deteriorated housing, and empty storefronts. Throughout the city, neighbourhoods have been targeted for redevelopment and rehabilitation, and one can see new housing developments, new playgrounds, new sidewalks as one drives through the city. The current round of federal targeted aid to cities, Renewal Communities, requires cities to designate for aid those contiguous census tracts whose poverty rate is at 20 per cent or higher. The majority of Newark's census tracts (63 per cent) qualify; several others have the requisite poverty rates, but do not border other poor tracts. The average poverty rate of the 60 tracts qualifying for federal aid is 38 per cent, nearly double the threshold.

Poverty in Newark is widespread, with high concentrations of poor people spreading throughout much of the city. Nearly 30 per cent of Newark residents are poor, as are one in three children. In addition to the income and poverty figures cited above, other indicators point to consequences of poverty for residents of Newark, and the larger metro area. A recent study by the U.S. Department of Housing and Urban Development estimates that 170,000 households in the Newark metro area have "worst-case" housing need, meaning they are renters earning less than 50 per cent of the area median income, pay more than half of their income for rent or live in severely inadequate housing, and do not receive any government housing assistance (U.S. Department of Housing and Urban Development 2000). Of these, 59 per cent are minorities, 77 per cent earn less than 30 per cent of the area median income, and the majority of those households who are neither disabled nor elderly are working. There is evidence that the most affordable housing – public housing

Many Newark residents suffer from health problems, in part related to poor environmental conditions, in part related to poverty and lack of access to health care.<sup>4</sup> For example, Newark had the highest number of children poisoned by lead paint in the state in 2001. Experts estimate that, because of the city's old housing stock, nine out of 10 housing units are likely to be contaminated, and as many as 50 per cent of children in the city may have elevated lead levels, although only 5 per cent have been tested (Peet 2002). Nearly all public school nurses identify asthma as a major health problem for Newark

children, and more than 76 kids are admitted to the hospital with asthma each month.

Further evidence of health risks include Newark's low rate of child immunisations, which at 66 per cent falls below that of the state, and the country (85 per cent and 81 per cent respectively). Newark's infant mortality rate of 13 per cent is also high compared with surrounding areas, and more than double the state rate; the percentage of low birth-weight babies, at 13 per cent, is nearly twice the US average. More than 45 per cent of mothers do not receive adequate prenatal care. Each month, more than 74 babies are born to teenage girls, placing Newark above the US rate for teenage births. Finally, Newark has highest AIDS caseload, at 8,021, of New Jersey cities, according to the state Department of Health and Senior Services, and the 9th worst rate of all US cities, at 37.7 per 100,000 people. The syphilis rate has been climbing in Newark, although incidence of the disease is declining nationally; the city had 9th highest rate in 2000.

Most Newark children do not have access to high-quality public education. Achievement levels in many schools fall well below standards in reading and math, a high portion of school buildings are old and deteriorated, classes are overcrowded, and schools lack enrichment curricula such as art and music (Newark in the 21st Century 2000). The school system in Newark was taken over by the state in 1995, under charges of wasteful and corrupt administration. A variety of reform initiatives are underway, in part enabled by increases in state aid stemming from the court case *Abbott v. Burke* described below. The current governor is beginning the process of returning the school system to local control, but a recent report of legal and education experts criticises the state for doing little to train or support local leaders.

Photo: Demolition in preparation for the New Newark downtown development



Source: [www.gonewark.com](http://www.gonewark.com)

## 1. REGIONAL DISPARITIES: Wealth Belt vs. Metropolitan Core

Recent census data showed New Jersey to be among the wealthiest states in the nation, with a median household income of about \$55,000. Although analysts note that the state’s high taxes and cost of living mean that one dollar does not buy as much here as in other states, the polarisation between rich and poor is striking. As one 46-year-old Newark resident said to a newspaper reporter, “They say we’re the richest state, but I don’t see it in Newark. If we are doing so well, why aren’t more people prospering?” (Herszenhorn 2001). Indeed, one’s perception of how the state is faring truly depends on where one lives.

New Jersey typifies the uneven and unequal development characteristic of many US places. Counties containing the state’s largest cities fare poorly in contrast to those farther outside the traditional metropolitan core. Analysts have called this ring of ex-urban counties a “wealth belt” surrounding the state’s older and larger cities. One way to see this pattern is to compare Newark to its own Essex county, then to Morris county, which is within the state’s “wealth belt,” yet less than an hour’s drive from the city. **Table 4** shows some indicators of this inequity. Newark and Essex County grew slightly during the 1990s, compared to Morris County, whose growth rate exceeds the state average. Morris County’s median household income is significantly higher than the state’s, and vastly higher than Newark’s. Indeed, Newark’s poverty rate is nearly 10 times that of Morris County. Divergent racial patterns of residence are evident as well; Newark and Essex County are “majority minority” places, whereas Morris County’s residents are predominantly white. Finally, the percentage of college graduates among the 25-years and older population varies from 9 per cent in Newark to 45 per cent in Morris County.

Below I sketch characteristics of three of the many poor neighbourhoods in the city, two in the Central Ward, and one in the North Ward. The neighbourhoods,

Photo: Building on Bleeker Street



Source: www.gonewark.com

Table 4: Regional Disparities 2000

	Newark	Essex County	Morris County	New Jersey
<b>Population</b>	<b>273,546</b>	<b>793,633</b>	<b>470,212</b>	<b>8,414,350</b>
<b>Population Change 1990-2000</b>	-0.6 %	2 %	11.6 %	8.6 %
<b>Income &amp; Poverty</b>				
<b>Median Household Income (US\$)</b>	26,913	44,944	77,340	55,146
<b>Poverty Rate</b>	28.4 %	15.6 %	3.9 %	8.5 %
<b>Children in poverty</b>	36.6 %	20.5 %	3.7 %	10.8 %
<b>Race &amp; Ethnicity</b>				
<b>White</b>	14.2 %	37.6 %	82.0 %	66.0 %
<b>African American</b>	51.9 %	41.2 %	2.8 %	13.6 %
<b>Asian</b>	0.4 %	3.7 %	6.3 %	5.7 %
<b>Hispanic</b>	29.5 %	15.4 %	7.8 %	13.3 %
<b>Education</b>				
<b>College graduates</b>	9 %	29.1 %	45.4 %	31.1 %

Source: U.S. Census Bureau

Table 5: Selected Neighbourhoods

	City	Springfield /Belmont*	West Side**	North Broadway
<b>Population</b>				
1990	275,221	10,272	3,738	3,859
2000	273,546	10,114	3,421	3,071
<b>Poverty Rate</b>				
1990	26.3 %	43.9 %	48.4 %	37.7 %
2000	28.4 %	51.6 %	35.6 %	27.7 %
<b>Race/Ethnicity</b>				
White 1990	16.8 %	0.4 %	1.2 %	8.3 %
White 2000	14.2 %	0.5 %	1.1 %	4.3 %
Black 1990	56.3 %	94.1 %	92.1 %	56.2 %
Black 2000	51.9 %	88.5 %	89.1 %	31.1 %
Hispanic 1990	25.1 %	4.9 %	8.7 %	40.8 %
Hispanic 2000	29.5 %	9.8 %	8.1 %	61.9 %
<b>Household Type – 2000</b>				
Households w/kids	38,884	1,660	565	487
Married couple families	47.1 %	12.6 %	18.3 %	44.6 %
Female householders	50.7 %	80.0 %	71.9 %	46.6 %
<b>Housing Tenure - 2000</b>				
Owner-occupied	23.8 %	5.9 %	23.1	35.2
Renter-occupied	76.2 %	94.1 %	76.9%	64.8%

Source: US Census Bureau.

\* Tracts 39, 60, 62, 66 (227 in 2000); \*\* Tracts 34, 37; Tract 96

consisting of several census tracts each, were designated for planning purposes by the city, and may not correspond to residents’ sense of neighbourhood boundaries. Still, these portraits offer a snapshot of conditions in small sections of the city. **Table 5** summarises key characteristics.



## 2. THE CENTRAL WARD: West Side Park and Springfield Belmont

The Central Ward includes the downtown business district and nearby neighbourhoods. The city's university complex is located here, as are several hospitals and a medical school. Arts and cultural institutions such as the New Jersey Performing Arts Center, the Newark Museum, and the Newark Public Library are all located in this ward. The Central Ward's residential neighbourhoods are among the poorest in the city, and are largely populated by African Americans. Riots in 1967 occurred in this ward, and vacant lots dating from that period are still evident. Four major public housing developments were built here by the mid-1960s; today all of them have been torn down, and major redevelopment is underway. In the last 15 years, new housing construction for low- and middle-income people, commercial development, and the expanding programs of non-profit groups, have begun to transform this part of the city, offering more resources and opportunities for poor families, though public housing demolition has also displaced poor households.

### 2.1. West Side<sup>5</sup>

The West Side neighbourhood is in the south-western part of the Central Ward. Most of its housing stock consists of wood-frame buildings for 2 to 4 families. Most occupied units are rented, and many of the housing units need renovation. More than 100 lots are either vacant or contain an abandoned building. The neighbourhood's two commercial strips, along Avon and Springfield Avenues, have many vacant storefronts. Most businesses are small stores or auto body shops. Two large manufacturing companies left the neighbourhood within the past five years. One of Newark's Olmsted-designed parks lies at the neighbourhood's centre. A public elementary school serves the neighbourhood.

Using the city's designation of census tracts 34 and 37 as the neighbourhood boundaries, we find that in 2000, about 3,400 people lived here, down from about 3,700 in 1990. Most residents are African American, and about 8 per cent are Hispanic. As the population declined during the 1990s, so did the poverty rate, although at 35 per cent, it is higher than the city average. Unemployment was 18.5 per cent in 2000. Many children live in the neighbourhood, and few elderly.

Descriptions of the neighbourhood by community advocates and scholars describe problems with regular drug sales activity and drag racing that results in frequent injury. The neighbourhood has been the site of much new housing construction, and contrasts between old and new are everywhere; for example, memorials to slain gang members may be across the street from the

construction site of a new single-family home (Newman and Ashton 2002). Working- and lower-middle-class families have moved into the neighbourhood in the past few years to occupy these new homes, and the homeownership rate has increased by about 2 points since 1990. These areas tend to have lower levels of graffiti and gang activity than the rest of the neighbourhood. Some advocates are concerned that while the overall neighbourhood environment may be improving with this construction, the poorest residents are not directly benefiting from the new housing.

Community development corporations, such as the Corinthian Housing Development Corp., have been active in partnering with private developers to build new housing for homeownership. Other local organisations include the International Youth Organization, a social services agency, and the Salvation Army. Also offering services are the United Community Corporation, and the Avon Avenue Churches Coalition. The Tri-City Peoples Corp. operates a health centre for women and children, and provides day care in collaboration with IYO. The neighbourhood is part of the state's Urban Coordinating Council, which means the state funds a neighbourhood co-ordinator to develop comprehensive plans, and the neighbourhood receives priority for state development and program funds.

Rutgers University's Center for Urban Policy Research has a longstanding partnership with community groups in the larger community of West Side Park (RCOPC). Students and faculty have worked on with local group on projects ranging from community mapping, asset inventories, youth leadership development training, small business development planning, homeownership counselling and more. Still, for those working in the community, the lack of attention to, and empowerment of, residents within the broader city is palpable.

### 2.2. Springfield/Belmont<sup>6</sup>

Springfield/Belmont is a larger area than West Side, and occupies the south-east corner of the Central Ward. Until recently, high-rise public housing dominated the local landscape, with Stella Wright, a 7-building complex of 1,179 units, and Scudder Homes, an 8-building complex with about 1,600 units, which had been the largest public housing complex in the state. Demolition of all 15 buildings was completed in 2002, though the first of the 15 buildings was demolished in 1987. Some see this neighbourhood as ideally positioned to be a part of Newark's "renaissance" because of its proximity to the CBD and to the city's universities. Recent development includes market-rate housing, and federally funded redevelopment plans include a mix of subsidised and market-rate housing for the area.

In 2000, Springfield/Belmont was home to about 10,000 people, about the same as in 1990. Just about 90 per cent of the residents are black, representing a

slight decrease during the decade, and the neighbourhood's Hispanic population grew during the 1990s to represent nearly 10 per cent of the population. Half of Springfield/Belmont's residents have incomes below the poverty level, a slight increase from 1990. Nearly 80 per cent of families are single-headed female households. Most of the housing units are rented, although the 6 per cent ownership rate is double that of 1990.

Springfield/Belmont has six elementary schools, a middle school, a community centre, a recreation centre, numerous parks, and a swimming pool. The commercial districts that run along Avon and Irvine Turner Boulevard offer a strip mall, small supermarkets, take-out restaurants, laundromats, drug stores, tyre repair and auto body shops. A paper and food products distributor is located here, but otherwise there are no large employers. Four churches are in the neighbourhood. No health care facility exists, although there are several senior centres and several day care centres. Across Springfield Avenue is Society Hill, a townhome development for middle-income families, and an historic mansion that the city hopes will be renovated as a cultural centre is on another of the neighbourhood's major roads. One of the city's few movie theatres is located at the neighbourhood's western boundary.

The New Community Corporation is the largest community-based group with a presence in the neighbourhood. It runs the Douglass-Harrison complex, 754 units of rental housing, and has recently opened Community Hills, a gated development with more than 200 owner-occupied townhomes and a child care and early learning centre, located on the site of a demolished public housing complex. The development offers homeownership opportunities to low- and moderate-income people. The Felix Fuld Neighbourhood House, a community centre associated with the housing authority also serves the neighbourhood.

### 2.3. The North Ward: North Broadway<sup>7</sup>

The North Ward consists of six neighbourhoods, including some of the stable parts of the city. For example, Forest Hill sits on the edge of Branch Brook Park, one of the Olmsted gems that boasts hundreds of cherry blossoms in the spring. Its historic, well-kept homes include a mix of architectural styles. At the turn of the last century, the North Ward was a centre for Italian Americans, but over the past several decades, the Hispanic population has grown to its current 63 per cent rate. What follows describes only a small slice of this community, the North Broadway neighbourhood, as delineated by the city to be Census Tract 96.

North Broadway lies in the north-east corner of Newark, and of the North Ward. Broadway is the main thoroughfare running along the western boundary of the neighbourhood, and the Passaic River lies on the eastern edge. A mixture of commercial, retail, and 1-4 family houses make up the neighbourhood. Like

Belmont/Springfield, North Broadway had a large public housing complex, one of the first built in the city, the 630-unit Walsh Homes. These low-rise buildings, along the Passaic River on the east side of the neighbourhood, were demolished, and the first families moved into newly built units in 1999. On one side of the site, the Housing Authority has built and operates the Riverside Villa complex of nearly 200 townhomes. Another 200 are slated for construction.

The neighbourhood has a fairly high concentration of industrial sites, both operating and vacant. A stone cutting plant and a sheet metal fabricating company exist, along with several others. A recent study of these businesses found that owners were not particularly happy with their locations. Small stores such as car washes, auto-body shops, restaurants, markets, and a bank run along Broadway. The neighbourhood has an elementary school, a middle school, and a high school, and several parochial schools. The Boys and Girls Club offers recreational activities.

About 3,000 people lived in North Broadway in 2000, a small decline from 1990. The population has shifted racially and ethnically. Whereas Hispanics constituted about 40 per cent of the population in 1990, they now make up nearly 62 per cent of the residents. At one time, most of Newark's Hispanics were Puerto Rican, but today the population is much more diverse, with more and more immigrants arriving from South American countries including Ecuador, Colombia, Chile, Brazil, and Argentina. About a third of North Broadway's residents are black, a decline from 56 per cent ten years ago. In contrast to the other neighbourhoods profiled here, North Broadway has nearly equal numbers of married-couple and female-headed families. At 35 per cent, a higher portion of the housing is owner-occupied compared to the other two neighbourhoods, and to the city as a whole. Finally, the poverty rate in North Broadway declined during the decade from 38 per cent to 28 per cent, equal to the city rate.

La Casa de Don Pedro is a major community organisation and provider of social services in the neighbourhood, employing more than 100 people. Founded in 1971, it was one of the state's first Hispanic organisations. It started as a day-care and youth-oriented organisation, but has expanded to include five sites in the North Ward, and to provide pre-school, housing development and energy assistance, counselling and other social services, along with citizenship education. It has developed more than 100 units of low- and moderate-income housing in the area. Much of the housing is composed of two-family structures with a unit for the owner and a unit for the owner to rent. St. James Community Development Corporation also works in the area. The Newark Community Health Center also is located in North Broadway. The North Ward Center and Youth Consultation Services also serve the area.

**Table 6: Features of Selected Anti-Poverty Initiatives**

<p><b>Federal Public Housing Reform</b></p>	<p><b>HOPE VI program:</b></p> <ul style="list-style-type: none"> <li>■ Demolition of high-rise apartment complexes</li> <li>■ Construction of townhouses at lower densities</li> <li>■ Shift from low-income tenants to mixed income communities</li> </ul>
<p><b>Federal Urban Programs</b></p>	<p><b>Community Development Block Grants:</b></p> <ul style="list-style-type: none"> <li>■ Formula-based assistance for cities to help low- and moderate-income residents</li> <li>■ Consolidates several housing and development programs</li> </ul> <p><b>Empowerment Zones/Enterprise Communities/ Renewal Communities:</b></p> <ul style="list-style-type: none"> <li>■ Competitive program for distressed cities</li> <li>■ Provides array of grants and tax incentives to create jobs and business opportunities</li> <li>■ Requires public-private partnerships and inclusive planning processes</li> </ul>
<p><b>New Jersey Urban Programs</b></p>	<p><b>House and Mortgage Finance Agency</b></p> <ul style="list-style-type: none"> <li>■ Funds low-cost loans for affordable housing construction and purchase</li> </ul> <p><b>Urban Coordinating Council</b></p> <ul style="list-style-type: none"> <li>■ Interagency council to facilitate neighbourhood planning</li> <li>■ Invites applications for designation as UCC site</li> <li>■ Sites receive technical assistance and priority for state funding</li> </ul> <p><b>Urban Enterprise Zones</b></p> <ul style="list-style-type: none"> <li>■ 27 zones in which businesses qualify for tax credits and abatements</li> <li>■ Local governments may use low-interest loans and other financial tools to attract investment in zones</li> </ul>
<p><b>New Jersey Courts: Regional Disparities</b></p>	<p><b>Mount Laurel</b></p> <ul style="list-style-type: none"> <li>■ Supreme court rulings oblige all towns to have their "fair share" of affordable housing</li> <li>■ State agency sets targets for towns, but state does not sanction non-compliance</li> <li>■ State law enables towns to meet half of their obligation by paying other towns to build housing</li> </ul> <p><b>Abbott v. Burke</b></p> <ul style="list-style-type: none"> <li>■ Supreme court rules that students across state have constitutional right to equal funding and education quality</li> <li>■ State equalises needy and wealthy school districts through direct aid</li> <li>■ Reform of "Abbott district" schools is underway with goals of boosting achievement</li> </ul>

**C. Anti-Poverty Policies**

A range of anti-poverty policies, across government levels, are in place. Directly, or indirectly, these have affected the quality of life in Newark's poor neighbourhoods. **Table 6** summarises these initiatives.

**1. TRANSFORMATION OF PUBLIC HOUSING**

For more than 20 years, the Newark Housing Authority (NHA) has been transforming its housing stock. These changes mirror shifts in federal housing policy dating from the early 1990s, rooted in concern about concentrated poverty and belief in market mechanisms. The number of Newark's public housing units has declined, while the number of rental vouchers managed by the housing authority has increased. For example, in 1989, NHA operated 12,000 housing units and 1,100 vouchers, but today it operates 7,300 units and 4,000 vouchers (Newark Housing Authority 2002). In addition, NHA has demolished all of its high-rise units except senior housing, and has built townhome units with lower densities in their place. They also have renovated some low-rise complexes. Since 2000, NHA has demolished about 7,500 public housing units, and has built about 1,250

townhomes. When current construction plans are completed, the NHA will operate about 8,000 units and projects it will have about 5,300 vouchers (Newark Housing Authority 2002). This is significant in a city where estimates are that one-third of the residents live in subsidised housing.

NHA's demolition plans provoked opposition from tenant advocates in the 1980s, thus redevelopment has been a product of the struggle between NHA and its opponents. In the 1980s, NHA began to implement a plan to demolish 5,000 of its 13,000 housing units, or 39 of its 46 high-rise buildings (Nieves 1992). The Authority ceased investment in these properties, and allowed many units and buildings to stand vacant. Four buildings were demolished, but problems with the developer and management problems within NHA meant that construction of new housing did not begin. The Newark Coalition for Low Income Housing filed suit against the Authority in 1987 to halt further demolition until replacement housing was ready. In a 1989 consent decree, the NHA agreed to build 1,777 new housing units to replace 1,559 units lost to demolition. The settlement also required NHA to repair and rent more than 1,500 vacant units, and to rehabilitate units for transitional housing for the homeless. These rehabbed units have now been lost to demolition. In 1996, the federal government repealed a requirement that obliged housing authorities to replace

every demolished unit; since then, tenant advocates have been unable to halt demolition or to press for replacement units. More than ten years since the settlement, demolition of high-rise buildings has continued, and new townhome developments have opened, but NHA has not yet met the 1,777-unit requirement.

The neighbourhoods profiled here have been affected differently. In North Broadway, NHA demolished the low-rise Walsh Homes, replacing them with townhomes, all designated for low-income tenants. NHA used \$50 million from the federal HOPE VI program to undertake this project at a time when the HOPE VI program was available only to the country's most distressed housing projects and the most troubled housing authorities. It encouraged combining social service and self-sufficiency programs with housing, thus Walsh Homes redevelopment included a case management program operated in conjunction with Rutgers University. Half of the approximately 400 new units have been completed. In 1999, still under court supervision, the Housing Authority won \$35 million in a federal HOPE VI grant to demolish the 1,179-unit Stella Wright project in the Central Ward's Springfield/Belmont neighbourhood, and to develop a comprehensive plan for revitalising the neighbourhood. By this point, the focus of the federal program had shifted to emphasising the creation of lower density mixed-income communities, and to encourage grant recipients to leverage the federal funds they received, and to work with local partners. Thus redevelopment of Stella Wright includes an array of partners, reduces the overall number of units, including the number of low-income units, on the site, and includes plans for market-rate housing. With participation from the city, the state, non-profit groups, and the private sector, the Housing Authority plans to build 755 new units: 304 for low-income renters, 284 for affordable homeownership, and 167 market-rate units. Plans also include renovation of a neighbourhood recreation centre, and construction of a new high school, a police precinct and parks. The public partners will have to leverage about \$180 million to carry out the comprehensive project.

Photo: Renovations on Halsey St.



Source: [www.gonewark.com](http://www.gonewark.com)

Large-scale redevelopment displaces families. Relocation has been a significant source of conflict between legal advocates for the tenants and NHA. Legal advocates have contested the lack of relocation assistance provided, and relocation conflicts have caused NHA to slow its demolition process. Until the most recent demolition of Stella Wright in May 2002, the Housing Authority did not track displaced families, thus we do not know where they moved. But the court settlement obligates NHA to track the approximately 800 families who lost their homes in Stella Wright. These data are not yet available. The most recent HOPE VI federal grant requires the Housing Authority to offer tenants a choice of relocation options – another public housing unit or a housing voucher – but these options were not always available immediately on moving day, thus tenants often move several times before receiving the assignment they requested or before receiving a voucher (Baird 2001a, 2001b). Indeed, some of the tenants who left the Stella Wright buildings just before their demolition had been relocated from other demolished high rises. In some cases, tenants complained about the choices offered by NHA; they were reluctant to move to complexes that they believed had more gang and crime problems than their current homes (Baird 2001a, 2001b). NHA offered Stella Wright households the opportunity to apply for some of the newest of its townhomes. Yet only a portion of these households are likely to qualify because of more rigid eligibility requirements for the new units. Tenants' household size must not only fit the townhome units, but tenants must undergo a lease compliance check, a criminal background check, and a home maintenance check. They also must be able to pay utility costs, which had been covered by the Housing Authority in the high-rise units. Whether a mixed-income community will improve the neighbourhood environment and offer a better quality of life to residents is a question that will be answered in coming years because construction is only now beginning. Meanwhile, those households who receive vouchers to find housing in the private sector encounter difficulties locating a decent, affordable unit. Advocates claim that private apartments are often in worse condition than the public housing units that families left (Baird 2002). In addition, as noted above, there is a general scarcity of affordable housing in the metro area; nationally, one third of vouchers are returned unused (Baird 2002).

## 2. FEDERAL URBAN POLICIES

All three neighbourhoods are affected by two federal urban policies, the Community Development Block Grant (CDBG) program, and the Empowerment Zones/Enterprise Communities/ Renewal Communities initia-



tive. CDBG is a formula-based grant program for needy communities that dates from 1974; it is meant to enable local governments to use the money flexibly, to benefit low- and moderate-income residents. In 2001, Newark received \$23.5 million in CDBG funding. The money is used for a variety of purposes, including housing, economic development, and social services. Renewal Communities is the most recent addition to the federal government's targeted aid for needy communities that began with Empowerment Zones in 1994, designed to create jobs and business opportunities in distressed areas. The program is competitive, requiring cities to apply for aid and to engage in strategic planning to outline a vision for revitalisation, and a set of partners who will use federal aid to work toward that vision. Planning is supposed to involve members of the community, with creation of a co-ordinating board with representatives from government, the private sector, and community groups. In 1994, Newark applied for, but did not receive, designation as an Empowerment Zone. Instead, it was designated as an Enterprise Community (EC) which qualified the city to use a variety of tax incentives and bond financing, and included grant money, although at a lower level (\$3 million vs. \$100 million) than the Empowerment Zones. In January 2002, the city was named a "renewal community." This designation replaces the EC status, and enables Newark to tap into \$17 billion available in tax incentives for businesses that invest in parts of the city identified as the renewal community zone. In Newark, this zone Newark's Renewal Community zone houses nearly 60 per cent of the city's residents, and 73 per cent of them have low incomes. Neighbourhoods profiled here fall into this zone. Businesses operating in Newark's Renewal Community zone can receive tax credits for new or existing employees who live in the area, for hiring from groups with high unemployment rates or special needs, including youth, and for hiring welfare recipients. They also can receive tax deductions and capital gains exclusions for capital investments, redeveloping blighted property, cleaning up brownfield sites, or constructing affordable housing. NGOs engaging in community development were optimistic that the program would help them attract businesses to Newark's neighbourhoods (Carter and Stewart 2002).

### 3. STATE URBAN PROGRAMS

Poor neighbourhoods in Newark also receive assistance through state programs. In general, the state is thought of as relatively hostile to urban concerns, because of the high rate of suburbanisation. Suburban legislators dominate the state senate and assembly, and suburbanites represent the majority of voters in the state. Newark and its community organisations have used the following programs to attract investment and to develop housing. The New Jersey House and Mortgage

Finance Agency (HMFA) raises funds by selling bonds, then using these, in conjunction with state and federal housing programs to subsidise the construction and purchase of single and multifamily affordable housing. Community development corporations, private developers, and individual home buyers have used a range of loan programs in Newark neighbourhoods. The state also created the interagency Urban Coordinating Council in 1995. With representatives from each state department, this council aims to facilitate neighbourhood change by enabling local grassroots groups to engage in neighbourhood planning, and then to tap resources to carry out the plans. The 16 UCC neighbourhoods throughout the state receive priority consideration when applying for state grants, technical assistance from departments of state government, and a community director on site. The UCC council invites cities to apply for UCC designation. Finally, New Jersey's Urban Enterprise Zone program, dating from 1983, designates 27 zones throughout the state. This designation qualifies businesses located in the zones to receive a range of tax credits and tax abatements. Retailers also may offer reduced sales tax to their customers. Local governments have access to loan guarantees, low-interest loans, equity investments, and technical assistance from state departments.

### 4. COURT SOLUTION TO REGIONAL DISPARITIES IN HOUSING AND SCHOOLS

Finally, two state policies have addressed the problem of regional disparities. Both stem from court battles, one related to housing inequity and the other to school inequity. In theory, if housing affordability and school quality were more equally distributed across the region, Newark would not endure the level of need it endures today. In practice, both efforts have proven quite difficult, first to secure, and then to implement.

The court rulings related to housing are referred to as the "*Mount Laurel*" cases, named for the town involved in the first conflict over regional disparities in affordable housing. This set of state Supreme Court cases, dating from 1975 to 1986 found that the state constitution obliges all New Jersey municipalities to have a "fair share" of housing affordable to low-income people. The rulings give builders standing to sue towns if they are denied permission to build housing developments that include affordable units. The court rulings prompted the state to enact a Fair Housing Act in 1985, establishing a state agency (the Council on Affordable Housing, or COAH) to set affordable housing goals for every city and town, and to encourage them to comply. The issue of "fair share" housing remains controversial. Many towns have not complied, including towns in the Newark metro area; towns still file lawsuits challenging the

ruling, though to date these have not been successful. The state Supreme Court reaffirmed the ruling in its decision on three cases in summer 2002.

The state's Fair Housing Act enables towns to meet half of their affordable-housing obligation by paying for units to be built in another city. Critics observe that this undercuts the goal of racial and economic integration underpinning the court rulings. Newark has received housing development funds through this process, called Regional Contribution Agreements; legal advocates have challenged these as discriminatory, claiming they promote segregation, but receiving cities, usually fiscally strapped, tend to appreciate the funds. In subsequent rulings, courts have not found these to be discriminatory. Estimates are that *Mount Laurel* has produced about 26,000 units of affordable housing throughout the state. Studies have shown that these units tend not to be affordable for the poorest families, and that racial minorities typically have not moved out of central cities into suburban low-cost housing units (Wish and Eisdorfer 1997).

The second policy aimed at addressing regional disparities emerges from a series of court rulings known as *Abbott v. Burke*. Dating from 1985 to 1998, these rulings designate 30 urban districts as suffering from unconstitutional inequities in education, both in funding and educational quality. The court ordered the state to equalise funding and initiate educational reform in these districts, which include Newark. The state legislature enacted funding and school reform laws to comply with these rulings, and Newark schools have benefited from increased state funding to supplement what the city raises through taxation. School construction funds also will be provided, along with technical assistance and funds for school reform. Both of these programs have been slow in implementation. The *Abbott* rulings have brought success in minimising the funding gap between urban and suburban schools; indeed a recent report found New Jersey leads the nation in this regard (DeJesus 2002). Yet wide disparities in achievement levels between poor and rich schools persist in the state, with low-income districts scoring in the 20th percentile on average on state assessments, and the wealthiest districts scoring in the 90th percentile.

## 5. THE ROLE OF NGOS

Newark is rich with non-governmental organisations, though observers disagree about the extent of their effectiveness. Still, these agencies are active addressing a range of problems in ways that are intended to help the plight of Newark's poor. These include social service agencies, health agencies, housing and community development groups, anti-crime groups, youth organisations, and others. These groups range from small ad hoc coalitions to large institutionalised organisations. Strategies range from prayer vigils and

protests to neighbourhood planning and housing development.

The CDC sector is dominated by Newark's New Community Corporation, which is the largest community development corporation/non-profit housing developer in the country. Some have interpreted it as existing as a parallel institution to the city government, offering an array of "cradle to grave" services from day care to senior care, to housing, to job training. NCC has been recognised nationally, and internationally for specific programs, including the development of a strip mall in the Central Ward anchored by a Pathmark grocery store, the first major grocery store to enter the neighbourhood since the riots. An award from HUD praised NCC for "filling a gap in a part of the city where government was ineffective or even dysfunctional" (Gittel and Wilder 1999). Smaller CDCs also operate in the city, bringing the total to 17. These often partner with private developers for housing construction. The Newark Community Development Network formed in the mid-1990s to co-ordinate the efforts of these groups, and to replace turf wars and competition with co-operation (Roberts 1997).

Other striking initiatives by non-profit organisations or wider partnerships include an anti-lead initiative developed to fight lead poisoning in the city; this brings together the local medical school and hospitals, along with non-profit agencies, and citizen groups. A recently formed group called the Newark Alliance is sponsored by local business leaders, and aims to build coalitions of neighbourhood groups and to improve their technical capacity for planning and development. Advocates from Legal Services have worked on behalf of low-income tenants in the city, both vis à vis the public housing authority, and private landlords. Litigation filed by attorneys from Legal Services resulted in court supervision of the Housing Authority, as described above, and in a landmark ruling that effectively requires landlords to accept rental vouchers.

Newark is, by some measures, rich in community organisations, though others look at the overall context of Newark and judge them as having limited effectiveness. Certainly their activities, in small or large ways, improve the quality of life for thousands of Newarkers every day. Yet others report that the non-profit community has a difficult relationship with city government and tends to feel excluded from City Hall. For example, the recent revision of the city's master plan included community meetings, but many NGOs felt that the meetings were superficial – not designed or carried out to allow true participation or influence. "With the city, you get the feeling it's all for show," was how one activist described the planning process (Stewart 2001). A report analysing the degree to which cities allocate federal CDBG dollars to non-profit groups found Newark to be lagging behind other major cities. Only about 14 per cent of federal money went to these

organisations in 1997, compared to 75 per cent allocated to non-profits in Philadelphia, Cleveland, and others. One strategy groups develop at times is to apply directly for state or federal aid, avoiding contact with the city. Thus Corinthian Housing won a grant from the US Department of Health and Human Services to develop a health centre in West Side Park, after being turned down for several years by City Hall (Onley and Jordan 1997). Observers report that groups with strong connections to council members or the mayor receive funding, while others do not. Finally, in comparing Newark's NGOs to those in other cities, some see Newark groups as lacking the networks and co-ordination that might empower the sector as a whole and build its capacity (Newman & Ashton 2002).

## ENDNOTES

- 1 Description drawn from Abeles et al. 2001, Anyon 1997, Jackson 2000, Newark Facts & Figures 2002,
- 2 Description drawn from Abeles et al. 2001, CEDS 2001 NOT IN REFS, Newark Facts & Figures 2002.
- 3 Description drawn from Abeles et al. 2001, CEDS 2001, Jackson 2000, Newark Facts & Figures 2002.
- 4 Data are drawn from Community Development Studio 2001, Association for Children of New Jersey 2001.
- 5 This description draws on Department of Administration 1998 NOT IN REFS, Newman and Ashton 2002, US Census Bureau.
- 6 This description draws on CEDS 2001, Department of Administration 1998.
- 7 This description draws from CEDS 2001, Department of Administration 1998.

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## APPENDIX

### Example of Broad Based Partnership

New Community Corporation (NCC): Human Development Department

(Florence Williams, Director of Human Development Department)

NCC established in 1967, Human Development Department five years later.

### Process/events leading to partnership

The community-based NCC was formed after the 1967 riots to address the pressing needs of residents in the city's Central Ward, but also throughout the city. The group's first project was to develop housing. When the first NCC apartment buildings opened about five years after NCC's founding, a small group of social workers provided case management services to residents of NCC housing. These early social workers helped residents navigate government bureaucracy to secure benefits, helped them open bank accounts, and meet other daily needs by organising donations of furniture and food. These services and outreach activities gradually expanded to become today's Human Development Department. In the late 1980s, the department entered into contracts with county and state government to provide services to the elderly, and launched a comprehensive program for homeless families. In 1991, another round of program expansion began with initiatives for youth, and by the late 1990s, welfare-to-work was added. NCC's extensive Workforce Development Department merged with Human Services to create the Human Development Department in 2000.

### Partners

Partners of NCC's Human Development Department include a range of private, non-profit, and public entities. State, county, and city government, through contracts, provide funding for programs. Department staff sit on many state and county human services task forces. Director Florence Williams describes a reciprocal relationship of advocacy and influence. That is, partnerships give NCC the opportunity to influence policy and program development as NCC learns "what works", while government also influences NCC's program operation. Several corporate foundations partner with NCC, providing funding and guiding the direction of NCC's programs. For example, the Victoria Foundation and the Prudential Foundation contribute to youth education programs; foundation officers have expertise in the education field, and have input into how NCC uses its contributions. NCC partners with other community organisations to carry out government



contracts. For example, it worked with La Casa de Don Pedro to provide welfare-to-work services to recipients of General Assistance, and to non-custodial parents. Examples of private sector partners are Ford Motor Co. and Hillside Auto Mall, a local auto dealership, who have contributed money and expertise to the development of the automotive technician training program.

### Goals

NCC's mission is: "To help residents of inner cities improve the quality of their lives to reflect individual God-given dignity and personal achievement." NCC's web site states that the group seeks to provide "dignified affordable housing, safe, secure neighbourhoods, quality health and day care, creative education programs, mutual awareness of the value of a faith life, and neighbourhood economic opportunities." According to Williams, the Human Development Department offers a holistic continuum of services for every point in the life span, working to help people meet their social, family, and economic needs.

### Accomplishments

The Human Development Department includes six divisions. 1) Harmony House, the largest transitional housing facility in New Jersey, can house 102 homeless families, including 200 children. It opened in 1989. Comprehensive services include childcare, job training, relocation assistance, after school programs, and counselling, plus a range of workshops and seminars linking residents to community resources. Families are supported in their transition to self-sufficiency. 2) Gateway to Work is the largest welfare-to-work program in New Jersey, serving 2,000 people annually. It was created in 1997 to respond to federal welfare reform. Gateway offers job readiness training, employability skills, literacy training, job placement, and post-employment support services. A special "rapid transition to work" program is a partnership with Marriott International and Wakefern, parent of ShopRite. Clients receive short-term training for entry-level jobs, and commuter vans offer transportation to and from the workplace. 3) Workforce Development offers training courses, usually 30 weeks long, in a range of professions including automotive technician, building trades, certified nurse's aide, home health aide, personal computer office specialist, and CISCO Networking. 4) Social Services provide residents of NCC buildings with case management services, operates a Meals on Wheels program and a congregate nutrition program, and operates the Ryan White Comfort Program for the local HIV/AIDS population. 5) Literacy Education Achievement Program (LEAP) trains adults in reading, writing, numeracy, and other literacy skills. 6) Lucent Online Youth Village, funded by Lucent Technologies, is a website designed to enhance communication between young people throughout Newark. It

addresses the digital divide by enabling young people to become familiar with computers.

Limitations and challenges, and how to address them? Florence Williams, department director for 11 years, notes the following challenges to broad-based partnerships in the Human Development Department. 1) Creating the capacity to manage multiple partnerships. Implementing partnerships effectively goes beyond providing a service to include a central system of managing programs. 2) Communicating to funders the need for operational resources in addition to program funds. Williams reports that funders typically want the programs they fund to be well-managed, they want to see professional reports, they want groups to communicate with them via e-mail, etc., yet they may hesitate to fund administrative costs. She engages in an ongoing educational effort to show funders why infrastructure dollars must be included in grants. 3) Recognising shifts in needs and adapting services to meet them. Williams offers the example of HIV/AIDS. Today, people are living with HIV/AIDS, meaning they are living longer, continuing to work, etc. Consequently, services must change to meet evolving needs.

### Lessons learned

Williams offers two lessons. 1) Partnerships need to be strategic. Non-profit groups should know what their goals are, and what they bring to the partnership; partners must know the same about themselves. She urges non-profit organisations to understand that their partners need something too, and to be able to provide it. Be realistic about what you'll give and what you'll get when forming a partnership. 2) Partnerships emerge from the bottom-up; when forced from the top, they are likely to fail. In an era where collaboration is valued – and necessary to meet diverse needs – partnerships need to be grounded in relationships of mutual benefit and complementary skills, missions, and cultures. When a government or private funder requires particular groups to collaborate, and groups have not come together on their own, collaboration may not work.

For more information, see web site: [www.newcommunity.org](http://www.newcommunity.org)