

INTEGRATING COMPASSION AND PRAGMATISM IN A
SUCCESSFUL COMMUNITY DEVELOPMENT STRATEGY:

A Case Study of New Community Corp., Newark, N.J.

by

Carl Koechlin
B.A. Economics, University of Massachusetts, Amherst
(1982)

SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS OF THE
DEGREE OF

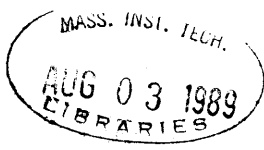
MASTER OF CITY PLANNING
at the
MASSACHUSETTS INSTITUTE OF TECHNOLOGY
May 1989
COPYRIGHT CARL KOECHLIN 1989

The author hereby grants to M.I.T. permission to reproduce and to
distribute copies of this thesis document in whole or in part.

Signature of Author _____
Department of Urban Studies and Planning
May 19, 1989

Certified by _____
Langley Keyes
Thesis Supervisor

Accepted by _____
Don Schon
Chair, M.C.P. Committee



Rotch

INTEGRATING COMPASSION AND COMPASSION IN A
SUCCESSFUL COMMUNITY DEVELOPMENT STRATEGY:
A Case Study of New Community Corp., Newark, N.J.

by
Carl Koechlin

Submitted to the Department of Urban Studies and Planning on May
19, 1988 in partial fulfillment of the requirements for the
degree of Masters in City Planning

ABSTRACT

New Community Corporation (NCC) has been a successful and prolific community development corporation (CDC) since its founding in 1968--a few months after the riot of July 1967. Since its founding, NCC has produced 2300 units of housing and provided daycare, social services, employment training and placement services and commercial development to low income Blacks in the Central Ward of Newark. These accomplishments have come in spite of a series of obstacles, including limited funds, that put many other CDCs out of business during the same period.

This thesis is an effort to account for and analyze NCC's enduring success. I have hypothesized that NCC's success is attributable to two factors: First, NCC has been aware of the economic and political environment in which it has operated and it has successfully adapted its strategies in response to or in anticipation of changes in that environment. Second, the organization's ideology and values--both of which are intimately connected to its particular religious orientation--have played an equally important and complementary role in NCC's longevity and success.

The body of the thesis explores the relationship between NCC's organizational religion and its impressive ability to understand and respond to changes in its environment. The thesis demonstrates that NCC has succeeded in building a "new community" for low income Blacks because it has integrated a religious orientation--emphasizing social justice and equity--with a kind of "strategic opportunism" which has allowed it to fund and carry out projects during hard times for low-income community development.

Thesis Supervisor: Dr. Langley Keyes
Title: Professor of Urban Studies and Planning

ACKNOWLEDGEMENTS

One Saturday about 14 years ago I went with my father to the offices of New Community Corporation (NCC) in Newark, N.J. where he and other supporters of the small nonprofit community development corporation were doing a mailing to raise funds for a new project. (I learned later that it was a daycare facility.) That day I helped stuff, stamp and lick envelopes. As I look back, I realize that this experience and the stories I heard from my father about the early achievements of NCC helped me appreciate the importance and potential for community-based development efforts in low-income communities.

I have learned since that the work of NCC not only impressed me as a teenager but has impressed other community development organizations, public officials and, most of all, the thousands of low-income Black residents of Newark who have lived in NCC-developed housing or had access to its services. I decided that I and others interested in low-income community-based development had a lot to learn from NCC's success and longevity. This thesis is the result of my learning process over the last five months.

I am grateful to several people for helping me turn my learning process into a thesis. My classmates and friends Fay Twersky and Helen Cohen constructively critiqued my ideas and my writing which enabled me to turn good, but slightly disjointed ideas into a coherent argument. Matthew Goodman and Beth Jacklin were good friends during the process and also provided me with an important perspective from outside the professional and academic "community development" field, which I think makes this piece relevant and useful to a wide range of people interested in progressive social change and in building power in low-income communities.

My thesis supervisor, Prof. Langley Keyes, was always accessible, thoughtful and friendly. He was both supportive and challenging throughout my research and writing process. Almost everything Prof. Don Schon, my reader, said to me about my thesis was encouraging and thought-provoking. His unique insight about organizational learning helped give me a "way into" NCC.

I want to first dedicate this thesis to my parents, Patricia and Bernard Koechlin, who, through their quiet and committed example and not through self-righteous lecturing, taught me that the struggle for social justice is one worth waging. I also want to dedicate this thesis to the wonderful people at New Community Corporation whose unique blend of compassion, commitment and competence will always serve as an inspiration to me and I suspect others interested in creating successful, community-based development strategies.

TABLE OF CONTENTS

INTRODUCTION	1
CHAPTER ONE Newark's Recent History: Setting the Context	9
CHAPTER TWO Creating a New Community: An Alternative to Newark's "Tale of Two Cities"	21
CHAPTER THREE The Role of Religion at NCC	39
CHAPTER FOUR NCC's Learning System	54
CHAPTER FIVE "Strategic Opportunism"	77
CHAPTER SIX Building Strategic Alliances	92
CONCLUSION	107
BIBLIOGRAPHY	116

INTRODUCTION

On July 14, 1967 John Smith, a Newark cab driver was stopped by two police officers when he passed their double-parked cruiser on 15th Avenue. He was arrested, but before being booked for tailgating and driving the wrong way on a one-way street, the officers beat him brutally in public view. Black cab drivers quickly spread the word of the incident across the city over cab radios. The next day Newark, New Jersey was in the midst of one of the most violent and destructive riots of the period. The riot, like similar uprisings in other U.S. cities, may have been triggered by police brutality but it had its roots in the poverty and insufferable living conditions of Newark's Black residents. Life Magazine called the week long uprising "the predictable insurrection".¹ Newark's business officials released a study seven months before the riot calling Newark's problems "more grave and pressing than those of perhaps any city in the nation."² If the riot was predictable, very little was done to prevent it.

Twenty-one years later Monsignor William Linder, a founder of New Community Corporation (NCC), broke ground for a transitional housing development on the site of a building that had been abandoned and destroyed in the wake of the 1967 riots. Like the shelter, NCC, a non-profit community development corporation, itself grew up from the rubble of the 1967 uprising. In the months

¹ Hayden, Tom, Rebellion in Newark, Vintage Books, N.Y., 1967, p.5

² Ibid, p.5

following the riot a number of community activists, many of them associated with Queen of Angels Catholic Church in Newark's Central Ward, came together and agreed that justice and equity would come to Newark only through the creation of an organization that could channel the anger of Newark's residents into community development, housing and improved services.

These activists approached the Catholic archdiocese for support and money. They were shunned by the archdiocese when the activists insisted that they and not the archdiocese would provide the leadership for the emerging organization. NCC's founders may not have gotten the blessing that they had hoped for from the archdiocese but, according to Msgr. Linder, the response they got was, in hindsight, a "blessing in disguise."

As a result of the archdiocese's inaction, NCC eventually grew to become an autonomous and self-sufficient vehicle for community development. It was answerable to its board and constituents, many of whom were members of its affiliated parishes and almost all of whom were low-income Blacks. In the years since its founding, NCC and the affiliated Babyland, which provides daycare services, has developed 2300 units of housing, created 620 jobs, opened 4 day care centers including one for children with AIDS, created the largest battered women's shelter in New Jersey and provided extensive services for Newark's elderly.

NCC's achievements are particularly impressive because they have taken place over a period of great economic and political change both in Newark and nationally. NCC has produced housing,

jobs and services throughout a period characterized at times by disinvestment and at times by gentrification; at times when government was sympathetic and at times when government was hostile or negligent; and at times when people from surrounding communities cared about Newark and at times when they forgot it existed. It is an accomplishment to simply survive such a period of flux and many community development organizations with their roots in the civil rights movement, including many in Newark, did not. NCC has defied the normal experience of community development and community organizing agencies by actually thriving throughout this period.

At first glance NCC seems to be immune to the fluctuations in its political and economic surroundings. How else could it survive cuts in federal and state housing and social service funding, indifference of much of the business community to the plight of their constituents and rising land prices resulting from real estate speculation? In fact, NCC is no more or less immune to these trends than other organizations. I approached my examination of NCC with the hypothesis that NCC has succeeded because it has been aware of the economic and political environment in which it has operated and successfully adapted its strategies in response to or in anticipation of change in that environment.

Not surprisingly, my study of NCC over the past months has provided me with a somewhat more complicated and I think richer view of the elements that have gone into NCC's success (I will elaborate on my criteria for success in chapter 2). My study of NCC has reinforced my belief that its ability to understand and

adapt to its surroundings is central to its success. Through my research, though, I came to see that the organization's ideology and values--both of which are intimately connected to its particular religious orientation--have played an equally important and complementary role in NCC's longevity and success. While NCC's sensitivity and adaptability to its environment have allowed it to survive and grow, religion has kept NCC connected to its founding principles of bringing an improved quality of life and dignity to its low-income Black constituency and prevented the organization from blindly chasing resources and opportunities.

NCC's success and longevity, according to my observations, have been the result of its religious orientation, on the one hand, and its ability to understand and adapt to the political and economic world in which it operates, on the other. The particular nature of NCC's religion actually reinforces its ability to learn. NCC's collective religion is unique in that while it keeps the organization stubbornly focused on its goals, it tolerates and even encourages strategies that might seem distasteful to other organizations who share these goals. NCC is goal oriented, and as a result, is willing to pursue strategies which, on their face, are far from radical. For instance, NCC has entered into joint ventures with Fortune 500 companies to build housing and create jobs, even as it sees the economic system as the root of the social inequity that they aim to remedy.

Chapter 3 is devoted to exploring the nature of NCC's theology. I will then specify the ways in which it is central to NCC's

success. The context for this discussion and the rest of the thesis will be provided in Chapters 1 and 2. Chapter 1 is a description of the recent history of inner city Newark. This chapter highlights the community development issues that NCC faces. In Chapter 2 I discuss the history of NCC and provide a rationale for why the organization developed as it did. In this chapter I support my claim that NCC is a successful organization. I do so by holding NCC's accomplishments up to a criteria for measuring the success of a non-profit community development organization.

An important part of my explanation of NCC's success is tied to the assertion that, as an institution, it has understood important aspects of the political and economic environment in which it operates and has understood the needs of the community it chooses to work with. The world it understands is not static. The economy of Newark at NCC's founding was suffering from disinvestment and 15 years later many low-income neighborhoods in Newark were suffering from rising property values and displacement. The national political agenda became less focused on cities and community development efforts in Newark, and elsewhere, suffered. The needs of NCC's constituency have likewise changed. NCC has faced these and other changes to the world in which it operates and has continued to produce housing, jobs and services. I believe that NCC's success owes itself in part to its ability to perceive these shifts in the environment in which it operates.

Chapter 4 will explore NCC's "learning system"--or the process by which the organization understands the world around it and the

needs of its constituents. NCC has quite literally built a "new community" which is largely self-sufficient. It has done so, as I will show, without the use of a master plan but, rather, by responding to the needs of its constituents that became clear as the organization sought to meet the needs of existing tenants. As its activities have expanded, NCC has steadfastly resisted contracting out any aspects of its operation. Its self-reliance--which grows directly out of its religious orientation--has enabled the organization to keep in touch with its constituents needs. In this chapter I will, finally, explore how growth, which has resulted from expanding organizational activities and its adherence to an in-house structure, has or could potentially effect the organization's enthusiasm and ability to learn.

While NCC's projects have focused on the needs of its constituency, it has also been sensitive to the constraints placed on it by its environment. The most significant such constraints have taken place in the area of funding and housing subsidies. At times when other community development groups threw up their hands, NCC aggressively and cleverly sought out alternative strategies to continue their development and service activities.

Chapter 5 will elaborate on the specific ways that NCC has "opportunistically" adapted to a shifting funding environment. I will analyze particular projects that exemplify NCC's "knack" for being in the right place at the right time. These examples will, again, show that NCC's religion reinforces its ability to invent and carry out development strategies. I will also contrast NCC's

experience with a few other community development organizations that did not have that same knack.

Chapter 6 looks at NCC's relationship to the external world. NCC has tried to educate the outside world about itself and in the process it has been able to establish productive relationships with large for-profit corporations and public officials. It has also deliberately avoided working in coalition with small community groups. I demonstrate how its relations with various parts of the outside world grow out of its mission and religion, and how these relationships simultaneously present important contradictions.

Finally, I conclude by summarizing my findings. I try to both provide useful ideas about how NCC might address dilemmas that it faces or might soon face. I also generalize some of my observations about NCC for the benefit of other community development organizations that might well learn from NCC's experience and success. Among other things, NCC's experience demonstrates, I believe, that success in the area of community development for the poor is linked to the way an organization has over time come to define and understand its environment, how it has adapted its strategies in response to it and how the environment itself has changed as a result of its work.

METHODOLOGY

The information that I have gathered about NCC has come from approximately 25 interviews that I have conducted from January to April of 1989, as well as from studying issues of NCC newsletters

dating back to 1980. The majority of the people I interviewed are NCC staff members, board members or tenants. Their impressive insights into what they do, and how and why they do it are the starting point for my analysis. The dozen people that I interviewed from outside the organization--both supporters and critics--offered a useful perspective that those immersed in the organization could not present.

The writings of various organizational theorists have provided me with a framework for understanding how NCC operates and learns as an organization. Analyses and case studies of other CDCs helped me to define the particular role that NCC plays and the conflicts it faces, internally and with its external environment.

I have posed an argument to explain NCC's longevity and success which is based on the information that I acquired and the framework I make use of. Other analysts might come to different conclusions if they were to study NCC. This thesis, though, is not an effort to definitively prove a hypothesis. In fact, I have not posed alternative hypotheses--nor could I possibly pose all alternative hypotheses. This thesis does, however, provide an explanation and analysis of NCC's success which is both grounded in examples and applicable to other community-based development organizations.

CHAPTER 1
NEWARK'S RECENT HISTORY: SETTING THE CONTEXT

THE SUMMER DISORDERS

It was over two decades ago that the riot struck the streets of inner-city Newark. Although it lasted only 4 days, the riot has left an impression on the political economy of Newark like perhaps no other single event in the history of the city. Political relations among all sectors of Newark, the institutional make-up of the city and the state of the economy have all been deeply influenced by the 1967 riot.

In hindsight, Newark was ripe for an insurrection in 1967. Blacks had come to Newark in large numbers in the post World War II period from the South in search of low and semi-skilled jobs in Newark's large manufacturing sector. The city's Black population swelled from 11 percent in 1940 to 30 percent in 1960. By 1970 Newark had joined Washington, D.C. as the only major city with a majority Black population.³ During the same period much of Newark's manufacturing base began to erode. Breweries and other industries left Newark, leaving its low-skilled residents with shrinking opportunities. Newark was considered to be a dying city and by 1967 it topped the nation's cities in virtually all negative social indicators: the nation's highest percentage of substandard housing, the highest rate of crime, venereal disease, incidence of hepatitis, infant and maternal mortality and drug addiction.⁴

To make matters worse, Newark's majority Black population had

³ Porambo, Ron, No Cause for Indictment: An Autopsy of Newark, Holt, Rinehart & Winston, N.Y., 1971, p.6

⁴ Ibid, pps.5-8

virtually no political representatives in city government. In spite of Black population growth, white ethnic groups, particularly Italians, clung to political power. The ethnic makeup of public sector employees reflected the relative political power of each group. Blacks who did hold relatively powerful positions owed their fortune to white ethnic politicians and had no intention of rocking the boat.

Blacks, faced with deplorable living conditions and lack of access to city government, were, in many cases, responsive to the confrontational message of Black separatists like Amiri Baraka (formerly LeRoi Jones). Baraka, a Newark native and playwright, lived and had his political base in Newark public housing. His group organized rent strikes and other tenant actions against the notoriously inept and corrupt Newark Housing Authority (NHA). In addition, community organizing efforts in the tradition of Saul Alinsky sprung up during the 1960s. These groups were frequently staffed by veterans of student anti-war and civil rights organizing. Tom Hayden, a leader in Student for a Democratic Society, worked for one such organization and wrote an account of the riot called Rebellion in Newark.

Newark's Black residents were already at the end of their ropes when the state proposed to locate a new Medical School in the Central Ward of the city. The state plan called for a sprawling campus for the New Jersey College of Medicine and Dentistry, covering a large portion of the Central Ward acres and calling for the destruction of a great deal of housing. Much of the housing on

the site was substandard, but residents had few other options in Newark's tight housing market. The state gave neighborhood residents no input into the medical school plan, leaving the community outraged and desperate.

Chronic inequity suffered by Blacks combined with their lack of access to traditional political channels and the threatened destruction of much of the Central Ward put Newark in a highly combustible state. The beating of cab driver John Smith on July 14, 1967 at the hands of the police was the match that caused the city to spontaneously combust.

During the two days that followed the beating of Smith, the focus of the rioters' destruction was almost entirely limited to property and was particularly aimed at white store owners in Black neighborhoods. Newark police and the state-controlled National Guard, who were called out to respond to the looting, quickly turned the uprising into a blood bath. Eric Mann, a ghetto organizer with the Newark Community Union said that:

Essentially there were two riots in Newark. One started by black people and one started by the State Police. The first riot was over in two days. It took very few lives but a hell of a lot of property. The second riot was pure retribution on the part of the National Guard and State Police.⁵

New Jersey Governor Richard Hughes appointed a commission to study the riot. The so-called Lilley Commission, named for its chair Robert Lilley, an executive with New Jersey Bell, concluded in its report of 1968 that the law enforcement response was "all out of

⁵ Ibid, p.22

proportion to the mission assigned to them".⁶ The commission concluded that the majority of the 26 victims, including the 2 law enforcement officials, were killed by the police and National Guard. Many of those killed by police and guardsmen were bystanders, including Rebecca Brown who was shot and killed through her apartment window. Witnesses also testified that the police themselves engaged in looting of Black-owned businesses.⁷ By the time the riot wound down and ended on July 17 the state and city had done little to instill faith in the government among Newark's Black.

THE AFTERMATH OF THE RIOT

Newark's four-day uprising opened the eyes of Newark and New Jersey's establishment to the reality of which Black Newark residents were already painfully aware: living conditions in inner-city Newark were deplorable and the lives of its residents were full of despair. "It is as though an alarm had sounded," said Gov. Hughes, "awakening us from a long neglect to a present duty."⁸ The Lilley Commission was charged with identifying the specific causes of the riot and proposing solutions. The report mentioned a variety of problems cited in surveys by Black residents as causes of the

⁶ Governor's Select Commission on Civil Disorder, State of N.J., Report for Action (Also referred to as "The Lilley Report"), 1968, p.143

⁷ Ibid, p.144

⁸ Hughes, Richard J., A Moral Commitment for New Jersey, Address by N.J. Governor to legislature, 1968

riot. Over 50 percent of those asked mentioned unemployment, broken promises by city officials and police brutality as major social problems.

The report, however, concluded that housing was "the major source of frustration" ⁹ for Newark's inner city residents. One study of Newark's housing situation (Housing Costs and Housing Restraints in Newark, p.26, estimated that 44 percent of Newark's overall housing stock and 66 percent of those units in the inner city were substandard.¹⁰ Two percent had no hot water, 5 percent had no flush toilets and 21 percent had no central heat. These conditions were also concentrated in the inner city ghettos where the riot had raged. Newark's residents were arguably the worst housed urban population in the nation. The housing stock in Newark was quite old--80 percent were built before 1929--and in such a state of disrepair that the Lilley Report advised that efforts to rehabilitate inner city housing would be, in most cases, uneconomical.¹¹

The Newark Housing Authority (NHA) owned and managed 13,000 units of low-income housing representing the highest concentration of public housing of any city in the nation. Many of NHA's tenants were jammed into unsightly highrise buildings, which were difficult

⁹ Report for Action, p.17

¹⁰ Buchell, Robert, Hughes, James & Sternlieb, George, Housing Costs and Housing Restraints, Newark, N.J., Ctr. for Soc. Sci. Research, Rutgers, New Brunswick, N.J., 1970, p.26

¹¹ Report for Action, p.58

to maintain, unsafe and inhumane, particularly for families with children. To make matters worse, Louis Danzig, the administrator of the NHA, seemed to have little idea about the severity of Newark's housing situation:

Housing conditions in Newark are now better than they have been in our time. The greatest improvement has been made in recent years by means of urban renewal and the public housing program.¹²

The Lilley Report concluded that the city's core, made up of the predominantly black central ward, needed to be revived. It provided no specific proposals, however, for how this could come about, and Blacks had little hope that existing institutions would provide any solutions.

NEWARK IN THE 1970s

The riot left its mark on the city in two conspicuous ways. In 1970, Newark's growing Black population showed, as it had during the riot, its dissatisfaction with the city's white political establishment. This time Blacks did it at the ballot box, as they voted Mayor Addonizio out of office in favor of a Black leader named Kenneth Gibson. Gibson, who served on NCC's original board, began his first of what would be four consecutive terms as mayor.

In addition, the federal government responded to urban disorders which struck U.S. cities in the 1960s by pumping money into urban programs, particularly for housing the poor. The Star

¹² Ibid, p.55

Ledger, Newark's daily newspaper, reported in December of 1974 that, "Nourished by millions of dollars in federal aid, Newark has begun its most ambitious housing construction and improvement program in more than a decade".¹³ Between 1970-1975 seven large developments, consisting of 1700 units, were built in Newark by non-profit organizations (including NCC's New Community Homes). Three of the seven buildings were 25-plus story towers. (As we will see in Chapter 4 NCC was careful to avoid this mistake.) The developers of these buildings failed to heed the lesson of the NHA, which had learned slowly that promoting security, maintenance and humane living conditions was almost impossible in its high rise monstrosities.¹⁴

In spite of the infusion of federal money and the proliferation--albeit short lived--of non-profit developers, the overall housing picture was no less bleak in 1974 than it had been in the immediate aftermath of the riot. "During the past several years," reported the Star Ledger, "demolition has out-paced construction." While 5971 housing units were built between 1966 and 1974, the city tore down 14,895, for a net loss of 8924 units.¹⁵

Private for-profit developers totally abandoned Newark in the post-riot period. James Sweeny, the deputy regional director of

¹³ McMahon, Joshua & Terrell, Stanley, "Newark Housing Construction Picking Up", Star Ledger, 12/22/74, p.1

¹⁴ McMahon, Joshua & Terrell, Stanley, "7 Developments Ease Shortage", Star Ledger, 12/30/74, p.8

¹⁵ "Newark Housing Construction Picking Up", p.38

HUD calculated that for a private developer to make a profit s/he would need a \$476 rent for a one bedroom unit in 1975, while the prevailing rent in Newark was only \$325. Astonishingly, only 12 privately developed and financed homes were built in Newark in the 19 years after the riot.¹⁶ With the NHA in disarray and the private sector out of the picture, meeting Newark's housing needs fell squarely on the non-profit sector.

This situation persisted through the 1970s. In the last 5 years, however, Newark has changed in response to the expanding economy of nearby New York city. New York has become one of a handful of "World Cities" in an increasingly internationalized economy. It has grown as demands for coordination of increasingly complex and spatially segregated production arrangements have increased. Financial and business services as well as corporate headquarters have been drawn to New York.

As New York's real estate values skyrocketed, corporations began to look to Newark for primary or back office space. As a result Newark's skyline has changed considerably in recent years and promises to change in the years to come, as well.

RENAISSANCE NEWARK

It may come as a surprise to Newark's large poor population, but the city is in the midst of a much-heralded "renaissance". Mayor Sharpe James, a Black former city councillor who defeated

¹⁶ "Been Down So Long it Looks Like Up in Newark", Business Week, 10/3/88, p.70

Ken Gibson in the 1986 mayoral election, is leading the public relations charge for Newark's uneven resurgence. James and other city officials were at the front of the line in 1987 to reserve their condos in the new Renaissance Towers located in the renovated Newark News building. In 36 hours the 131 units in the building were all sold for prices ranging from \$108,000-245,000.¹⁷ Renaissance Towers is representative of the emergence of two distinct Newarks: one which is small but affluent, the other which is large poor and often ill-housed.

\$2 billion dollars privately-invested in Newark since 1980 has led to a perceptible growth of Newark's downtown area. Four Gateway Center, a \$40 million, 15 story office tower and the Newark Legal and Communications Center, a \$70 million, 20 story building will add 800,000 square feet of office space to downtown Newark. Newark's private developers are capitalizing on the economic and real estate boom based in New York city. With office rents averaging 1/2 of those in nearby Manhattan, Newark has become an attractive alternative for the expanding financial institutions and the business services sector.¹⁸ At 19.17 percent, Newark has the lowest office vacancy rate in the state.¹⁹

Downtown investment has had a spinoff into the middle income

¹⁷ Stewart, Angela, "Renaissance Tower Debuts", Star Ledger, 12/18/87, p.49

¹⁸ City of Newark, NEWARK: Kaleidoscope of Great Change and Growth, 1988

¹⁹ Harding, John, "Newark leads state 'renaissance' with lowest office vacancy rate", Star Ledger, 10/2/87, p.32

and luxury housing markets. Development has been targeted at young, childless professionals many of whom want to live close to work and who have found that they can get more housing for their money in Newark than in nearby suburbs. Private developers have re-emerged as major players in the development of housing in Newark. K. Hovnanian, Inc., the nation's fourth largest home development firm, is in the midst of developing a 1035 unit condominium project in the University Heights section near downtown. Condos in the development start at \$72,000 and go as high as \$200,000.²⁰ \$300,000 Condominiums on Market Street, along with the condos in Renaissance Towers, have met what Mayor James considers to be the city's obligation to house the "caviar eaters."²¹

Newark's business community made a big splash with their formation of the Newark Collaboration Group. In November of 1986 the affiliated Newark Housing Partnership announced that they would furnish \$35 million to build and rehabilitate 600 units of housing, of which only 20% would be set aside for low and moderate income people.²² Even though the group has little to show for its well-publicized commitment, Mayor James in his state of the city address this January went out of his way to commend the Collaboration Group

²⁰ NEWARK: Kaleidoscope of Great Change and Growth

²¹ "Renaissance Tower Debuts"

²² Stewart, Angela, "Housing Partners: Newark coalition pledges \$35 Million", Star Ledger, 11/22/86, p.23

for "providing a positive forum."²³

Economic hardship and injustice persist in Newark in the midst of the "renaissance." Newark's homeless population has swelled to 10,000. While 6000 people wait on NHA's waiting list (listed on index cards, no less!), the housing authority has imploded high rise towers and plans to implode more. Former mayor and successful developer, Ken Gibson, is waiting in the wings as a potential developer of the site where public housing will be destroyed. Mayor James, meanwhile, is, according to City and State newspaper, "concerned that too much state aid is targeted toward social services for the poor."²⁴

CONCLUSION

The banner headline of February, 1988's issue on the New Community Clarion, NCC's monthly newsletter, read "A TALE OF TWO CITIES: Conflicting Human Interests Are Creating Two Separate Cities In Newark." The article below the headline goes on to say:

Newark is a city of contrasts. For some it is the best of times; for the poor it is the worst of times. The downtown business district is experiencing a renaissance; luxury condominiums are being built throughout the city. At the same time the only housing available to low-income families is being torn down...

Much has changed in Newark since the riot of 1967. The city has a Black mayor and a growing downtown economy. Unlike 10-20

²³ Byrd, Frederick, "James says Newark is on the rise but will have to do more with less", Star Ledger, 1/13/89, p.1

²⁴ "The Top 50 Cities: 3rd Annual City Financial Report", City & State, 12/5/88, p.36

years ago, private developers can now turn a profit in Newark because of increasing demand for housing in the region.

But the metaphor borrowed by NCC from Charles Dickens is an apt one. Newark is still very poor. The "renaissance" is just so much hype to the many ill-housed, underfed and poorly-served Newark residents. These low-income residents, deprived of access to the emerging downtown wealth, are being subjected to a kind of "economic apartheid".²⁵

Today, like in 1967, poor Newark residents see their hope--if they see any at all--in independent institutions like NCC. The private sector has shown that it is well-equipped to house and serve Newark's small but growing "caviar set". But the non-profit sector, led by NCC, alone has found solutions to the desperate needs of Newark's poor. In so doing, NCC has created a "new community" which is a hopeful alternative to Newark's "two cities."

²⁵ "A Tale of Two Cities:...", New Community Clarion, 2/88, p.1

CHAPTER 2
CREATING A NEW COMMUNITY:
AN ALTERNATIVE TO NEWARK'S "TALE OF TWO CITIES"

INTRODUCTION

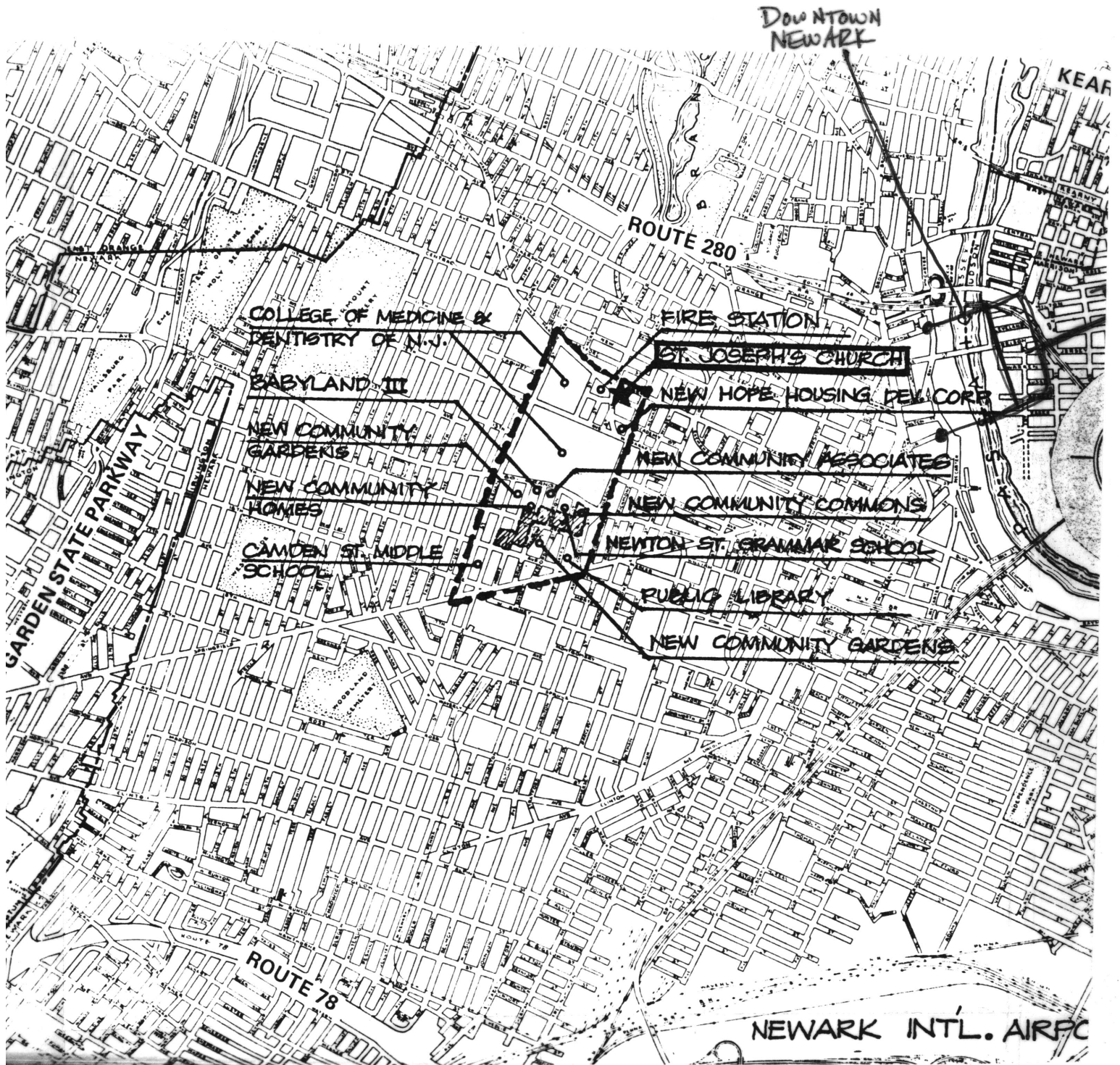
At its inception NCC found itself in a vacuum. Whole sections of the Central Ward had been abandoned before and after the riot and that not cleared by arsonists was leveled by urban renewal. NCC's original 45 acre target area (see map of 45 acres on next page) was an abandoned wasteland in 1970. The institutional void that NCC faced was just as pronounced.

The administration of Mayor Hugh Addonizio, which had proven so insensitive to the needs of Newark's Blacks, was still in place. Newark's Housing Authority was a haven for political patronage, and seemed to care little about its tenants. It seemed to have no clue about the extent of Newark's housing problems and seemed incapable of participating in a solution. Finally, the founders of NCC felt their own Catholic Archdiocese was out of touch with their problems, a suspicion that was confirmed when the archdiocese shunned their request for support.

Federally funded anti-poverty organizations also seemed ill-prepared to address the needs of Newark's low-income Black residents. The United Community Corporation (UCC) was Newark's largest such organization. It was funded through the federal Economic Opportunity Act in order to bring about "maximum feasible participation" from the low-income communities that it served. According to the report from the Lilley Commission, UCC was ineffective at combatting poverty because of its dependence on public funding and its vulnerability to the whims of local and national politicians. The report concluded that:

All the problems are there—the contradictions inherent in the founding philosophy, the controversy over the role of City Hall and other institutions, the administrative struggles of a new agency attempting to interpret and follow confusing directives from the community and the bureaucracy. (p. 88)

MAP OF NCC's 45 ACRE TARGET AREA



The UCC experience demonstrates that it is hard to serve both the community and institutional sources of power, particularly in a city like Newark where the two were so clearly at odds.

No one was more aware of Newark's institutional void than residents and activists in the city. Those who gathered at Queen of Angel's Catholic Church in the Central Ward for meetings and relief during and after the riot aimed to fill that void. These Blacks, most of whom were Catholic, felt that trying to influence the city government was a hopeless proposition. The riots had been a frightening experience for these people who had been caught in its cross-fire and they felt that spontaneous uprisings of this type also held little promise to improve their lives. They, by and large, embraced the Black power movement, but resisted the growing Black separatist movement as being both un-Christian and impractical.

These activists based at Queen of Angel's believed in God and themselves and little else. They felt that the only hope they had to improve their lives and their neighborhood was to build their own institutions designed to address the community's most pressing needs. New Community Corporation and the affiliated Babyland Nursery, Inc. were born out of this process.

In this chapter I will first lay out a brief history of NCC and Babyland. Based on these histories and on a set of criteria that I lay out, I will then demonstrate that these organizations have been remarkably successful at achieving their mission of improving the quality of life of low-income residents of Newark.

THE BIRTH OF NEW COMMUNITY CORP.

NCC aimed to address the neighborhood's pressing housing needs. It formed a board made up of its founders--most of whom were parishioners at Queen of Angels and many of whom are still on the board today--who began to set the organization's agenda. NCC set their sights on housing development. The organization formed a housing committee which was charged with developing potential designs for low-income housing. The committee visited innovative housing developments throughout the Northeast and worked with architects to plan housing which met the needs of low-income families like their own. Many of the committee members, who became some of NCC's first tenants, had been public housing residents. They saw to it that NCC did not make the same mistakes that NHA and other developers had made.

NCC also began to work with the city to acquire land in the 45 acres on which they soon began to build housing. (NCC has bought parcels of land in the 45 acres over the past 20 years.) New Community Homes, NCC's first housing development, completed in 1975, is a low rise development which has outside entrances to each apartment so that tenants are not subject to the fear of assault in long dark hallways and lonely elevators. It is built around a common courtyard and the kitchens are situated so that parents can look out on their children as they play in the courtyard.

In the period immediately following the riot, members of Queen of Angels and NCC also began organizing among suburban churches to

try to gain financial and moral support for their efforts. Many affluent suburbanites, troubled by the now apparent social injustice in Newark, responded by contributing money and joining the organizing effort. A group called Operation Understanding, which brought together suburban and urban religious people, was formed out of this suburban outreach effort. This group organized a large march on Palm Sunday of 1968 to demonstrate the solidarity between suburbanites and city residents.

NCC was quick to capitalize on this solidarity by encouraging suburbanites to raise money and provide political support. "There were a lot of liberal groups that organized tours of dilapidated sections of Newark," said Bernard Koechlin, a Montclair, N.J. resident who became involved with NCC. "They'd end their tour in the basement of a church with doughnuts, and then they'd go home feeling terribly guilty. New Community was different. They gave us things to do."

Activists in at least a dozen suburbs raised money in their churches by selling bricks in yet to be constructed buildings. Many of these same people went on to form the New Community Foundation which, in the mid-1970s, organized a fundraising effort among Newark-based corporations. The two efforts raised over \$200,000, which, while not enough to build a great deal of housing, provided the young NCC with seed money. Perhaps more important in the words of Joe Chaneyfield, an original and current board member of NCC, "The involvement of people from the suburbs made us realize that something was happening here. Our supporters stuck with it and that

helped us stick with it."

NCC was off and running. In the next eight years the organization developed 11 housing complexes consisting of approximately 2000 units of subsidized housing. This housing began to answer the urgent call of Newark's residents, not just for housing, but for safe, comfortable and humanely designed homes that were compatible with their needs.

BABYLAND NURSERIES

The development of Babyland, Inc closely paralleled that of NCC. Although the groups are separately incorporated, they function, in many respects, like one organization. Mary Smith, a Queen of Angels parishioner, was part of a panel of Newark residents who spoke to groups in the suburbs after the riot about life in inner city Newark. After one such talk she was approached by Jeanne Givens, who was moved by her talk and offered her help. Ms. Givens began organizing her women friends. These women and many of their husbands, who included Robert Lilley and powerful Newark Judge John Givens, met with Smith and other Black women from Newark. The Black women spoke about the economic hardship they faced. Some of the suburban men responded that they would like to help but "informed" Mary Smith and the others that Black women were notoriously unreliable employees.

"I knew that the lack of daycare made holding a job impossible for a mother," Mary Smith said. She persuaded the suburban women

to help in her effort to address the totally unmet need for infant daycare. In short order a new organization called Operation Housewives was formed with chapters in 20 affluent suburban communities. With the help of Operation Housewives and the tireless work of Mary Smith and other Newark mothers, Babyland I was opened in the Scudder Homes housing project serving 25 infants (age 2 1/2 months- 3 years). Babyland got off the ground with a \$1000 loan from Mr. and Ms. Lilley and was kept afloat for 5 years thanks to church donations, bake sales and other ad hoc fundraisers, before the federal government began to fund infant daycare.

Getting stable funding for Babyland, or any infant daycare program, took some doing. When federal funding became available the state stipulated excessively strict standards for infant daycare facilities. Smith feels that state officials did not believe mothers of young children should work. They sought to prevent the creation of daycare options, Smith believes, by stipulating, for example, that facilities provide 1 toilet for every 5 infants, all or most of whom are not toilet trained. Babyland, with the help of Judge John Givens, wrote an appeal which overturned the standards and opened the way for public funding for Babyland. Babyland has continued to raise money from diverse sources ranging from foundations to local Bingo games. Babyland is now the largest infant daycare program in the state with 4 centers--including one for children with AIDS--serving 340 infants.

MEASURING NCC's SUCCESS

The accomplishments of NCC and Babyland (I will use "NCC" to refer to them collectively) in the last two decades seem sufficient to verify their success. The question of success, however, is so central to this story about NCC that a more comprehensive assessment is called for. In my introduction I contended that NCC is a successful organization that owes its success to a variety of factors. I have, though, not yet defined what I mean by "success", nor have I specifically demonstrated why NCC meets those criteria. In this chapter I intend to do so.

The accomplishments of a non-profit community development corporation (CDC), like NCC, are not easily measured. I acknowledge, therefore, that attempts to establish a set of criteria for assessing the success of a CDC is a somewhat subjective endeavor. The profitability standard by which we, or at least the marketplace, measures the success of for-profit corporations is inadequate for analyzing the success of a CDC. This is not to say that CDCs are immune to the conditions of the market; they certainly are not. CDCs, though, serve, or at least should serve, the needs of the people not well-served or served at all by the market. In most cases, as Michael Brower writes in his article "The Criteria for Measuring the Success of CDCs in the Ghetto," CDCs are "set up to promote the overall development of festering urban slums and decaying rural areas left behind by profit-seeking

private corporations moving to more lucrative locations."²⁶ The standards used to evaluate CDCs should reflect their unique goals and motivation.

The ability to compete for resources and survive in the marketplace is, of course, a prerequisite to any socially useful community development. Having grown consistently over the past 22 years, NCC has certainly fulfilled this prerequisite. In addition, the accomplishments of NCC, or any other CDC, can be broken into three related categories.

1) The most tangible is the productivity of the organization. Productivity includes the amount and quality of housing, jobs, new businesses and social services the organization provides. The success and productivity of a CDC are directly related to the extent to which the organization's "output" meets the needs of its low-income and under-served constituency. It should also be considered whether these needs would have been met if the CDC had not addressed them.

2) CDCs should serve a vital political function in low-income communities. Building power should be as central to the mission of a CDC as building housing. In fact, a CDC will find it difficult to build much housing if it does not first organize broad participation and collective power in the community they serve, while providing opportunities for community residents to develop

²⁶ Brower, Michael J., The Criteria for Measuring the Success of a Community Development Corporation in the Ghetto, Cambridge, 1970, p.3

their skills in the process.

3) Successful community development should leave its mark on the social psychology of a community. Community development efforts have succeeded if they bring feelings of hope and independence to low-income communities.

4) The success of an organization rests on its internal institutional strength. This includes the ability to generate the resources necessary to continue its work. It also requires that the organization have a structure which allows it to endure external shocks and to use its resources effectively.

Each of the following sections looks at NCC in terms of one of the above four categories. I conclude with an assessment of NCC's success based on the analyses of these four sections.

PRODUCTIVITY

A drive through the Newark's Central Ward gives some idea about the organization's productivity. Housing makes up the majority of NCC's assets and, even as the organization has recently begun to diversify, it remains NCC's "bread and butter." The amount of housing built by NCC over the last 15 years--2300 units--is, in itself, impressive. In contrast to other CDCs that began developing housing in the 1970s, NCC has not defaulted on any of its housing developments. NCC has also not found it necessary to sacrifice maintenance or tenant services in order to make its housing developments work. "NCC's housing units are not only well-constructed," concludes a New School survey of NCC, "but they are

well-managed, well-maintained, protected from vandalism by efficient security and by inhabitants who have a stake in their community."²⁷ NCC's housing work is even more impressive when one considers that nearly all of the approximately 5000 people they have housed are people of color and are at or below 80 percent of the median income for the area. Nearly 90% of the families are headed by single mothers. The New School survey concludes that these people, by and large, would not have been nearly so well housed were it not for NCC.

NCC's accomplishments spin off of, but are not limited to, housing. NCC has made dramatic strides in addressing the problem of unemployment and underemployment by providing 620 relatively high paying jobs at various skill levels, most of which are held by Black Newark residents. Many NCC employees have developed skills that have allowed them to rise through the organization or to move on to jobs outside the organization that they could not have held otherwise. In addition, NCC's job placement service placed 1000 Newark residents in jobs in the past year, primarily in the private sector.

Nowhere is NCC's willingness to take on difficult work more apparent than in the area of social services. NCC, quite literally, provides services to its constituents from the cradle to the grave. Babyland Nurseries has been pioneers in infant daycare, and their

²⁷ Vincent, Christine, Study of Economic Development Activities of Community-based Organizations: New Community Corp., New School for Social Research, N.Y., 1987, p.33

new center for infants with AIDS is part of this same trailblazing spirit. The comprehensive services that will be part of their transitional housing--Harmony House--has become a model for the state three months before it has even opened. NCC also provides job training services for homeless drug addicts and alcoholics, as well as health, home care and nursing home services for the elderly and social work support service for family and elderly tenants.

Commercial development is a still young, but growing, aspect of NCC's work. In 1986 NCC opened the Priory Restaurant and the New Beginnings Health Spa--their first for-profit subsidiaries. They have survived the first difficult years but have not begun making profits which NCC hopes will soon provide resources to begin to replace public funding. NCC will soon break ground on a shopping center in the Central Ward which will be anchored by a Pathmark supermarket. The project, which will bring the only supermarket to the 93,000 person market area, is arguably the most significant commercial development project in inner city Newark since the riot.

In the area of commercial development, as with social services, job creation and housing, NCC's work is addressing the needs of the low-income and under-served people of Newark--needs which would otherwise have gone largely unmet. Its accomplishments in these areas has caused sometime critic Richard Cammarieri, Director of Newark Coalition for Neighborhoods to concede that: "In quality and quantity, they're the most successful CDC in the state, I suspect."

POLITICAL POWER

Political power is an elusive aspect of community development. As a result, analysis of it, in the case of NCC, is somewhat more controversial. No one, not even its critics, question NCC's political clout. Michael Brower argues that a CDC has substantial political power only when

the pre-existing established centers of power (individuals and institutions) [begin] to notice, to take account of, to complain about, the rising power of the community around the CDC or of its leaders and spokesmen (sic).²⁸

By this standard NCC is probably the most powerful independent institution (i.e., non-partisan and separate from city government) in the city.

NCC has consistently succeeded in getting city approvals and tax abatements in a city notorious for imposing obstacles to community development projects. It has done so by periodically turning out hundreds of its tenants and constituents to city hall. It has gotten under Mayor James' skin by challenging the direction of his economic development program and it has emerged as one of the leading voices questioning the priorities of his administration. James' efforts to cut NCC out of the city's economic development budget failed in each of the last two years when the City Council, responding to pressure from NCC, reinstated its projects into the budget. The New School survey considers political clout to be the most important aspect of NCC's

²⁸ Brower, Michael J., p.15

development accomplishments.

The hundreds of NCC supporters who have frequently turned out at crucial political points during various development projects are indicative of a high degree of political support and participation. NCC has "received a level of public support which will probably never again be enjoyed by any single CDC," concludes the New School survey.

The nature of the community's participation, however, has been a source of criticism by many people outside the organization. One director of a community based organization in Newark makes the credible claim that "They organize their base only for their own good." As I discuss in Chapter 6, NCC quite consciously avoids working with coalitions. It feels that it can better promote a progressive social agenda by providing models for community development that change public policy in that area. NCC has already accomplished this with its transitional housing project and with its shopping center development, which both serve as models for urban development in the state. Even so, NCC's resistance to join with and lead other community based organizations in Newark is, I believe, a significant weakness of the organization's political agenda.

NCC has provided impressive opportunities for its constituents to develop skills and power. It has provided employment opportunities to people without all the formal credentials. Madge Wilson, a Black woman who currently supervises all of NCC's building managers, was a NCC tenant when she was hired to be a

building manager 9 years ago. Since then she has been promoted, completed college and now has plans to return to school for a masters degree. Stories of personal growth and empowerment are common among NCC's staff and tenants. These stories are important parts of NCC's success at building independent political power for itself and the community it represents.

On the other hand, volunteer leadership opportunities are not particularly open. The board, like corporate boards, is chosen by itself. The stability of the organization owes itself in part to the experience that board members have (most have been on the board for 10 years or more), but the closed nature of the board limits opportunities to develop new leadership among NCC's constituency.

SOCIAL PSYCHOLOGY

The existence of a positive social psychology in a community is difficult to measure, but for residents of NCC housing developments it is quite obvious. "We've created something we are very proud of," says NCC tenant and board member Joe Chaneyfield. While NCC provides professional security services, it is the tenants themselves who are credited for the outstanding condition and relative safety of the developments. Tenants, many of whom have been involved in NCC for 20 years, feel "ownership" of their homes and community and it shows.

Michael Brower asserts that community development has succeeded if it substitutes fear, feelings of inferiority, fatalism, dependence and alienation with courage, pride, hope, independence

and community and racial identity. NCC has, of course, not overcome all the social problems associated with poverty but it has made tremendous strides by building a community that is prideful and supportive without excluding groups traditionally stigmatized. Morton Goldfein, a senior vice president of Hartz Mountain Industries, who are partners with NCC in the transitional housing project, was surprised and impressed to see hundreds of NCC tenants come to a City Council meeting to support the project going up in their neighborhood. "It is not often that people applaud me after I make a presentation at a public meeting...", said Goldfein. "It was a tremendously gratifying experience." The "new community" in Newark's Central Ward has almost miraculously managed to cultivate pride the chauvinism and not-in-my-backyard mentality that is too often associated with it.

INSTITUTIONAL STRENGTH

When the figures on NCC's balance sheet catch your eyes, you cannot help but look again. By CDC's standards, NCC's resources are astounding. Its assets of \$207 million and its annual budget of \$34.5 million speak to its ability to command resources.²⁹

From the point of view of its organizational strength, NCC's proven ability to raise funds from a variety of different sources is as impressive as the actual amount of its resources. A large share of NCC's operating income comes from fees associated with

²⁹ Vincent, Christine, New School piece, p.9-11.

management, maintenance, security and social services which are part of their tenants subsidized rents. This portion of their income is self-generating and dependable, which makes them safer "investments" for private foundations and the public sector whose support funds most of the rest of NCC's operating budget.

As I discuss in great detail in Chapter 5, NCC has used a variety of strategies and sources to fund new development projects over the years. The diversity of its funding sources enables NCC to minimize risk on its projects and to limit the organization's vulnerability. These sources include contributions from for-profit corporations, funds from income tax syndications and money from the city, state and federal governments. NCC's soon-to-be-developed shopping center is being constructed with funds from 8 such sources.

NCC's strength and durability also depends on its organizational structure which enables it to understand and adapt to changes in its external environment. The remainder of this thesis is devoted to exploring how NCC learns and adapts, and how its religious perspective helps it to do so. I will leave that analysis to Chapters 3-6. It suffices to say, though, that NCC's productivity, political clout and ability to bring about a positive community psychology all during a period of great change are testament to the flexibility and durability of the organization.

CONCLUSION

Public officials, business executives, community activists and

academic analysts are all impressed with what NCC has created over the past two decades. It has built a thriving low-income community on what was once a desolate and virtually abandoned 45 acres of urban landscape. Its housing developments and social service facilities are impressive sights.

But NCC's success is more than meets the eye. Notwithstanding the legitimate criticism of community groups who have sought to work in coalition with it and the closed nature of the board selection process, NCC is a powerful voice for the interests of low-income Blacks in Newark. It has provided low-income Blacks with the opportunities for decent housing, jobs and skill development. The community it has created, while not devoid of social problems, has pride and faith in itself and welcomes others to join it.

NCC is a remarkably successful CDC by the criteria laid out earlier in this chapter, and, indeed, by any reasonable standard for evaluating a CDC. In the subsequent chapters I will attempt to explain and analyze the sources of their enduring success.

CHAPTER 3
THE ROLE OF RELIGION AT NCC

INTRODUCTION

Throughout its various stages of development--through its transition from a small informal organization to an increasingly bureaucratic one, and through its strategic adaptations--religion has played a consistently central role for NCC. Catholic social teachings emphasizing equity and justice have guided NCC from its beginnings at Queen of Angels Church, where Msgr. Linder (then Fr. Linder) was a parish priest and many of its founders were parishioners, to its current home in the renovated St. Joseph's Church. Whether you are a "believer" or not, NCC's success and longevity cannot be explained without considering its religious foundation.

NCC's theology is not easily characterized. Msgr. Linder, the organization's director (or at least de facto director) is a white Catholic priest. The board is made up of 7 Catholics; 5 Blacks, 1 Hispanic and 1 Philippine. Msgr. Linder, however, feels that NCC's religious roots are in the Black civil rights movement which was led primarily by Protestant ministers. Although NCC now has a positive relationship with the Newark archdiocese, it has received the archdiocese' blessing only relatively recently. In the late 1960s NCC's founders felt that the archdiocese was as ignorant about the needs of Newark's low-income blacks as were the business community and the public sector. NCC's theology, as opposed to that of the archdiocese, was developed at the street level, primarily in the inner-city parish of Queen of Angels Church.

Nowhere is the inequity and social injustice of our society

more apparent than on the streets of inner-city Newark. It is not surprising, therefore, that NCC's theology is based on promoting social justice and a more equitable distribution of income. NCC does not promote these issues from the pulpit but instead through its accomplishments. Building housing, providing services and jobs are more important to NCC than are esoteric discussions about process. To NCC, the concrete realization of its religious goals is more important than the means used to accomplish those goals. As Msgr. Linder says, "We don't get into highly philosophical disputes." It is not surprising, then, that when I asked Msgr. Linder if he could provide me with any sermons or writing that he had done which summarized his theology, he simply shrugged and said: "My sermons are just outlines and I throw them out when I'm done." The most articulate expression of NCC's religion can be found by driving up South Orange Avenue past their hundreds of units of subsidized housing, the Babyland III nursery, and the employment placement center.

NCC's theology, like that of the Liberation Theology movement in Latin America's Catholic Church, focuses on bringing social justice to the poor here on earth and not in the hereafter. The development of a "new community" is an effort to build God's Kingdom in the inner city; much like the "New Jerusalem" from Revelations in the New Testament of the Bible. NCC, however, diverges from Liberation Theology's Marxian class analysis. Many of NCC's recent accomplishments have come with the help of the for-profit sector, with whom they have cultivated a relationship.

"There are two distinct classes," Msgr. Linder acknowledges, "but there are compassionate people at the top. We have no problem working with them...People have more common values than anyone admits."

Many of the NCC staff and board members I interviewed spoke of NCC's constituency--those they house and serve--as "God's children". Mary Smith, the Director and founder of Babyland and the treasurer of NCC's board, told me that "it is not enough to go to mass. You need to love the children (the infants at Babyland nurseries), and treat them like God's children. I try to find staff who feel this way." "We are now hand picking employees," adds Msgr. Linder, "looking for certain values." Many of NCC's employees are not Catholic and some are not Christian but nor are the theological foundations of the organization uniquely Catholic or Christian. NCC's core (its founders and executive staff), who largely share religious views, have had good success at having new staff "buy into" these views regardless of their specific religious orientation. Consequently, the religious views I have described seem pervasive in the organization. Of the nearly 20 staff and board members with whom I spoke everyone's comments reflected these views. Not all of them spoke specifically of God, but each showed a commitment to a compassionate and pragmatic approach to development and service provision.

In at least six ways religion has helped to make NCC a successful and vital organization: 1) Religion and the beliefs that

go along with it have provided the organization with a world view shared to a large degree by its leaders which has both promoted organizational learning and mitigated organizational conflict. 2) Faith in God has given NCC a tremendous self-confidence that it will overcome obstacles to successful community development. 3) Social justice objectives rooted in Christian teachings that NCC espouses have given it an unwavering set of goals and direction. 4) NCC's connection to the Catholic church has helped provide NCC with credibility that has provided political leverage and access to resources. 5) The church has provided NCC with dedicated personnel (17 nuns are on NCC's staff), facilities, and an organizational base made up of parishioners at St. Rose of Lima Church, where Msgr. Linder is the pastor. 6) By focusing on concrete goals, NCC's unique brand of religion has encouraged the organization to seek out pragmatic strategies and has provided a justification for holding staff and clients to high standards.

ORGANIZATIONAL PARADIGM

The goals and direction of NCC are pieces of an overall world view or paradigm which is fundamental to the way NCC learns and does its business. Thomas Kuhn, the author of The Structure of Scientific Revolutions (1970), defines paradigm as a "set of beliefs, a way of seeing or organizing the principles governing perception." Religion makes up the major part of the lens through which NCC has come to understand the world and its place in it. "It allows you to take what is," says Msgr. Linder, "and gives it a

measure of where it falls short."

NCC's Christian perspective on the world is shared within the organization in both formal and informal ways. One of the principle objectives of NCC's orientation of new employees is to help them to understand and buy into NCC's philosophy. Organizational meetings are often opened with prayers and employees are reminded of the organization's mission, in case they forget, through discussions with their supervisor.

Robert Duncan and Andrew Weiss point out in their article "Organizational Learning: Implications for Organizational Design", that it is to be expected that organizational paradigms are often shared if for no other reason than "organizational members must learn the system of concepts used within the organization if s/he is to be able to communicate and understand the actions they are to take and the actions taken by others."³⁰ For this reason, NCC's world view seems to be pervasive in the organization.

NCC's shared world view has important implications for its ability to learn. Duncan and Weiss point out that organizational learning is more than the aggregation of individual learning. No matter how intelligent and perceptive each member of an organization is, if the learning process happened only on an individual basis it would lead to a fragmented knowledge base and a splintered organization. For an organization to learn and adapt,

³⁰ Duncan, Robert & Weiss, Robert, "Organizational Learning: Implications for Organizational Design", Research in Organizational Behavior, Barr M. Straw, Editor, p.91

Duncan and Weiss argue, there must be a process by which individual knowledge is shared and evaluated. A shared language and world view encourages exchange and cross-fertilization. Shared paradigms, Duncan and Weiss believe,

...provide a basis for abstracting general action-outcome relationships from special events. They provide a way of determining the relevance or importance of questions within the organizational learning process. They provide a common language, which makes possible the sharing of experience and insights among organizational members."³¹

NCC's shared paradigm and organizational ethic also serves to mitigate internal conflict. In his book The Bureaucratic Phenomenon, Michel Crozier argues that discretionary freedom of actors in the bureaucracy can undermine the mission of that bureaucracy. Short of coercion it is impossible for a bureaucracy to prevent actors from acting contrary to the goals of the organization. A bureaucracy whose members share a common ethic, though, have eliminated an entire field of destructive conflict. At NCC religion and commitment to providing opportunities for disadvantaged people provides a kind of overarching organizational interest which overrides many personal interests which Crozier warned would divide an organization. The stake that members hold in the organization and their relationships to the organization, of course, vary widely as I discussed in Chapter 7. But conflicts do not arise over the fundamental direction of the organization. If they did its clear that the view supported by the social justice, Christian perspective, as the dominant organizational

³¹ Ibid, p. 91

view, would prevail.

RELIGION AND SELF-CONFIDENCE

Virtually all the NCC staff and board members with whom I spoke attributed much of NCC's success to faith, even if they each spoke of it in slightly different terms. The technical aspects of the development process are taken quite seriously by NCC, but Msgr. Linder hastened to add that, "We believe we reach a certain point where there is a whole other dimension. We believe that God's providence is right in it." "We have a friend," added Cecelia Faulks, NCC's personnel director, as she looked straight up. "We get into things without a fine detailed plan and we somehow get them done." NCC is in a risky business and they know it, but their faith allows them to pursue and start projects before all the elements are in place. For example, financial gaps existed in NCC's AIDS daycare center when the facility was first being renovated but the project was carried out because NCC's decision makers believed that the pieces had to fall into place because the project was meeting such an important need. NCC's approach to development and service provision gives the impression that they will not be denied.

Christian social teachings, Linder points out, give people in the organization a sense of their power by helping people to see that there is something bigger than the institutions which they are up against. Some other organizations in Newark see NCC as arrogant. NCC's belief that they have been chosen to do God's work

can give that impression. "(NCC) didn't just happen," said Joe Chaneyfield. "The king of kings picked these people. If God the father himself didn't stir us, this wouldn't have happened." NCC's audacity, which grows out of its belief in God and in itself, allows it to thrive in the development world. The meek may inherit the earth, but in the meantime NCC is determined to develop it.

RELIGION AS A RUDDER

More than giving the organization confidence, religion gives NCC a purpose and direction. Because the organization is notable for its ability to adapt and shift as opportunities present themselves, as we will see in Chapter 5, without a stable purpose or mission NCC would be in danger of drifting aimlessly. Religion and the social justice goals that go along with it keep NCC focused as it nimbly dodges obstacles in the development and service provision process and as it astutely snoops out development opportunities. Its adherence to clear goals, as former Development Director Matthew Reilly pointed out, were necessary to keep NCC from simply reacting to its environment:

Since 1968 NCC has worked in a non-partisan fashion with 4 federal administrations and 3 different state administrations to meet the needs of low and moderate income families in Newark. Today one hears that concern for low-income families, minority groups and city dwellers is no longer fashionable. Let it be known that NCC is no slave to the winds of fashion. The commitment is as strong as it was it 1968. We will continue to dream, to plan, to fight, to build.³²

³² The Intercom (NCC's Newsletter), 6/81

While NCC's ability to learn about its environment allows it to see what is possible, its moral perspective, influenced heavily by Christian teaching, help it to see what is necessary. NCC's "opportunism", which I will analyze in more detail in Chapter 5, acts like a sail for the organization--keeping it moving (it is not a "slave" of the winds but a beneficiary)--while Christian teachings emphasizing equity and social justice act as NCC's rudder--keeping them moving in the right direction. NCC's willingness, and even eagerness to take on projects that others will not touch, like a battered women's shelter and a day care center for children with AIDS, cannot be explained if its religious foundation is ignored.

RELIGION AS A SOURCE OF CREDIBILITY

"If I had it to do all over again," said Ed Andrade, the former director of Tri-City community organization, "I'd have gone to the seminary." Andrade has been both impressed at and envious of NCC's ability to get resources that his own organization could not and he attributed this largely to NCC's church connection. "Linder, as a priest, has immediate credibility", Andrade added.

One of NCC's first efforts to get resources from the private sector was through the work of New Community Foundations. The majority of the fundraising work of the foundation was carried out by volunteers, many of whom were not Catholic. Bernard Koechlin, a former president of the foundation, recalled that sympathetic corporate contacts would encourage him to bring "the Father"

(Linder) along for meetings regarding substantial funding requests. In this and other circumstances, the church connection has undoubtedly provided NCC with access to resources.

NCC's critics and admirers alike cite Msgr. Linder's position on the New Jersey Housing Mortgage Finance Agency (NJMHFA) board as an important part of NCC's access to resources. More than one person outside NCC (all of whom asked not to be quoted) felt that Msgr. Linder's position would be considered to be a conflict of interest if he were not a priest. Without his personal credibility, which he derives not just from his Roman collar but from 30 years of honest and successful advocacy in Newark, Msgr. Linder could probably not hold his position with both NCC and the NJMHFA board. As it is, though, his position may give NCC better access to state housing financing and, at the very least, it provides the organization with vital information about the state housing finance process.

RESOURCES OF THE CHURCH

In the period immediately following the Newark riots of 1967, Queen of Angels, whose parish covered the neighborhood struck by the riot, became a hub of the riot relief efforts, providing food and shelter to its victims. In the months that followed, the church--both the facility and its members--became the center of the newly-formed NCC. Cecelia Faulks, NCC's first employee in 1973, served as its unofficial staff person for years prior to that while she was the secretary of Queen of Angels parochial school. Most of

the original board members were also Queen of Angels' members and Fr. Linder, as he does now, devoted the better part of his energy to NCC while simultaneously serving as and receiving his salary as a parish priest. Although NCC's parish base has changed--it has followed Msgr.Linder to his new parish, St.Rose of Lima--the base that the church provides the organization is still very important to NCC.

The church and the organization share maintenance staff, facilities and a newsletter. One of the Babyland Nurseries is located in the basement of St. Rose of Lima and the children of NCC staff people are given scholarships to St. Rose's parochial school. Not only does Msgr. Linder provide NCC with strategic direction and spiritual vision, he also provides a link between St. Rose and NCC which have an important complementary relationship.

Church personnel are another important advantage of the NCC-Catholic church relationship. The 17 nuns on NCC's staff, from 8 Catholic orders, have a great deal to do with reinforcing the dominant organizational ethic. These nuns are drawn to NCC because "there is no place for leadership of women in church offices... But at NCC," Sis. Anastasia continues, "they respect the women."³³ Not only do these women bring skills to NCC they are one of the forces which push NCC to tackle difficult social problems. "It's a kind of a privilege to work here," said Sis Clare, "to work with people

³³ Maske, Monica, "New 'order' of nuns part of NCC hierarchy", Star Ledger, 7/27/87, p.N1

who have been neglected and rejected, with their self-esteem destroyed."³⁴ The nuns are paid a small stipend of less than \$10,000 a year to do work that many would not do at any price. Needless to say, the nuns at NCC do not have a typical job satisfaction criteria and it shows through in the work of the entire organization.

The nuns also have a great deal to do with balancing NCC's religious commitment with its pragmatic approach to solving social problems and running the organization. Sister Rita has a degree in business administration and does financial record keeping for NCC. "I think I make it very clear I consider this job at NCC a ministry," she says. "... I feel the work I do enables them to work toward their goals."³⁵ Sis. Rita's work and role in the organization embodies much of what makes NCC successful. Doing good is not enough. Religious workers, as well as other actors at NCC, reinforce that good works and intentions must be accompanied by technical competence and pragmatism.

With dwindling public resources for housing and services, NCC has recently tapped churches as a source of capital. NCC has created a social investment fund which has grown to \$2.6 million thanks to the investment of church and religious orders from around the country who want to invest in human needs. NCC pays 8% interest on the money which is substantially less than it would have to pay

³⁴ Ibid

³⁵ Ibid

private institutions for construction or short term financing.

RELIGION AND PRAGMATISM

NCC's approach to development is an interesting mix of religion and pragmatism. "Like most Americans," says Msgr. Linder, "we tend to be very pragmatic. We are willing to negotiate." While NCC's goals grow directly out of their religious roots, they are not apt to be passive in the way they approach a development issue. One city official who has dealt with NCC on a number of projects said that "NCC turns around their Roman collars when they come in here. They play hardball." Another person who has worked with NCC described Msgr. Linder as a combination of Donald Trump and Saint Francis of Assisi. Modestly, through his work, not through a self-congratulatory autobiography, Linder himself teaches us a tremendous amount about the "Art of the Deal."

As Linder and other leaders of the organization are quick to point out, NCC distinguishes between religious obligation and charity. For NCC moral responsibility is a two-way street and they do not hesitate to hold the recipients of their services, particularly their tenants, to their end of the bargain. "We work 7 days a week to make our apartments nice homes," says Joe Chaneyfield, the Vice President of the board and a tenant of New Community Homes, "and we ask the same in return." NCC has avoided problems that have plagued other low-income housing developments, including being overrun by drug dealers and defaulting due to rampant rent delinquency. They have done so in the words of one observer by, "running a very tight ship".

One critic went as far as to accuse NCC of "extracting a lifestyle from its tenants." This is an exaggeration, but NCC, by its own admission, does hold its tenants to the same high standards that it sets for itself.

Both Msgr. Linder and Mary Smith, the Director of Babyland, see no contradiction between their religion and the tough standards they apply to staff and tenants. To the extent that high standards enable NCC to be more effective, its tough standards are consistent with their mission. "If staff don't share our commitment we don't tolerate it," said Msgr. Linder. Charity, in NCC's view, consists of providing people with opportunities to live decently and to help others. If people respond to this opportunity by being inconsiderate or ineffective the opportunity is lost. Religion at NCC provides no protection for incompetence.

CONCLUSION

A religious orientation does not inherently provide an organization with self-confidence, direction, a common language and world view, and resources. In many cases ethical intentions and religious rhetoric are used to excuse ineptitude and naivety. In other cases religion's focus on highly abstract concepts and on the afterlife provide a justification for ignoring social problems and inequities. For NCC, though, God, religion, and the ethics that they embody for many of NCC's members, opens the organization's eyes, entices the organization to take risks, encourages competence and pragmatic approaches and keeps the organization on its course

toward social justice and equity.

The positive role of religion at NCC, I believe, is attributable to the fact that the religious views of the organization are not esoteric, but are rather rooted in the very problems that NCC's constituents face. NCC's theology and world view come from Newark residents and Newark-based clergy who have lived with and despised poverty, racism and injustice. In the institutional wasteland of Newark in the 1960s, these people came together in the church and looked to the church and themselves for solutions. NCC has concluded that religion will always be an important part of their search for a solution to the problems that their constituents face.

CHAPTER 4
NCC's LEARNING SYSTEM

INTRODUCTION

NCC, according to Joe Chaneyfield, the Vice President of its board, "has its finger on the pulse of the community." My examination of NCC leads me to the same conclusion. According to organizational theorist Don Schon, the extent to which an organization is in touch with the community's pulse is attributable to the organization's "learning system"--or the process by which an organization comes to understand the needs of its constituents and the opportunities and obstacles that its external environment presents it with. NCC's learning system is central to its success as a responsive and adaptive community development organization. This chapter will address the organization's philosophy and structure, the roles of its staff, board and constituents, and the relationships among them, which taken together constitute NCC's learning system.

NCC has avoided predetermined formulas for community development by paying close attention to and understanding the needs of its constituents. In the 20 years it has been in existence, NCC has performed various economic and community development activities, and in a step by step way, built a vast network of services. As the organization provided housing and daycare, it learned that building a successful low-income community required addressing other social and economic needs, in addition to housing.

Since its founding NCC has been in an ideal position to pay close attention to the needs of its constituents. Because of its

distrust in other local institutions and its own organizational self-confidence, NCC has kept all of its services, operations and development activities in-house. This in-house approach, along with its formal and informal internal communication networks, has enabled the organization to gather and distribute information about its constituents and its environment. By virtue of its structure, NCC is altogether too close to its constituents to ignore their needs and problems. Its board and staff, because many of them have their roots in the community, are sensitive to the needs of the community and knowledgeable about the external environment. NCC's learning system allows the organization's decision making process to reflect the intelligence of these members.

NCC's in-house structure coupled with its own productivity has led to organizational growth which has strained NCC's learning system and its internal organizational dynamics. NCC has recently changed its organizational structure to keep pace with its rapid growth. In so doing it has created an efficient, if slightly uncomfortable, form which combines aspects of a professional, bureaucratic organization with that of its original form, in which the organization's founders held the reins of the organization.

Msgr. William Linder has been integral in leading the organization through its changes over the last two decades. His unique stature and style of leadership, as we will see, have encouraged the development of autonomous points of power within the organization, each of which is aware of and dedicated to the organization's mission.

This chapter is devoted to examining how NCC has effectively identified the ever-changing needs of its constituents. Furthermore, the evaluation of NCC's learning system will underscore the important role learning plays in a successful community development strategy.

ARISING TO NEEDS

"Fifteen years ago," recalls Joe Chaneyfield, "we had no plans to build a shopping center, a nursing home or a homeless shelter [three of NCC's newer projects]. But as these needs arise, we arise to the needs." Chaneyfield's explanation is a simple but accurate summary of how NCC has done business over the last 20 years.

Of course, NCC's founders had summarized goals for the organization in their statement of philosophy: "To improve the quality of life of the people of Newark to reflect individual dignity and personal achievement." Furthermore, as its name indicates, New Community was devoted not just to building homes, but to creating a community. Creating a "kingdom of God" in inner city Newark was and remains an ambitious goal for NCC, but its long run priorities in 1968 were neither specific nor carved in stone. For NCC and the affiliated Babyland, Inc. the process of building a "new community" on the so-called "45 acres" of mostly abandoned and vacant land in Newark's Central Ward began by developing housing and infant daycare. As I discussed in Chapter 2, these were the needs that were identified by the organizations' original participants.

In the process of addressing these needs, NCC and Babyland quickly discovered that building a community with a high quality of life and dignity for its low-income Black members went beyond just housing and daycare. With the creation of 2000 units of housing for low-income families between 1975 and 1983, their tenants' other needs began to surface.

From the beginning, certain responsibilities have gone along with being a tenant in an NCC housing development. If tenants fail to pay rent, maintain their apartment, control family members from dealing drugs and other threats to the community, they may be evicted from the community. The responsibilities, though, are two-way. NCC's dedication to providing a safe and humane community for its residents--or at least to those who meet their end of the bargain--is real. This devotion constitutes NCC's part of the "covenant" between it and its constituents. Holding itself to this covenant has led NCC to develop an impressive network of housing related services.

As described in Chapter 1, Newark has had one of the highest crime rates in the country and Newark's black residents (97 percent of NCC's residents are black) have long distrusted Newark's police force, a distrust that was reinforced during the riot. NCC developed its own security force, which is held in high regard by NCC tenants. NCC has provided around the clock unarmed security at all their buildings since 1980 when a security force of 95 officers was established.

NCC's residents are all poor, many are single parent households

and for some, their NCC apartment is their first with central heat and modern appliances. NCC realized that the survival of their developments as well as the well-being of its residents depended on a strong social service network. NCC has social workers serving each of their developments. Case work, an active recreation program and job placement services are provided to tenant families, while health service coordination and social activities are provided to senior tenants. Social service costs are part of NCC's housing operating budget and are paid for out of the subsidized rent of their tenants. These extensive social services have been an integral part of building a strong and compassionate community.

NCC's extended care facility (nursing home) and elderly home care services are also examples of needs arising out of NCC's original work. Elderly residents of NCC's developments (6 of NCC's first 11 housing developments were for seniors) saw their frail neighbors taken to nursing homes 50-100 miles outside of Newark, never to be seen again. Some of the tenants who remained in NCC elderly developments knew that they were not far behind and feared losing touch with their friends and family as they lived out their lives in distant nursing homes. Elderly tenants impressed upon Msgr. Linder and the board the need for increased extended care facilities in the area. They saw no one better to develop such a facility than NCC, which had housed them so well to that point.

Responding to the needs of its tenants, NCC began to make plans for an extended care facility on a vacant parcel which they owned on their 45 acre site. NCC submitted the plan to the regional HUD

office, where it sat for months. Elderly tenants, with the help of NCC staff, organized a campaign to pressure HUD and to win approval and funding for the plan. The campaign, which succeeded in getting HUD funding, culminated with a day of mass phone calling by elderly tenants to the HUD regional office which effectively shut down the office for the day. The 180 bed extended care facility, which was completed in January of 1986, provides a home and nursing care for elderly NCC tenants as they become more dependent.

In spite of the extensive services that NCC provided for its elderly residents, many of the needs of its tenants, including meals and home care, were the responsibility of other agencies. NCC recently pushed for and won a state contract which makes it a fully accredited elderly service agency, allowing it to provide transportation, meals and home care services to its own senior tenants and those in surrounding neighborhoods.

Babyland expanded in a parallel way to that of NCC. The founders of Babyland--particularly its Executive Director Mary Smith--appreciated the need for infant daycare from their own personal experience as mothers. The extent of that need became particularly clear when waiting lists for the Babyland's first facility grew into the hundreds. The rapid development of NCC housing, which began following the opening of Babyland I, added more to the list of those needing daycare services. Babyland struggled for and got public and private funding to build and operate Babyland II and III which now serves 340 children, about 30% of whom are NCC tenants. The daycare program has been an

important part of NCC and Babyland's mission of providing their constituents with the opportunity to work and get off of public assistance.

The next step in building a "new community" is the development of a shopping center. As I discussed in Chapter 2, NCC will break ground this month on a project that will bring a Pathmark supermarket to the community. Not only will the development keep jobs and money in the community, it will mean that NCC will no longer have to bus its tenants--about 4000 of whom live adjacent to the new supermarket--to the suburbs of Newark to do their shopping.

While NCC's founders strove to create something new--an alternative to the poverty in which they lived--they could not have imagined, at the time, that in 20 years they could have built an entire, almost self-sufficient community. It did not happen with a 20 year master plan, but rather, as the apparently natural step by step process of dealing with the problems of their constituents--made up of their responsible tenants and some others who had serious unmet needs--as those problems came to the surface. To paraphrase Joe Chaneyfield, as the needs arose, NCC arose to the needs.

KEEPING IT IN THE FAMILY: NCC's IN-HOUSE LEARNING SYSTEM

NCC's religion and the environment in which it began its work have left a lasting impression on the way the organization does business. Over the last two decades, NCC has attempted to meet all

the needs of its constituency rather than farming out or pressuring other agencies to do so. As I mentioned in Chapter 2, the low-income black community's distrust of institutions, both public and private, local and national, was at its height after the riot. The faith that NCC has in itself, which grows in large part out of its religious orientation, has further encouraged NCC to keep all the organization's responsibilities "in the family." All of NCC's services, management, security, professional services and even some of its construction work are done in-house. NCC has a perhaps well-founded suspicion that services contracted out to other organizations or entities will not be done as well as it can do them. Furthermore, by keeping these elements in-house, NCC is better able to guarantee that jobs go to people in the neighborhood and in many cases to NCC residents (how many residents also work for NCC?), who might not otherwise be able to get jobs with as much responsibility and opportunity to develop skills. NCC has come to believe that if it wants something done right it had better do it itself. NCC's own accomplishments confirm this point of view.

NCC's in-house approach to development, management and service provision has an interesting and complex impact on the ability of the organization to learn. NCC's reliance on its own staff and organizational structure to carry out all aspects of its operation enables it to learn and adapt. In their book, Organizational Learning: a Theory of Action Perspective, Don Schon and Chris Argyris argue that in order for organizational learning to occur,

learning and evaluation of individual organizational members must become part of the organizational memory. Having all operations handled within the organization does not guarantee that all members of NCC have access to information about various aspects of the operation. However, NCC's structure, as we will see, allows and even encourages information to flow from tenants and clients, to managers and direct service providers, to the executive staff and finally the board.

At NCC, extensive formal and informal communication within and among departments provides a forum for sharing ideas and information that enables the organization, or at least relevant aspects of the organization, to know that which organizational members know. In this way, information becomes part of the organization's knowledge base. The organizational memory can be passed from one generation of employees to the next because the experience of providing services, managing and maintaining buildings and everything else that goes into the operations of the organization are all contained within it.

Information essential to the efficient operation of the organization flows to relevant personnel through both formal and informal means. Dorothy Douge, the Director of Operations, meets once a month with building managers. She communicates with managers, their supervisors and the maintenance and security supervisors on almost a daily basis and in this way keeps up with maintenance and security issues. My hour-long interview with her was interrupted at least five times by urgent phone calls from

staff in her department, each updating her on another maintenance or security issue.

NCC's decision makers are very aware of constituents' problems because of the unusual access that tenants have to people at the top of the organization. Tenants meet monthly with their building manager and discuss issues ranging from maintenance to social activity. Madge Wilson, who supervises the managers, and Dorothy Douge frequently attend these meetings, as well. According to both Wilson and Douge, impatient tenants often short circuit the chain of command by calling one of them, a board member or, on occasion, by talking with Msgr. Linder after he says mass on Sunday at St. Rose of Lima Church.

Information apparently travels efficiently across the organization, as well. The five department heads meet once a month to exchange information among their departments. When I asked Larry Goldston, the Assistant Development Director, if the development department was made aware of problems that tenants have, he nodded emphatically and said, "People definitely let you know if they are unhappy or don't approve."

As the organization has grown, NCC's staff networks including social services, maintenance and security, which make up the majority of NCC and Babyland's 620 staff people, provide the link between the organization's constituents (tenants and service recipients) and the decision makers. It is this link that allows information about changing needs or dissatisfaction with services to reach the top of the organization. Other organizations employ

subcontracted agencies to meet some of these specific needs. These contracted service providers are likely to be less interested in identifying emerging needs of the constituents. If NCC hired outside agencies to provide social services, security and maintenance it is hard to imagine that it would be as good as it is at identifying and addressing needs that have emerged over time.

In his book Beyond the Stable State, Don Schon elaborates on many of the institutional disincentives to learning and adapting. Change external to an organization, Schon argues quite convincingly, if acknowledged, could call for an organization to abandon its stable state in favor of some unknown and untried form. Certainly these tendencies are at work at NCC as much as at any other organization. By virtue of its closeness to its constituents and their problems, however, NCC can ill-afford to ignore its constituents problems. NCC is too close to the people it serve to be "protected" by ignorance. Failure to learn and to address emerging needs and problems, in NCC's case, would create, not avoid, turmoil.

The tenants of Douglas-Harrison apartments, which NCC bought from Prudential for \$1 in 1983 and rehabilitated, have had a series of complaints with NCC. People throughout NCC are well-aware of the problems--tenants make sure of that--and could not afford to avoid these problems even if they wanted to. Conflicts and problems like these, says Gwen Long, the Director of Social Services, "give me a reason and context to bring people together. In the process we sort through bigger procedural issues." In the case of the

Douglas-Harrison Apartments, as with all of NCC's developments and services, there is no independent management company or social service agency to insulate NCC. NCC has no one to blame but itself, which members of NCC staff believe has a lot to do with its awareness of and attentiveness to its constituents needs.

Schon identifies "vested interest" as one of the principle factors that can inhibit organizational learning.³⁶ As I discussed in Chapter 3, NCC's religious orientation provides organizational members with a devotion to the organization and a common vision which serves to limit the extent of personal vested interest. For NCC's leaders, failure of the organization is tantamount to personal failure. So important is the success of the organization to them that, as Msgr. Linder noted, incompetent relatives of NCC board members have been fired without even a complaint from board members. As we will see in the next section of this chapter, organizational members certainly have a stake in protecting their roles and power in the organization and no organizational ideology, no matter how enlightened, could prevent that. These struggles occur, quite tamely, over the direction of the organization, and not over personal enrichment.

According to the staff, board members and tenants I interviewed, the near universal devotion to the organization among the members is due to a strong personal connection to the constituency, as well as to their religious beliefs. Everyone I

³⁶ Schon, Don, Beyond the Stable State, W.W. Norton, N.Y., 1971

spoke with on NCC's board and staff--18 people in all--had some link to the community. Most are black and live in Newark, and some grew up there, as well. Only one of NCC's board members, Joe Chaneyfield, actually lives in NCC housing, but they all have regular contact, professionally or informally with people who do. This familiarity and identification with the community runs through the organization, from the board, which is made up entirely of people of color, with no seats for outside resource people, to the maintenance and security staff, many of whom live in NCC housing. (59 NCC residents are also employees.)

When it comes to hiring staff and choosing board members, NCC puts a premium on familiarity with and sensitivity to the needs of NCC's constituents. They willingly trade off traditional credentials for this kind of sensitivity. Mary Smith and the founders of Babyland successfully fought state regulation that would have required that infant daycare workers have a BA in an early childhood field, which Smith realized would preclude most Black Newark residents from getting jobs at Babyland. This is not to say that NCC staff is not well-credentialed and educated. It is only to say that the organization defines education more broadly than most.

Many of NCC's staff and board members attribute the organization's ability to identify and meet community needs to "street smarts." The skills and know-how associated with "street smarts" are nebulous but they start with an understanding which comes from direct experience. The know-how used by NCC's original

housing education committee was a type of street smarts. NCC's uncanny ability to get approvals for projects through Newark's notoriously cumbersome bureaucracy takes a kind of street smarts, as well. Msgr. Linder commented that many business people who wanted to do development in Newark gave up when they discovered that having money and a good project was not sufficient to get a it up and occupied. Linder added that

Many business skills are simply not transferable to doing development in Newark. For instance we often deal with a city inspector. There's a way of dealing with his better side. If you don't you'll be there for months trying to get a certificate of occupancy.

Because of their close connection to the goings-on in Newark, much of NCC's information comes through the grapevine. "When you've been and worked in Newark as long as NCC has," says Larry Goldston, the Assistant Development Director, "it's an awfully small town. You pretty much know who's doing what." Ray Codey, the Development Director, estimates that he makes 50 phone calls a day, many of them "getting the scoop" from other developers, non-profits and lawyers. NCC's development department also relies on more formal sources of information, including real estate surveys, newspapers, and information from a real estate broker with whom they work. But both Codey and Goldston consider the information acquired informally to be more valuable to their work. Since the development work is done without consultants, the information acquired through all these sources resides within the organization's collective memory and not in the head of a part-

time development consultant.

NCC's capacity to learn grows directly out of its in-house structure. NCC has become (or remained) an intelligent organization by drawing its staff and board from the community it serves, by keeping vital information within the organization and by circulating that information vertically and horizontally through the organization. The organization's close proximity to its constituents mean that ignorance is far from blissful, and is, in fact, potentially a source of very apparent turmoil. As we will see in the next section, organizational change comes relatively easily to NCC because the vested interest of its members are limited by their tremendous devotion to the organization and its beliefs. As a result of all this, NCC is at least as smart as its bright and street wise members.

ORGANIZATIONAL GROWTH AND TRANSITION

The expansion of NCC's development activities, particularly from 1974-1983, and their dedication to in-house staffing has led to rapid growth of the organization. In 1973 the board of NCC hired Cecelia Faulks as its first staff person. Sixteen years later she has been joined by 620 other employees of NCC and Babyland. Many of the organization's founders and first staff people still serve on the board and staff. But they have been joined and, in fact, overwhelmed by hundreds of "newcomers" who view the organization and their relationship to it very differently than do NCC's

"pioneers."

In its early years, the board ran NCC in a hands-on way. The small staff required substantial volunteer involvement in the running of the organization and the small extent of the development activity (NCC began its first housing development 5 years after its founding) allowed the board to be on top of the planning and operation. This changed quickly during the late 1970s and early 1980s when 2000 units of housing were built and three Babyland facilities were opened. Staffing continued to increase as NCC's social service network grew.

By the early 1980s the board and the staff realized, in the words of board president Art Wilson that "the organization had outgrown us and we had to play catch-up." NCC found itself in something of an organizational crisis. Michelle Odom, the Director of NCC's job placement service, observed that the board understood the organization's "big picture" but that it had lost its handle on the organization's day to day operation. "The Board was somewhat negligent," another executive staff member commented. "They had to assume that the staff knew what they were doing and they were not always right."

The organization lacked an adequate foundation to handle its rapid growth. For all the reasons elaborated on in the previous section, NCC could not help but see that the structure of the "pioneer" days was no longer adequate for the huge organization. The board and staff leadership were simply too involved in all aspects of the organization to ignore that it was faltering. This

realization was, nevertheless, difficult since it implied that the organization's structure had to change. According to one executive staff member, the organization, particularly the board, feared the unknown and feared losing the "mom and pop" familiarity that made the organization unique and successful. But in this case the board's interest in maintaining an organizational "stable state" was not so powerful as its fear of the potential demise of the organization.

The board recently implemented and the organization has settled into a professionalized, bureaucratic structure with executive staff members heading 5 separate departments. Board members each take a particular interest in one aspect of the organization, but they cannot exert the same influence over those aspects as they once did. The resulting structure is a slightly uncomfortable superimposition of a bureaucratic professional structure with an informal "mom and pop" organizational form. When I asked Msgr. Linder whether the board's continued attempt at hands-on management was appropriate he said, "I don't know if its ideal but we are not going to be able to change it. It's their [the board's] organization."

The board's continued involvement is a source of some contention for some of the professional staff. As one professional staff member told me:

The board is too involved. You have to let your professionals do their jobs. But its their baby and their attitude is understandable. You just learn to live with it

Everyone I spoke with agrees that the organization's strength and stability is largely due to the board's love and ownership of the organization and currently the relationship between the board and executive staff is quite good. The uncomfortable marriage of the two organizational forms represents NCC's resolution, or at least a temporary resolution, to an organizational dialectic. The new organizational form works, even if it does so with its own new sources of conflict.

NCC's new structure represents a recognition that the organization cannot recapture the pioneer days. In the words of Sister Catherine who is involved in staff training and orientation, "The flame burns lower today." "When I first came on board," said Cecelia Faulks, now the Director of Human Resources, "NCC wasn't a job, it was just me." With some success the organization makes an effort through orientations to reinforce NCC's religious philosophy and history. Faulks and Sis. Catherine realize, though, that many new employees, some of whom do not remember the riot out of which NCC grew, see their positions at NCC as just a job.

Many other new employees, including those that I interviewed, take their jobs and the organization very seriously. Employees like these earn increasing influence in the organization. Astute new staff members, like Gwen Long, recognize, however, that criticism from newcomers "needs to be delicate." Those who gain the trust of the organization's leaders can penetrate its inner circle. "New Community," says Dorothy Douge, who has been Director of Operations only since last August, "is as much mine as it is theirs." To

their credit, NCC's pioneers seem more and more ready to accept this reality.

THE ROLE OF MSGR. LINDER

Msgr. William Linder was the principle founder of NCC in 1968 and he remains the central figure in the organization today. Linder is not actually a member of the staff or board, since this might be perceived as a conflict of interest with his position on the New Jersey Housing and Mortgage Finance Agency. He considers himself a "trouble shooter" and a sort of de facto director-- even though he is not paid by NCC--until an actual executive director is hired. Since the organization has no plans to do so, Linder may continue in his current role indefinitely. He feels that his primary role, though, is to provide a religious and moral foundation for the organization.

Linder's own description of his role is characteristically understated. The personality of NCC as it has been described in this and the previous chapter is largely a reflection of Linder himself. His spirituality, like the organization's, is grounded in the here and now and is complemented by tangible skills, including engineering, carpentry, sociology and finance. Linder is the organization's most visible representative to the outside world. His Roman collar and apparent humility belie an aggressive determination and political savvy that have become nearly legendary in Newark's political circles. As Bill Brooks, Vice President of Corporate Responsibility at Prudential, told me:

When Bill Linder comes in here I don't know whether to duck, sew my pockets or leave town. He is very likely to come away with what he is seeking.

Linder's role in the internal workings of NCC's is just as important. NCC's internal structure is, in some ways, analogous to that of a Catholic church and within that structure, Linder's role is similar to that of a pastor--a role which he does play at St. Rose of Lima Church. He derives his authority, though, from more than just his status as a clergyman. He does not lead from the pulpit, but rather by example. Madge Wilson, who is currently the supervisor of NCC building managers, still recalls how Linder brought food to her family and the other families in her public housing development as the riot raged in 1967. "Msgr. Linder risked his life for us," she said. "We will never forget that." When Babyland was told by the state in November of 1972 that they had to have their new facility renovated by the new year or else lose their state funding, Linder again came to the rescue. This time he came with his tool kit and for four weeks he supervised the construction of the day care facility at the end of the day after he completed his parish responsibilities. "We all missed Christmas that year," said Mary Smith.

By virtue of his years of sacrifice, Linder has won the respect, and even devotion, from NCC staff and constituents. "I get the sense," said a developer who has worked with NCC but admits to having only an impressionistic view of the organization, "that Msgr. Linder is a kind of benevolent dictator... People in the organization have tremendous respect and reverence for him and they

follow his lead." This insight is both perceptive and misleading. On the one hand, other leaders and members of the organization look to him the way loyal parishioners look to their dedicated and paternalistic parish priest. In this sense Linder's position in the organization seems to be bolstered by the presence of Catholicism throughout NCC and the acceptance of the church's hierarchical structure.

On the other hand, Linder and the organization itself are dedicated to the principle of developing leadership and building power within the low-income communities that they serve. Linder and others in the organization are quick to point out that NCC is not a charitable organization, but one that provides opportunities for low-income people to be part of improving their own lives and building a vital community. Thanks largely to Linder's influence and the insistence of its first Black low-income leaders, NCC is an empowering, rather than a paternalistic organization which prides itself on building faith in one's self and one's community, and not dependence on a single leader.

NCC's board meetings and executive staff meetings provide sufficient evidence of its commitment to building power among the poor. Many of its board members, including its Vice President, Joe Chaneyfield and its Treasurer, Mary Smith (who is also Babyland's Executive Director), both of whom are Black, are former public housing tenants. When provided with opportunities to lead an organization Smith, Chaneyfield and others like them responded by building what is now probably the strongest in the city, if not the

state. The rise of people like Madge Wilson to leadership positions on NCC's staff, as I discussed in Chapter 2, is also indicative of NCC's commitment to providing leadership opportunities.

Ms. Wilson and other of NCC's leaders, by their own admission, owe a great deal to Msgr. Linder. His willingness to build power and autonomy in various parts of the organization is central to NCC's success and staying power. Linder's unquestioned respect and authority within the organization, along with his own self-assurance and vision, have apparently given him the security to encourage a power structure that many other leaders would consider a threat. Linder was among the chief advocates of the current executive staff structure, which provides a large degree of power and autonomy to its department heads. This shift would have been seen as a direct threat to the authority and vested interest of a less secure leader. As I discussed in chapter 3, the organization's semi-independent power bases work quite cooperatively with each other and with Linder in part because of the shared vision that grows out of the organization's collective religion.

It is hard to imagine NCC without Msgr. Linder, but the recent change in organizational structure is an effort to guarantee the organization's longevity when Linder is no longer with it. Linder's retirement from the organization is far from imminent--in fact if his current energy level is any indication, he could easily go another 20 years. Even so talk of succession is coming up at NCC. "Its not just the Monsignor," says Ray Codey, "the buildings are going to outlive all of us. The new structure is a way to guarantee

that the organization goes on well after we leave." Others have a less matter-of-fact view about preparing for succeeding Msgr. Linder. "I don't even want to think about it," says Madge Wilson. "I know I should, but I just can't imagine it."

CONCLUSION

As central to NCC as Linder is, he and the rest of NCC's leaders and participants have built an organization that has staying power. NCC understands the needs of its constituents, learns effectively and has shown the willingness to change its organizational structure when that is called for. Specific organizational members, Msgr. Linder and others, have left their mark on NCC. The organization ability to learn does not depend on any individual but rather on its closeness to the community, its organizational structure and its shared organizational mission.

The "new community" that NCC has built on the 45 acres in Newark's Central Ward was built not by outsiders, but rather from the inside out. This has given NCC an ideal vantage point to assess and react to the community's needs. As we will see in the next chapter, by keeping the organization close to the community and by keeping all activities within the organization, NCC has been able to assess opportunities in the external environment as astutely as it has assessed the needs of its own constituents.

CHAPTER 5
"STRATEGIC OPPORTUNISM"

INTRODUCTION

NCC's learning system has not only allowed it to identify the needs of its community, as we saw in chapter 4, it has also helped NCC find ways to address these needs. Non-profit community developers, including NCC, are faced with conditions of uncertainty and unpredictability, particularly when it comes to the funding environment. Don Schon, referring to institutions generally, writes that "When conditions cannot be forecast far ahead the need for continuing internal transformation puts a high priority on responsiveness to new information."³⁷ NCC has survived and grown over the last 15 years precisely because it has shown itself to be able to quickly gather and respond to information about development and funding opportunities.

Many people outside of NCC commented to me that NCC has been "in the right place at the right time", and said it in such a way as to discount NCC's success or the applicability of its experience to other community developers. But considering that the sources of funding for community development have shifted dramatically over the last 15 years--most notably in the early 1980s when the federal government slashed funding for low-income housing--being in the right place at one time would not be sufficient to consistently bring about community development over that period, as NCC has. NCC stands alone among community developers in Newark and with a handful of groups nation-wide for being in the right place at the

³⁷ Schon, Don, Beyond the Stable State, Norton, NY, 1971, p.185

right time almost all the time. If it happened once it could be considered luck, but the fact that it has happened consistently over the past 15 years indicates that NCC has been doing something right.

This chapter focuses on the ways that NCC has cleverly and flexibly adapted its development strategies to correspond to shifting opportunities. I explore the various approaches to community development that NCC has used over the last 15 years. NCC has responded to each major shift in the availability of funding for housing and community development by finding new ways to remain productive. It has also built its own resources and capacity so as to weather funding shocks that have wiped out other similar organizations. The examples that I use show that NCC's adherence to its mission, which grows out of its religion, is integrated with its strategic "opportunism". The combination has enabled NCC to consistently address the needs of Newark's neediest residents.

IN THE RIGHT PLACE AT THE RIGHT TIME

1. Federal Housing Subsidies:

In the 1970s a number of non-profit housing developers emerged in Newark. These groups, like NCC, were responding to the need for adequate, affordable housing for Newark's low-income residents, and they were encouraged by the establishment and growth of housing grant and subsidy programs by the federal Housing and Urban Development Department (HUD). In the early 1970s, private, public

and non-profit organizations with the help of HUD subsidies, built about thousands of units of housing for low and moderate income people in Newark. NCC's initial developments were made possible by this infusion of HUD funding into the city in the 1970s. NCC worked fast starting in 1973 when it began construction on New Community Homes and put up 1546 units of housing through HUD subsidy programs by 1980. NCC truly made the most of federal support for low-income housing while it lasted.

When federal and state funds dried up (stats here, as well) other groups, in the words of Development Director Ray Codey, "threw up their hands." Some others did not even last that long. In February of 1973, two Newark-based housing organizations announced that they would suspend operations in the face of a temporary federal moratorium on housing subsidies. Neither the Priorities Investment Corporation, a Black organization, nor the Aspin Group, a Puerto Rican organization, could withstand the federal cuts and have not been heard from since. Tri-City, an organization founded in 1966, rehabilitated 300 units of housing in Newark with funding through HUD's Section 236 program, which provided a mortgage interest subsidy. The scattered site developments fell into financial problems in the late 1970s, in part because of rising fuel costs. Unable to meet mortgage payments, Tri-City turned the units over to the N.J. Housing Finance Agency in 1982. Tri-City continues to be an active service provider in the inner city, but like so many other organizations that began to develop housing in the 1970s, Tri-City was unable to

weather the many storms that community developers faced during that period.

2. Tax Syndications:

NCC made the most of HUD's increased support for low-income housing in the 1970s. Not only was NCC able, in the words of former Tri-City director Ed Andrade, to "hog" the federal resources available to non-profits, but NCC used the support to diversify its activities and to help guarantee its long term survival. NCC established 8 tax syndications which sold the tax shelters from its HUD subsidized rental housing to market investors. The funds from these syndications helped to fund housing services, daycare, capital equipment for the in-house construction company and vehicles. The use of tax syndications, which were a spin off of NCC's housing, helped build NCC's capacity to develop well after the HUD subsidies dried up. In this way NCC managed to build its organizational base in the 1970s for the difficult years that it and other community development organizations faced during the Reagan years.

3. Generating Fees:

The 1986 tax reform made it impossible to syndicate and sell tax shelters, and currently the funds from NCC's syndications, which were seven year deals, have dried up. NCC's in-house approach to development, though, has enabled it to continue to build its development capacity and increase its organizational durability.

NCC, as we saw in the previous chapter, deliberately involves itself in as many aspects of the development and management process as possible. NCC still generates fees for management and social services out of the HUD subsidized rents in its initial developments. On small construction projects, its in-house licensed contracting company, which Development Director Ray Codey admits is a contracting company in name only, allows NCC to capture the contractor's profit while sub-contracting all aspects of the construction job.

NCC's recently initiated housing development in Jersey City, a joint venture with Colgate-Palmolive, is one of many examples of NCC capturing fees at all stages of the development and management process. NCC is getting a \$10,000 development fee for each of the 83 units, in addition to a management fee for rentals and condo association fees. At the end of the project NCC will also get a share of the project's tax credits which it plans to sell to private investors.

Ray Codey calls these fees "the fuel of the organization." "The fees," Codey added, "allow us to pay for ambitious but under-funded projects such as the employment and training program for homeless people and the AIDS daycare center." Msgr. Linder adds that NCC tries to "see how many times we can make the same money work for us." To supplement the organization's income, NCC has established for-profit subsidiaries which include a restaurant and a health club. Although neither has turned a profit yet, NCC hopes that they will soon help subsidize the St. Joseph's Plaza where they and

NCC's main office are located. The New School study concludes that NCC's in-house, fee-generating strategy is "an approach of which emerging CDC's should take note."³⁸

4. Regional Contribution Agreements:

With federal housing subsidies dwindling and the end of revenues from tax syndications, NCC searched for other funding opportunities. The New Jersey courts provided NCC with such an opportunity in the early 1980s. The state Supreme Court ruled in the first landmark Mount Laurel decision that communities had a responsibility to provide a specific percentage of affordable housing based on the demographics of the region. A commission appointed to carry out the court ruling agreed that a community could shift a half of its low-income housing responsibility by subsidizing the development of these units in another community in the region that agreed to site these units. These arrangements were called "Regional Contribution Agreements".

NCC, who closely followed the litigation, approached the town of Denville, one of the communities in the region that had been named in the original suit. They were still reluctant to build affordable housing within Denville and were interested in transferring some of their obligation. NCC put Denville town officials together with their Newark counterparts. Denville and Newark city officials reached the first Regional Contribution

³⁸ Vincent, Christine, the New School study, p.71

Agreement in the state in which Denville agreed to pay \$1.2 million towards the construction of 30 units of low-income housing. NCC was designated as the developer and the units, called the Sussex House, are now being rented to low-income tenants.

The development of the Sussex house sheds light on the way that NCC deals with contradictions between its philosophy and its pragmatic interests. NCC is well aware that the most recent Mt. Laurel decision was a compromise which allows wealthy communities to buy out of part of their responsibility to house low-income people. The Regional Contribution Agreements allow for the production of affordable housing in places like Newark, but they do so at the expense of economic integration of the suburbs. NCC gladly accepted the funds from Denville and will actively seek more funding from regional agreements in order to house their constituents, even if they recognize that Denville and similar communities are dodging their own responsibility.

5. Income Tax Credits:

The Sussex House was also the first project on which NCC raised revenue by selling low-income tax credits to limited partners. It raised \$750,000 in revenue on the Sussex House project by syndicating low-income tax credits to a local bank. The federal tax credit law allows that the project can become market rate at the end of 15 years. NCC, however, cleverly protected the long term affordability of the project by organizing a balloon mortgage with no payments to the equity holders--the owners of the tax credits.

When the balloon comes due NCC will turn over the mortgage in exchange for the deed. The low-income tax credit has been part of the tax code since 1986, but have been greatly misunderstood by private investors and, thus, under-used. Although new tax law changes will bring these credits to an end at the end of 1989, any project 10 percent completed by that time can carry the credit ahead 2 years. NCC is determined to get a number of projects underway by the end of the year and it hopes to raise a good deal of revenue through an aggressive campaign to educate the private sector about the advantages of the tax credit. As I discussed above, NCC's joint venture deal with Colgate-Palmolive is its most recent use of low-income tax credits.

6. Joint Ventures:

NCC developed the Sussex House in a joint venture deal with Bell Meade Corporation. The large for-profit developer built the Sussex House at cost and sold it to NCC for \$40,000 per unit. The Sussex House project and the Colgate-Palmolive deal are two of four NCC projects carried out in joint venture arrangements with Fortune 500 corporations. In each of these four joint ventures NCC has retained significant control of the development process and has made use of its partners' resources to build projects that could not have otherwise been developed given the nonexistence of federal support for such projects. NCC's religiously rooted commitment social justice has kept these joint ventures focused on the needs of low-income Newark residents.

In August of this year Harmony House, transitional housing for 102 homeless families, will open its doors. The project is the result of another joint venture, this one between NCC and Hartz Mountain Industries, with help from assorted private and public entities. NCC began thinking about building transitional housing as the Essex county homeless population swelled to an estimated 1200. NCC sensed an opportunity when the State Supreme Court recently ruled that the state did not have to provide space in shelters for homeless individuals and families for more than five months because, according to the state's case, a network of transitional housing services was in place. "The state panicked," said Ray Codey, "because they knew that no such network existed. We felt that we could begin to build such a network."

Meanwhile, senior officials at Hartz gathered for the 50th birthday celebration of Hartz executive and multi-millionaire Leonard Stern. Stern, who had already developed transitional housing for 1200 of New York City's homeless, said at the dinner that he wanted to expand the corporation's transitional housing development into New Jersey. At a party a few weeks later, Morton Goldfein, a senior vice president of Hartz, met a friend of Ray Codey who told Goldfein about NCC. A few weeks later Codey and Msgr. Linder met with Goldfein to discuss the project and then brought him to the NCC owned parcel where the project is now being built. Goldfein discovered later that day that Hartz President Gene Heller was born on the same block as the proposed site. This caused Goldfein to conclude that "this project had good karma from the

start."

NCC contributed the land to the project and they will be responsible for providing comprehensive services for the family residents. These services will include an employment center, medical clinic, food pantry, recreation center, and a welfare office. Before moving in, residents must agree to a contract--analogous to the "covenant" made with NCC tenants--which includes that they make an effort to get a high school equivalency degree, look for work and permanent housing and place their children in one of the Babyland daycare centers.

Hartz, for their part, is constructing the facility at cost. Mutual Benefit is providing permanent financing for the project. The state, which was convinced by NCC that the project would save them money in expenses from welfare motels, is providing a 25 percent equity grant to the project. "There are streams of money out there," said Goldfein. "NCC was able to get those streams flowing in the right direction."

Not only was the state willing to support the project, it has put the Harmony House forward as a model of partnership between the public, private and non-profit sectors to address the homeless crisis. Msgr. Linder and Morton Goldfein joined Governor Thomas Kean at a conference of private and non-profit developers at Rutgers on April 10 of this year to discuss the Harmony House project as a model for other areas of the state. Similar projects are already in the planning stages in Monmouth County and officials from Jersey City have approached NCC to put together a project

there, as well. The Harmony House project and its other joint venture deals epitomize NCC's impressive ability to adapt and continue to meet urgent and complicated human needs at a time when many other groups are lamenting the absence of federal support for community development.

NCC has concluded that it must deal with people at the top of a corporation if a joint venture deal is to be successful. They learned this the hard way, when a potential partner backed out in the middle of plans to develop an ice cream distributorship on NCC's 45 acres. In their collaboration with Hartz, Bell Meade, Colgate-Palmolive and Pathmark Supermarkets, NCC has had access to the decision-makers in these corporations, who have the ability to commit the company's resources.

NCC requires that their partners be reliable, but as far as NCC is concerned, they need not share NCC's agenda. NCC staff and board speak highly of Bell Meade, Hartz and Pathmark who have taken risks and contributed resources in an effort to serve a community that has long been under served or taken advantage of by the for-profit sector. Interactions like these help to explain NCC's resistance to embrace social analyses that advocate class conflict, even as they acknowledge the inequities inherent in the system. NCC is not so impressed with the motives of Colgate-Palmolive in their joint venture housing development in Jersey City. Colgate struck a deal with Jersey City officials whereby the city waived Colgate's obligation to provide 10 low-income units in its waterfront development, and in exchange Colgate agreed to build 83 affordable

units in a low-income neighborhood in Jersey City. NCC knew from the start that Colgate, in the words of Ray Codey, "was in the deal for the wrong reasons." Nevertheless, NCC saw the opportunity to help develop low-income housing in a city that needed it badly. In addition, the project, which is under construction, provides NCC with a flow of income which allows it to further increase its capacity.

The emphasis that NCC's religion puts on results in this and other cases has, rightly or wrongly, kept NCC from getting bogged down in philosophical dilemmas. Its willingness to put aside dilemmas of this sort has left NCC open to some criticism from other progressive organizations. At the same time NCC's opportunism, if it can be called that, has allowed them to meet needs that would not have been met otherwise.

7. Building on its track record

As we have seen, NCC has been able to attract partners and supporters for its projects due, largely, to the track record that it has built over the last two decades. In a number of cases recently NCC and Babyland have been approached by public agencies to take on specific projects. In this way, funding opportunities from the public sector have caused NCC and Babyland to expand their work and constituency.

In 1987 Babyland was approached by the county to manage and run a state funded battered women's shelter. Domestic violence was an issue that Babyland had dealt with through their daycare work

and Mary Smith, Babyland's director, had counselled battered women in the past. The shelter, thanks to this accumulated know-how and the dedication of the Catholic nuns, provides support services and a home for 42 women.

Babyland also recently opened a daycare center for 10 children with AIDS. In this case, as well, Babyland was approached by the public sector, this time by a representative of the Department of Health and Human Services. Babyland jumped at the opportunity to open a federally funded AIDS daycare pilot program. Mary Smith and the boards of NCC and Babyland agreed that the organization had a responsibility to take on the project, even if federal funds were not adequate for the center. Mary Smith said that:

Ministers were calling AIDS a curse and this made me very mad. Someone had to show compassion for these children and parents. They are God's children and they need love even more than others.

As opposed to the extensive security and social service network for their tenants, which I described in Chapter 4, the battered women's shelter and the AIDS daycare program (as well as the Harmony House project) are examples of how NCC and Babyland have followed funding rather than acting on the immediate needs of their existing constituency. In the process, NCC has expanded its services and, in fact, their own definition of their constituency. As "God's children", battered women and children with AIDS (as well as homeless families) have been welcomed into NCC and Babyland's community and covenant.

CONCLUSION

NCC has found a way, actually several ways, to continue to build housing, create jobs and provide services in the face of shrinking public resources for such activity. In its early years NCC built a solid base for future development by making the most of HUD housing subsidies. Not only did it build 1546 HUD subsidized units in short order, NCC's in-house approach and its use of tax syndications also helped to build NCC into a diverse and resilient organization. Slashes in HUD subsidies during the Reagan years unquestionably hindered NCC's ability to develop housing on the same scale as it had in the 1970s, but, unlike other less self-sufficient community development groups, NCC's survival was never threatened.

Since the cuts in federal housing assistance, NCC has taken a series of strategic steps to keep up with, or one step ahead of, new development opportunities. NCC has been a pioneer in the use of funds from Regional Contribution Agreements, low-income housing tax credits and joint venture development strategies. While the development of NCC's internal capacity allowed the organization to survive, its use of these creative strategies have enabled it to continue to build its "new community".

NCC's experience over the last 15 years, and the demise of many other community development organizations, indicates that being in the right place at the right time is not as easy as it sounds. "We try to anticipate and influence," says Ray Codey. "We react to what's out there, but we are aggressive enough to stimulate

situations." This has been made possible by NCC's willingness to "work the system" even as it acknowledges that the system is the root of the injustices it tries to correct. Its result-oriented religious perspective encourages this approach to development.

NCC's housing, daycare, job placement services and social service networks are monuments to its internal capacity and its success at aggressively anticipating development and funding opportunities. Their example is enough to give opportunism a good name.

CHAPTER 6
BUILDING STRATEGIC ALLIANCES

INTRODUCTION

NCC, as we have seen, has demonstrated an ability to respond to its changing environment. As NCC has grown, it has increasingly found it possible and necessary to not simply **respond** to its environment, but to **influence** the environment as well. NCC has concentrated on influencing specific sectors within its environment which, by virtue of their access to resources and political power, have been able to help NCC accomplish its goals. "New Community understands the allocation of resources in our system and how to make them work for itself," said William Brooks, Vice President of Corporate Social Responsibility at Prudential Insurance Co. in Newark. "They know where the points of political and economic leverage are and they know how to build networks."

NCC has built these networks by actively teaching certain sectors of the outside world about itself. The non-profit world is alien to many in the private and public sector, but NCC has, according to Msgr. Linder, "tried to make our development plans and organizational structure as familiar as possible to the people we are dealing with." In so doing, NCC has, as we have already seen, developed strong relationships with certain parts of the for-profit and public sector.

NCC's relationships with various sectors in the outside world, when viewed together, are quite ironic. NCC does not choose to work with or cultivate relationships with just **anyone**. NCC's interaction with the outside world has, according to Development Director Ray Codey, focused on getting NCC, as the representatives

of the have-nots, "a seat at the table." NCC has earned that seat among the economic and political "movers and shakers" in the city and state, and have used it to promote the interests of Newark's neediest.

Compared to its well-developed efforts to influence and educate the for-profit and public sector about itself, NCC's interaction with Newark's other community based organizations has been lukewarm. Representatives of some of Newark's smaller and younger community groups with whom I spoke found NCC to be aloof and uncooperative. They resent NCC's connections to the power structure and they feel it uses its connections to promote itself, often at the expense of other organizations. These groups, who by and large share NCC's goals of social justice and equity, find it troublesome that while NCC has won a seat at the table with the rich and powerful, their organizations cannot get a seat at the table with NCC.

The source of NCC's relationships with the outside world is both pragmatic and religious. In this period of limited public funds, NCC's most urgent pragmatic need is for resources. In this area, Fortune 500 companies are much more valuable than Newark's small community based organizations. NCC's result-oriented religion emphasizes these pragmatic choices, as well. In addition, NCC, as I have discussed, feels that their organization is unique in that it was put together, according to one board member, by the "King of Kings" in order to do "God's work." Doing God's work is nothing to take lightly, and NCC has a fundamental distrust that other less

developed organizations are up to the responsibility. This attitude is underscored by its own track record and by the relatively spotty track record of other community development organizations in Newark.

In this chapter I explore the nature of the relationships that NCC has forged with both the power brokers and fellow community based organizations. This exploration demonstrates that NCC's relationship with institutions with power and money have been key to its enduring success. While its choice of allies is logical, it also presents some unavoidable contradictions which I also touch on.

GETTING A SEAT AT THE TABLE

From its very beginning NCC has understood the importance of making strategic allies. To do so, according to Ray Codey, "We need to get outside institutions to learn about us. This is the only way to make them less nervous."

As we saw in chapter 3, early on NCC devoted attention to establishing positive relationships with people in suburban communities who had resources and political connections that were important to NCC. NCC's outreach to these communities was always focused on this agenda. William Brooks of Prudential commented that in such interactions with the outside world, "New Community usually comes away with what its seeking." NCC's outreach effort to the suburbs was no exception. NCC recruited suburban volunteers who provided political support and raised money to help get NCC

started. Some of these original volunteers, including the editor of NCC's newspaper, Patricia Foley, are still with NCC.

While the work of suburban volunteers in the New Community Foundation and Operation Housewife was greatly appreciated, according to Bernard Koechlin, a former President of the foundation, "New Community was adamant that it would not become beholden to suburbanites, corporations or anyone else. They made sure that the foundation was at a distance from New Community's operation." It was the same sentiment that kept NCC from accepting funding with strings attached from the archdiocese and that has kept it from inviting corporate leaders or other outsiders onto its board. NCC welcomes the support of people and institutions outside of NCC, but has refused to trade control of the organization in order to get it.

By this time corporations realize that NCC is not for sale. Many of them are, nonetheless, quite willing to work with and support NCC. One important reason is that compared to other community-based organizations, NCC is considered to be a safe investment. William Brooks of Prudential called it a "bottom line organization" that "gets things done." From a corporation's point of view, according to Brooks, there is nothing worse than investing in a project that is never completed or that never even gets started. This is not a risk associated with NCC projects. "They deliver," said Brooks. "That's a hallmark of New Community."

NCC's collaboration with Hartz Mountain on the Harmony House transitional housing development is instructive in understanding

how NCC has cultivated relationships with the corporate world. This example shows that there are a number of things about NCC's structure, appearance and experience that make it more attractive as a potential partner for a for-profit entity. Morton Goldfein, Senior Vice President of Hartz Mountain Industries, told me that when Hartz seeks out development partners they place a high premium on the partner's integrity. Goldfein, in his words, "never had any doubt about their [NCC's] integrity."

While NCC's religion played a part in Goldfein's assessment of NCC's organizational character, Golfein and Hartz trusted NCC primarily because of its track record. "We got reports from our contacts in Newark of the high quality of their work," Goldfein said. "When we first drove our president to the site [of the transitional housing]," Goldfein continued, "we saw 2000 units of NCC housing that were well-constructed and well-maintained...They showed us buildings, not renderings."

Hartz Mountain Industries is a very successful and sophisticated real estate developer, one of the largest in New Jersey. "Someone can come in here in the morning with a proposed deal," Goldfein boasted, "and we can have a set of drawings, specs and a proforma by 3:00." But when it came to the development of transitional housing in inner city Newark, Hartz realized that they needed help. NCC's experience in providing and coordinating services, combined with its political savvy made the partnership, according to Goldfein, "a natural fit." Goldfein recalled that on the day that Newark's planning board was to decide on the site plan

for the Harmony House, NCC organized 3 bus-loads of supporters to come to the meeting. "We were in and out in half an hour," said Goldfein. "I've never seen anything like it."

Community-based organizations, in general, are strange animals to corporations like Hartz. Hartz, according to Goldfein, has little patience for their participatory organizational processes. He felt NCC was different. "They don't operate like a community group," he said. Goldfein is correct in the sense that NCC does not put the details of a deal before the entire organization. As we saw in Chapter 3, NCC's organizational paradigm is built on shared visions and goals. The organization, therefore, need not debate the merits of each proposed project. The organization's leadership is empowered to make such decisions. "Internally," said Msgr. Linder, "we can close ranks around a deal. With other groups with more complex structures it is more difficult."

NCC aggressively promotes its organizational attributes. NCC's offices in recently renovated St. Joseph's Plaza, a converted Catholic church, is one way that NCC puts its best foot forward to the outside world. In rehabbing the former Catholic church, NCC made sure to preserve its architectural splendor. The upper level provides space for their central office staff while the ground floor is occupied by a restaurant and health club--both of which are for-profit subsidiaries of NCC. Although the project is not yet the financial success that NCC had hoped, it is an important showpiece for the organization. The Chamber of Commerce and

community organizations use the common space for annual meetings and dinners and both New Jersey Senators, the governor and Archbishop Desmond Tutu have visited St. Joseph's. They often use these visits to St. Joseph's as an excuse to bring guests on tours of their developments. "The building [St. Joseph's] allows us to meet people here rather than in Trenton or at City Hall," says Linder. "Once they are here, we have the opportunity to show them who we are and all we've done."

The New Clarion, NCC's monthly newspaper, is another important means of teaching the outside world about the organization and its accomplishments. In 1984 NCC converted their 4 page newsletter called the "Intercom", which included birthday greetings and recipes, into a 16 page newspaper which promotes the organization, highlights its accomplishments, urges readers to support its projects with phone calls and letters, and provides some analysis of the economy, housing situation and politics in the city. Governor Kean and Newark's Mayor Sharpe James are among the 12,000 readers of the New Clarion.

MAKING POLITICAL ALLIES

When making choices about political allies, NCC is blind to an individual's political label. Some critics argue that they are also blind to their overall political orientation. NCC, according to William Brooks, "single-mindedly pursues resources and will ally or beat up on Democrat or Republican to get them." As a result, NCC has had some surprising political bedfellows.

The most notable example is New Jersey's Governor Thomas Kean. Kean is a moderate Republican and a Princeton graduate from the wealthy suburb of Livingston. Kean's old money, privileged background makes George Bush look blue collar. On the surface, Kean is an unlikely supporter of NCC, but at last year's governors conference Kean, in a speech to the body, raved about NCC as a model for non-profit community development. Kean is a regular guest at NCC ground breaking and other affairs, and has been a supporter of NCC in Trenton since the 1970s when his wife, Debbie, introduced him to the organization while she worked with Operation Housewife.

NCC's constituents returned the favor during the last gubernatorial election when the virtually all Black, Democratic precinct which covers NCC's 45 acres voted 80% in favor of Kean. Kean, in fact, carried the entire Central Ward--a feat that is unheard of for a Republican. Kean, who last summer delivered a resounding critique of liberal social programs in his keynote address at the Republican convention, continues to be NCC's strongest and most powerful public supporter. NCC does not seem troubled by the contradiction and it continues to welcome his support.

NCC has put some effort in the last few months into developing a positive relationship with new Secretary of HUD, Jack Kemp. Msgr. Linder feels that NCC is the kind of organization that the arch-conservative cabinet member can support because they have shown the ingenuity to build private-public partnerships. "I think we can work with Kemp," he said. On May 1, Kemp attended the ground

breaking at their shopping center. They hope that this will be the beginning of yet another odd, but organizationally productive political alliance.

COMMUNITY BASED CRITICISM

While NCC has built an impressive network of allies among for-profit corporations and establishment politicians, its critics among non-profit community organizations are many. When I asked one of NCC's staff if they could suggest some community groups that might give a critical perspective on NCC he told me, "That's easy. Everybody hates us." This was, of course, an exaggeration, but I found that people at many non-profit organizations resent NCC's obsession with building and promoting itself and its unwillingness to work in coalition with other community groups.

Progressive community organizations are envious of NCC's large constituent base and frustrated at their own lack of access to that base. "New Community organizes their base only for their own good," said a director of a community development organization in Newark. "You can bet if I had all those people I'd organize them into a real power." Of course, the fact is that neither he nor any other community development organization in the city have "all those people" and it is no coincidence that NCC does. Msgr. Linder acknowledges that NCC does not allow politicians to solicit and build a base in their buildings because, in his words, "We want to protect our power base."

Some of the comments of NCC's critics amount to resentment

about NCC's tremendous success, but not all their criticism can be dismissed as sour grapes. NCC has quite deliberately developed in a very insular way. Its distrust of other institutions is deeply-rooted, largely because it was founded during a period of widespread institutional corruption and ineptitude. Its distrust seems to persist and smaller community-based organizations in Newark are bothered by it and by NCC's reluctance to work with them or take a lead on issues that affect all the city's low-income residence.

It is not entirely surprising that NCC does not feel the same urgency to engage in the battles for improved services and quality of life for Newark generally. NCC, after all, has made a point of itself providing services, housing, security, daycare, jobs and schooling (NCC employees get scholarships at St. Rose of Lima School, the school of Msgr. Linder's parish) for the very reason that they and their constituents believed that they would be deprived of these things otherwise. In so doing, NCC has in effect taken their people out of many of the struggles in which other low-income Newark residents must engage. By forming a "new community" which is strong and self-sufficient NCC may very well be guilty of leaving the "old community", ie the rest of Newark behind.

Richard Cammarieri, the director of Newark Coalition for Neighborhoods (NCN), a coalition of community-based groups, is not surprised that NCC has refused to join his organization. "Coalitions are formed out of weakness," Cammarieri argues, "and New Community is not weak." Ed Andrade, former Director of Tri-

City, which was a leading organization in NCN, felt that NCN shared some of the blame for not tying NCC in. "We weren't sophisticated enough to give them a `take'," Andrade said.

Msgr. Linder pointed out that NCC's leaders, including himself, put a lot of time in with non-profits around the country putting out their organizational model and sharing their development strategies. But he also said that "We are not much for coalitions. They are only as strong as their weakest link." When it comes to collaborating on development projects, Linder and others outside the organization feel that all of Newark's community groups fall short when it comes to their level of sophistication. "In Newark," says Bill Brooks of Prudential, "there aren't competitors. NCC is out of scale." Linder is in agreement with Morton Goldfein of Hartz that the process of most community organizations is cumbersome. "Most community groups," Linder said, "are just too slow."

While NCC's cool relationship with other community groups may be understandable it is, in many ways, unfortunate. As I have discussed, NCC is an intelligent, principled and, above all, effective community development organization. It has a lot to teach smaller, younger community development organizations. Three years ago La Casa de Don Pedro, an Hispanic multi-service agency, approached NCC with the promise of financial support from the Enterprise Foundation if NCC would assist them in starting a housing development program. NCC refused.

Ramon Rivera, the director of La Casa, noted that NCC has become more open with some recent staff turnover and that they are

more receptive to working with his organization. He attributes this, in part, to the fact that La Casa is now the sponsor of a weatherization program that recently insulated New Community Homes. Rivera, nevertheless, welcomed this trend. He continues to feel, however, that NCC is not providing leadership for Newark's younger less sophisticated organizations. "They are not closed," he said, "but their leadership is not affirmative."

CONCLUSION

In regard to its relationship with other community organizations, NCC's experience is not unique among large community development corporations. Its religious orientation emphasizes faith in God and in itself--as God's chosen people--and not in other community groups. (This factor may not be part of the experience of most CDCs.) Its experience with Newark's often inept institutions over the years has reaffirmed this view. NCC feels uniquely qualified to meet the needs of Newark's low-income community, and it feels that participating in coalitions can only detract its attention from that aim. Its own success at building a humane, nearly self-sufficient community has, ironically, removed the urgency among their constituents to struggle around larger social issues. Finally, unlike other community organizations, NCC could stand to lose their seat at the table as the result of actions taken by any coalition that they might be a member of.

Other community groups would prefer that NCC use its position to help provide them access to power and resources. This is clearly

not a priority for NCC. Nor is it entirely clear that it should be. NCC's cultivated relationship with certain corporations and politicians have paid off for NCC, and more importantly for its constituents. 102 homeless families will be housed and served as the result of NCC's collaboration with Hartz. Because of NCC's partnership with Pathmark, 95,000 low-income Blacks in Newark's Central Ward will have easy access to a supermarket for the first time in nearly two decades. Their relationship with Governor Kean has meant continued state support in a period of public austerity and its budding relationship with HUD Secretary, Jack Kemp may do the same at the federal level. By putting out its track record and being willing to work with these individuals and institutions, NCC has done great things for low-income Blacks in Newark.

NCC's relationships with various sectors in the outside world, however, present real contradictions and dilemmas. It is odd, but understandable, that NCC would, for example, sooner work with Colgate-Palmolive, which is interested in keeping low-income people out of their waterfront development in Jersey City, than they would join the Newark Coalition for Neighborhoods, a group that shares its basic goals.

NCC's irresolvable dilemma makes a strong argument for the need for a network of community organizations, at different stages of existence, working in different ways, with different allies. To succeed, a movement for equity and justice requires a variety of tactics, and NCC, as strong and successful as it is, cannot be expected to successfully "work the system" and fight it

simultaneously. The divergent approaches and the tension between it and other smaller organizations is inevitable and not entirely unhealthy.

The questions brought up by NCC's relationships with outside institutions and individuals provide topics for lively debate. They remain unanswered in this thesis. NCC's experience and my analysis of it, however, demonstrates for community development corporations the importance of building strategic relationships with institutions and organizations in one's environment. NCC's success owes itself, in large part, to the productive relationships it has established both with organizations that share all its goals and with those which may not. NCC's experience demonstrates that no organization is an island, even if it is building a "new community."

CONCLUSION

A short walk from downtown Newark--the site of the city's "renaissance"-- and in the midst of some of the United States' most desperate urban poverty sits NCC's "new community." The community has provided safe, comfortable, affordable homes, daycare, jobs and social services for thousands of low-income Newark residents. What is less obvious but equally impressive is that the work of NCC over the last 20 years has provided hope, collective political power, identity and pride among a population which, in the period immediately following the 1967 riot, was frustrated, powerless and skeptical. NCC has provided an example of how non-profit community developers can use strategies that take advantage of changing development opportunities without losing sight of the needs of their constituents.

As we have seen, NCC's particular religious orientation has been central to its success. During the early stages of my research I was puzzled by the evident importance of religion and faith in the organization. Nearly everyone I spoke with told me that religion colored the way they looked at the world and that the organization's accomplishments were partly attributable to God himself. This all seemed to confuse, if not contradict, my original notion that NCC had flourished because it understood the world in which it operated and adapted its strategies accordingly. After all, religion, at least those that promise everlasting life, have been known at times to numb individuals and institutions to the world around them. Some religions have effectively pacified the oppressed by encouraging them to wait for their rewards in the

afterlife or to wait for an act of God to alleviate their plight. In this way some religions have rationalized inequitable and unjust societies.

It is quite different at NCC. For its board, staff and constituents, religion is no opiate. In fact, NCC's religious orientation, which emphasizes social justice and equity, has helped open its eyes to the problems of the poor in inner city Newark and helped it focus on the changing and emerging needs of this constituency. NCC's religion, because it has its roots in the streets of the inner city, is focused on tangible solutions to urgent problems and not on highly abstract philosophical issues. NCC, because of the nature of its organizational religion, is goal, not process, oriented.

The work of NCC, its members feel, is God's work. There is a sense that they were specifically brought together by God to do that work. There is a certain audacity that grows out of this attitude. It shows in the way NCC does business and in the way it deals, or does not deal, with people and institutions around it. NCC believes that it is uniquely qualified to deal with the problems of low-income blacks in Newark. This cockiness may disturb other community organizations, but it is an important element of NCC's success. It has led NCC to become a remarkably self-sufficient organization. Its self-reliance has led NCC to build organizational capacity, not just in terms of resources but in terms of its capacity to learn as an organization. Relying on itself and building an in-house structure has forced NCC to pay

close attention to and adapt to the problems of its constituents.

Its self-reliant spirit has not prevented NCC from understanding that it exists in a complicated world to which it must respond and adapt. No one in the non-profit development world has done this any better than NCC. NCC approaches its goals with a sense of urgency, and rightly so considering the nature of the needs of Newark's poor. Because of its focus on these important goals, NCC has put aside debates about process. This has freed NCC to explore a variety of means to bring about community development for its constituents. In Chapter 5 I elaborated on 7 separate strategies that NCC has used to continue to meet the needs of its constituency over the last 15 years. NCC has shown impressive results by playing the development game and by avoiding self-righteous or "holier than thou" standards. In spite of its religious orientation, NCC is more apt to be described as shrewd than as pious.

NCC has discovered that winning in the development game requires making allies in the private and public sector, and it has made many. The relationships it has forged, however, have been on its own terms. The corporations, political figures and other assorted supporters that have worked with NCC over the years have each gotten something from their relationship with NCC, but they have worked from NCC's agenda. These individuals and institutions are allies of NCC but they are not part of the NCC "family." The organization, to its credit, has refused to relinquish decision-making power to even its most influential allies. NCC's work is too

important, in the minds of its leaders, to be left to those who may not share its views or who are not linked to the constituency that it serves.

Its strategic alliances have left most of Newark's community based organizations out in the cold. NCC has sought to create its own community and it has looked to those with resources and power to help it. In so doing it has implicitly made a choice to limit its participation in the struggle to change society as a whole. The thousands of families that it houses, and those for whom it has provided jobs, daycare and services are glad it made the choice that they did, and it is hard to argue with NCC's astonishing accomplishments. The poor, ill-housed and under-served communities which surround NCC's community, however, have also suffered from NCC's lack of broad leadership. No one should reasonably expect that one organization, even NCC, could address the needs of all the city's poor. NCC, though, because of its size and expertise, is at this point the only organization that could begin to lead such a movement. Community based organizations in Newark, however, are not holding their breath. NCC seems perfectly satisfied doing what it does best, i.e. continuing to build its "new community."

NCC AS A MODEL CDC

NCC's chief contribution to community based groups has not been and will not be as a partner in coalition efforts but rather as a model for small, young community development organizations. These organizations would do well to follow the example of NCC's approach

to community development.

There are, however, at least 4 characteristics of NCC that are not replicable for new community development organizations. First, newer and smaller groups, unfortunately, may never again have access to the level of public subsidy that NCC and other organizations born in the 1970s enjoyed. NCC's organizational capacity is still largely a result of HUD subsidies. Second, NCC has benefited from cheap and abundant land. In most cities today, including Newark, vacant land is a scarce or at least expensive resource. NCC, itself, has begun to feel the pinch in the land market as its banked land runs out. Thirdly, as NCC grew through the mid-1970s, it found itself with no organizations that could compete with its sophistication and capacity. As community developers and housers in Newark, NCC is truly in a league by itself. Finally, NCC has thrived in part thanks to the extraordinary and unique leadership of Msgr. William Linder. Linder, like very few other leaders, embodies the vision, humanity, intelligence, savvy, determination and flexibility that have been the essence of NCC's longevity and productivity.

There is, though, a great deal of NCC's experience which is replicable for organizations committed to bringing quality community development to low-income communities. The first and perhaps the most important lesson from NCC's work is that to succeed community development organizations need an explicit set of values, an ideology and a world view. Organizational members need not have identical views but an organization without a common

vision and language is susceptible to fragmentation and aimlessness. Ideology has become a dirty word in U.S. political circles in recent years, and to the extent that it closes the eyes of organizations to opportunities to do its work better, perhaps it should be. But without an ideology and a mission to strictly adhere to, an organization becomes a slave to its environment.

NCC's ideology is of a specific religious type. We have seen the advantages of NCC's organizational religion, but the ideology of successful organizations need not be religious. What is generalizable about NCC's ideology is that it blends a strict commitment to social goals with a clever flexibility when it comes to developing strategies. Some have argued that NCC has gone overboard in accepting the realities of our economic system, but its success underscores the importance of using all the tools and opportunities that a system provides, even as one acknowledges its shortcomings. For an organization to succeed, its ideology must encourage, not discourage, action. Ideologies born of action--like NCC's inner city, street level theology--are most apt to be catalysts for further action.

Secondly, community development organizations should try to emulate NCC's ability to identify the changing needs of its community. Commitment is of little use if an organization loses its grip on the needs of its constituents. NCC's in-house approach has been the key to keeping track of its constituents' needs and problems. Small organizations could risk overextending themselves if they took the same path as NCC. But organizations must find ways

to keep close to the people they house and serve. If it is not through an in-house approach, at least organizations must be sure to have real stake in the community with which it purports to work. Otherwise, it becomes alienated and ineffective.

Thirdly, NCC's experience teaches us the importance of adapting to, or better yet, anticipating changing external forces. Sensing and creating opportunities, particularly in this austere period for community development, is essential to survival. NCC and the scores of groups that have come and gone since its founding all provide evidence supporting this assertion.

Finally, even as NCC has gone about building a self-sufficient community within the city, it has shown the importance of making allies. Some question NCC's choice of allies, but that it has successfully resisted the temptation of trading organizational control for resources is unquestionably impressive. Other groups will choose their partners differently based on their strategic interests, but they should in all cases be wary of sacrificing control of the organization and losing site of their missions in the process.

QUESTIONS FOR FURTHER STUDY

This thesis undoubtedly raises more questions than it answers. I hope that readers of this thesis will be motivated to explore, some of these questions relevant to public policy and to the internal operation of community-based organizations. The remaining unresolved issues I draw from this work are:

1) Because of NCC's tremendous development capacity, it has achieved economies of scale which have been important to its success, particularly during recent years of federal housing cuts. NCC has no real "competitors" among non-profit community development organizations in Newark. Researchers and public policy makers should examine the advantages and disadvantages of building monopolistic or oligopolistic CDCs. What are the tradeoffs between efficiency and capacity on the one hand and accountability and community participation on the other?

2) I have concluded that it is too much to expect that NCC, in spite of its size and effectiveness, could both "work the system" and challenge some of its very foundations. I believe that both approaches are necessary to bring meaningful social change. Researchers and activists should think about what mix of community organizations is necessary to bring about an effective movement for community development and empowerment.

3) For reasons elaborated throughout this thesis, NCC has chosen a strategy of self-reliance. It has built a "city within a city" and it has done it with a minimum of interaction with other agencies and organizations in the city. It would be interesting to compare the effectiveness of an organization that chooses this approach versus one that actively contracts out for services and integrates its projects fully with a city's political economy.

4) I wrote a great about the role and nature of NCC's organizational values and ideology. Further studies on the values and ideology of other CDCs would be helpful as a way to generalize

about the types of ideology and the role ideology which lead to successful community development organizations.

FINAL REMARKS

For reasons both unique and replicable, NCC has been a remarkably prolific, resilient and successful community development organization since 1968. Even if it has done nothing else, providing housing for 2300 families, daycare for 340 children and services and jobs to hundreds of others are the kinds of accomplishments that other community development corporations only dream of.

Religion has played a central role in forming NCC's vision and motivating its players, but there is nothing supernatural about NCC's success. NCC has been an astute student of the world around it. It has learned not only how to adapt to its surroundings but also how to influence them. Its preoccupation with self-sufficiency may anger other community groups, but it has proven to be a successful way to provide jobs for local residents, generate fee income, deliver services effectively and keep the organization in touch with the people that it serves.

NCC has navigated itself through a 20 year period by learning about, adapting to and influencing its environment while staying true to its principles. It has, thereby, provided other organizations with a model for how to bring housing, jobs, services and dignity to low-income communities. NCC's example should inspire community development organizations to develop safe, pleasant and

nurturing "new communities" for the growing number of victims of social injustice.

BIBLIOGRAPHY

- Argyris, Chris and Schon, Don, Organizational Learning: A Theory of Action Perspective, Addison Wesley, reading, MA 1978.
- "Been Down So Long it Looks Like up in Newark", Business Week, 10/3/88, p.70
- Brower, Michael J., The Criteria for Measuring the Success of a Community Development Corporation in the Ghetto, Center for Community Economic Development, Cambridge, 1970.
- Cahill, William, New Horizons in Housing, Address by N.J. Governor to Legislature, 1972.
- City of Newark, Kaleidoscope of Great Change and Growth, 1988, pamphlet.
- Duncan, Robert and Weiss, Robert, "Organizational Learning: Implications for Organizational Design", Research in Organizational Behavior, Barr M. Staw, Editor.
- Governor's Select Commission on Civil Disorder, State of N.J., Report for Action (Also referred to as "The Lilley Report"), 1968.
- Hayden, Tom, Rebellion in Newark, Vintage Books, N.Y., 1967.
- Hughes, Richard J., A Moral Commitment for New Jersey, Address by N.J. Governor to Legislature, 1968.
- Intercom, The, NCC's original Newsletter, 1980-1983.
- Mallach, Alan, Housing in New Jersey: Human Resources Planning Project, State of N.J., 1968.
- Mayer, Neil S., The Role of Nonprofits in Renewed Federal Housing Efforts, MIT Center for Real Estate Development, Cambridge, MA, 1988.
- New Clarion, The, NCC's current monthly newspaper, February 1984-April 1989.
- Porambo, Ron, No Cause for Indictment: An Autopsy of Newark, Holt, Rinehart & Winston, N.Y., 1971.
- Schon, Don A., Beyond the Stable State, W.W. Norton, N.Y., 1971.
- Shrivastava, Paul, "Typology of Organizational Learning Systems", Journal of Management Studies, 20, 1, 1983.

"The Top 50 Cities, 3rd Annual City Financial Report", City & State, 12/5/88, p.36.

Vincent, Christine, Study of the Economic Development Activities of Community-based Organizations, Site Observer's Report: New Community Corp., Community Development Research Center, New School for Social Research, N.Y., 1987.

Weik, Karl, "Cognitive Processes in Organizations", Research in Organizational Behavior, Barr M. Staw, Editor.

ARTICLES FROM THE NEWARK STAR LEDGER

Anonymous, "No vacancy for the poor", p.N1, 1/25/88.

Bildner, Elisa Spungen, "Officials discuss slow decline in Newark housing Market", 7/28/83.

Byrd, Frederick, "James says Newark is on the rise but will have to do more with less", 1/13/89, p.1.

Byrd, "Work Starts on \$4 million complex in Newark to house the homeless", 10/21/88.

Byrd, "Newark resounds to the boom in new housing", 11/27/87, p.32.

Byrd, "STATE OF THE CITY: James assesses the good and bad at Newark lecture", 11/19/86. p.N2.

Byrd, "Mt. Laurel tradeoffs a dilemma for Newark", 1/13/87.

Byrd, "Federal auditors criticize Newark housing agency practices", 12/17/86, p.1.

Byrd, "Newark making a comeback in new housing", 10/7/84, p.19.

Byrd, "2 housing groups may shut their doors", 2/18/73, p.80.

Coughlin, Kevin, "Par-Troy, Newark forge Mt. Laurel housing deal", 3/13/89.

Hall, Lawrence, "HUD aid cites Newark housing dilemma", 5/22/75.

Harding, John, "Newark leads state 'renaissance' with lowest vacancy rate", 10/2/87, p.32.

Jenkins Patrick, "Hovnanian reveals his housing 'formula'", 9/16/88.

King, Sandra, "Newark gains in housing", 10/3/76, p.1.

King, "Newark poll uncovers lack of faith in services, 4/11/74, p.1.

King, "Whites don't share optimism for Newark", 4/9/74, p.1.

Kukla, Barbara, "Condos going up in Central Ward", 3/3/86.

Leusner, Donna, "SHARED HOUSING EFFORT: Officials discuss transitional complex for Essex homeless", 4/11/89.

Lucas, Caryl, "Tri-city moves into its 20th year reaching out to the community", 11/17/86, p.N2

Maske, Monica, "New 'order' of nuns part of NCC hierarchy", 7/27/87, p.N1.

McMahon, Joshua & Terrell, Stanley, "NEWARK HOUSING: Approach aimed at new 'sense of community'", 12/31/74, p.1.

McMahon & Terrell, "7 developments ease shortage", 12/30/74, p.8.

McMahon & Terrell, "NEWARK HOUSING: Outlooks vary as do neighborhoods", 12/23/74.

McMahon & Terrell, Newark housing construction picking up", 12/22/74, p.1.

Soloway, John, "An Analysts view of Newark", 6/6/74.

Stewart, Angela, "RENAISSANCE TOWER DEBUTS: Central Newark site unveiled as condominium complex", 12/18/87, p.49.

Stewart, "HOUSING PARTNERS: Newark coalition pledges \$35 million", 11/22/86, p.1.

Warshaw, Donald, "Kean hails Newark project at dedication", 4/17/82.

LIST OF INTERVIEWS

FROM NEW COMMUNITY CORP.

Joe Chaneyfield, Vice President and original member of NCC board; Tenant of New Community Homes.

Raymond Codey, Director of Development.

Dorothy Douge, Director of Operations.

Cecelia Faulks, Director of Human Resources and original NCC staff.

Patricia Foley, Editor of The New Clarion.

Larry Goldston, Assistant Director of Development.

Bernard Koechlin, former President of New Community foundation.

Msgr. William Linder, Founder of NCC.

Gwen Long, Director of Operations.

Michelle Odom, Director of NCC Employment Placement Center.

Sister Catherine, Staff training and orientation.

Mary Smith, Executive Director and founder of Babyland and treasurer of NCC's board.

Art Wilson, President of NCC board and principle of St. Rose of Lima parochial school.

Madge Wilson, Director of housing management.

FROM OUTSIDE NCC

Ed Andrade, former Co-Director and Co-founder of Tri-city.

William Brooks, Vice President, Corporate Social Responsibility Public Affairs Department, The Prudential.

Richard Cammarieri, Director of Newark Coalition for Neighborhoods.

Victor DeLuca, Executive Director of the Ironbound Community Corporation.

Stuart Fried, Project Development Officer, Newark Economic Development Corporation.

Morton Goldfein, Senior Vice President/Law Public Affairs. Hartz Mountain Industries, Inc.

Ramon Rivera, Executive Director of La Casa de Don Pedro.

Dan Schulgasser, Newark budget office.

Diane Sterner, Housing development consultant.