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The Newark Redevelopment and Housing Authority

1974 Annual Report





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Robert Notte
Executive Director

Hugh Hill
Deputy Executive Director

Earl Phillips
Director of Housing

Robert Aprea
Director of Redevelopment

*Vacant land in the central region of the city
has become an important asset, as it
enhances greatly the potential for future
development of high quality.*

Board of Commissioners



PEARL BEATTY
Commissioner and Chairperson

Executive Secretary,
The Insurance Fund Commission
City of Newark



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Commissioner and Vice Chairman

Attorney at Law
and
Chairman of the Board,
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and
Director of Recreation
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Physician



MILLARD E. TERRELL
Commissioner

Inspector
United States Air Force



ROBERT NOTTE
Secretary to the Board

Executive Director
of The Authority

1974

Accomplishment And Crisis

The past year was one of both accomplishment and crisis for the Redevelopment and Housing Authority of Newark. It was a year of many developments, but two above all were of far-reaching importance to the Authority and the entire city. One of these was the announcement that a new federal grant of \$41 million has been made to the city's urban redevelopment program, the second largest such grant ever to go to any American city. The other was the announcement of a court-ordered settlement which provided for the termination of the long and debilitating rent strike centered at the Stella Wright Homes.

The grant of \$41 million, announced in Washington by Rep. Peter W. Rodino, Jr., whose congressional district includes most of Newark, and by Mayor Kenneth A. Gibson, signals a dramatic new turn of events in the city's struggle to overcome its problems and push forward to new progress. Coming as it does after a five year period in which no new federal assistance to Newark's urban redevelopment program was forthcoming, this grant truly marks the start of a new era in the rebuilding of the city.

Federal grants, which are made by the Department of Housing and Urban Development (HUD), represent only the tip of the iceberg in the urban renewal process. They make it possible to buy, clear, and deliver to developers the land on which vital new facilities for the Newark of the future will be located. In this instance, there are specific plans for the use of virtually all of the money which has been granted to Newark. It is expected that something more than \$250 million in new housing, schools, and industrial and recreational facilities will spring forth in Newark through the use of this new grant.

In keeping with the precept that the most pressing needs for Newark and its people are good housing and jobs which provide income, the largest portion of the new funds will be devoted to the

development of quality housing and the construction of new industrial facilities in Newark's Industrial Meadowlands.

This Authority, in cooperation with the city Administration of Mayor Kenneth A. Gibson and the business community of the city, had worked diligently to be prepared for the opportunity when it came, establishing priorities for the utilization of the grant. The new funds will be distributed to the various urban renewal projects in the city approximately as follows: Newark's Industrial Meadowlands, \$20 million; the St. Benedict's project in the High Street area, \$1.9 million; the Newark Plaza project, \$5 million; the Lower Clinton Hill neighborhood project, \$2 million; the Old Third Ward project, \$6 million. The remainder of the grant, in accordance with submissions to HUD, is reserved for general administrative purposes.

Newark's urban rebuilding program, which had been one of the most successful in the nation, is now moving forward again with force and direction. Certainly, the program has not been at an absolute standstill since new federal grants were last allocated to Newark. Projects already underway, such as the Gateway commercial complex and the New Jersey College of Medicine and Dentistry, and the development of new housing on certain tracts of land in the Central Ward which already were owned by the Authority, have been going forward, or were completed.

But Newark could start on nothing new without the infusion of new funds from HUD, devoted to the furtherance of new projects. The \$41 million grant provides that new financial support.

The Stella Wright Homes settlement, as detailed in the federal court decision which officially terminated the rent strike, shows that all the major parties involved in the public housing program—residents, the Authority, and HUD—can cooperate and solve the problems affecting the program. The key elements of the settlement provide for residents'

involvement in the management of their development, the infusion of new federal money—\$1.3 million of HUD funds for non-capital expenditures, such as repairs and maintenance—and the payment of back and future rents.

The rent strike settlement was issued in the form of a court order by Federal District Court Judge Frederick Lacey. In his opinion, Judge Lacey stated:

"In the public low-income housing context . . . a tenant's refusal to pay rent . . . makes little sense. If anything, it serves only to make the problem more acute.

"This is the lesson of Stella Wright. It is a bitter lesson which was hard-learned, but one from which we can well profit. The concept of the rent strike in low income housing requires re-examination. The court does not perceive it as a viable method . . ."

It is this "lesson" which may have the most effect on the future of the nation's public housing program.

The Stella Wright settlement marks the beginning of the revitalization of Newark's public housing. The close cooperation which has developed between the Newark Tenants Council, representing public housing residents, and the Authority, indicates that the Stella Wright decision will serve as a catalyst to overcome problems in other housing developments. The federal government has shown an increased degree of concern by creating the Target Project Program (TPP), disbursing funds through HUD to specific local housing authorities. These funds, of which the Authority will receive approximately \$1.5 million, may be utilized to deal with such areas as tenant security, building conditions, vandalism, and resident/management relations. In addition, the State of New Jersey has become closely involved with the public housing program in Newark by providing an operating

subsidy to the turnkey development for senior citizens at Bergen and Rose Streets.

These new developments insure a high standard of quality for public housing, both in social and material terms.

The Authority has also taken measures to increase the productivity and efficiency of its staff. In addition to instituting a new system of management-by-objective (MBO), the Authority has designed a monitoring program to evaluate and improve employee work performance. More than 350 employees have been terminated during the past year, which will result in an annual savings of more than \$2,500,000. All these factors, plus the reorganization of its Board of Commissioners, have contributed to increasing the professionalism of the Authority as a public agency.

The Authority has also expanded its use of modern data processing techniques to control the flow of routine work within the Authority and to assist in routine administrative and managerial tasks.

Our future efforts are now dedicated to demonstrating that the year just completed marked an important turning point for the Authority and for Newark. It is our belief that Newark's best years lie ahead, and that we have a large share of the responsibility for insuring the realization of the city's goals.


Chairperson


Executive Director



Housing Development

Housing in all its forms represents the heart of this agency's program. Newark's need for new and better housing is as great, proportionally, as that of any city in America. Newark's action program to meet its housing needs surpasses what is being done in most other large cities. Since 1960, some 2,532 units of new housing in low, moderate and middle income ranges totalling more than \$50.3 million in value, have been constructed in Newark. As of September 30, 1974, some 947 new units, worth \$34.8 million, were under construction in the city. Within the next two years we expect to see the start of work on another 1,704 units, which will cost about \$60 million.



Residents enjoy varied life styles at Stephen Crane Village (opposite page, and above left), Mt. Calvary Homes (below left), and Baxter Terrace high rise apartments for the elderly (above right).

Housing Development Takes Many Forms:

- **Turnkey Construction.** Under this method a successful bidder is assigned the full job of designing and building a development, which is turned over to the Authority only after completion according to all specifications.
- **"Purchase-Rehab" Housing.** New or existing structures are purchased by the Authority under this program. The Authority then rehabilitates these homes and makes them available for rental.
- **Leased Housing.** The Authority leases apartments or houses from private owners and makes them available to moderate or low income families.
- **Section 236.** This provision of the U.S. Housing Act provides for the construction of moderate or middle income housing on urban renewal land by non-profit sponsors such as community groups and non-profit corporations.

The Authority no longer develops high-rise, high-density housing as a standard public housing for low-income families. But high-rise public housing is being developed for the elderly, for whom such projects are successfully operated at several locations in Newark.





The \$6.1 million New Hope Development (opposite page) is an example of the accomplishment of a community group with the help of the Redevelopment and Housing Authority. The 170-unit structure will be ready in 1975. University Gardens (above left) is quality apartment housing in the heart of the city where total blight was replaced by successful housing redevelopment. The new high rise at W. Kinney and Washington Streets (above right) is another result of accomplishment through a community sponsor, in this instance the St. James AME Church.

Industrial Development

New Jersey Turnpike (right) cuts through the center of Newark's Industrial Meadowlands. Jersey Millwork Co. (opposite page above) and Ideal Toy Company plant (below) are two of numerous new facilities providing employment for thousands.





Newark, like most major cities, suffered a significant loss of manufacturing in the years following World War II. The Redevelopment and Housing Authority, with the support of the Newark Economic Development Corporation and the city administration, has led a vigorous counterattack on this problem through the creation and development of Newark's Industrial Meadowlands. This project utilizes land so favorably located that it is recognized as having the greatest potential value for industrial development of any site in America.

Newark's Industrial Meadowlands project has yielded important rewards. Several new facilities, the most prominent of which is the big new Ideal Toy Company plant, have sprouted within this project area, all under the auspices of the renewal process. Dozens of others are in various stages of planning and will come to reality in the months and years ahead.

Developers are attracted to this area not only because of its advantageous location, but also because of its accessibility to a vast labor market, and because of the availability under urban renewal legislation of tax incentives. This project is one of Newark's most powerful long-run assets.

Commercial Development



Downtown Newark is the business and financial capital of New Jersey. Within it are headquartered the largest commercial banking organizations in the state, the world's largest life insurance company and a second life insurance company recognized among the nation's foremost. Also headquartered here are one of the principal telephone operating companies of the Bell System, the largest utility company in New Jersey, and numerous other important business and financial organizations.

The city is served by one of the world's best and most modern international airports, by a major seaport complex which has become the center of activity for the Port of New York and New Jersey, by the world's largest container shipping port, and by a combined rail and highway network which is unrivaled almost anywhere in the world.

The urban renewal process has made a strong contribution to the continuing vitality of this center of economic activity, providing land and technical backup needed for some of the most spectacular downtown developments in Newark during recent years. The Gateway complex and the Blue Cross Building are among the most recent and prominent of these.

This Authority is actively involved in the effort to bring to reality more such development in the downtown area



Merrill, Lynch, Pierce, Fenner & Smith office (above) at the Gateway complex (below) is a center of trading and financial activity within Newark's largest commercial redevelopment project. The Blue Cross Building (opposite page) rises above Washington Park on another renewal site. The park, through the redevelopment process, provides one of the most attractive business environments in the Eastern U. S.

Public Housing Management

Public Housing, by its very nature, tends to concentrate at single locations the whole range of human problems which exist within our society. This Authority, like other housing authorities, seeks to deal with these problems with the available resources.

In Newark, over a period of years, conditions deteriorated at a number of the high rise public housing developments. It was in this climate of physical deterioration of certain buildings, coupled with numerous social problems, that a rent strike was initiated several years ago by residents who contended that the Authority was not responding adequately to their needs.

The rent strike, which was centered at the Stella Wright Homes but which involved a significant number of residents at two other major high rise projects in the city, greatly exacerbated the overall problem. Faced with reduced income, the Authority was placed in a position where it had no further means to respond to the increasing difficulties at the affected projects.

A series of court actions, some initiated by the residents, others by the Authority, culminated in July, 1974, in a settlement of the long and debilitating rent strike. The settlement was in the form of an order, directing that the striking residents pay rent in full and that the Authority, with new financial backing from HUD, endeavor to correct unsatisfactory conditions.

This settlement was achieved in part by the patient and constructive efforts of Mayor Kenneth A. Gibson. It is designed to serve as the basis for a greatly improved environment for the residents of public housing in Newark.

The court order recognizes specifically that it is not possible for government to provide public housing without the income derived from rent, even if subsidized. It recognizes also the need to seek better ways of bringing services to the tenants. Toward that objective there was instituted immediately following the court order an innovative tenant-management program. This program gives the tenants a direct role in the management of their homes and a share of the responsibility for its success.

The Authority has begun the implementation of this program at Stella Wright Homes with high hopes for its success. As an experimental effort of great significance, it will be closely watched, both by HUD and by municipal officials in cities around the nation.



High rise public housing complexes such as the Stella Wright Homes (above left) and the Scudder Homes (below left) pose a continuing management challenge to the Authority. Many residents achieve comfortable living environments, such as in this apartment at Stella Wright Homes (below).



Graduations at Newark College of Engineering (below) and Rutgers University in Newark (above right) take place on their respective modern downtown campus complexes, built under the auspices of the redevelopment program. The megastructure of Essex County College (below right) rises on another redevelopment site near the steps of the County Courthouse



A Center of Higher Education

Downtown Newark today is enriched by the vibrancy of life on the campuses of major and respected institutions of higher learning. Approximately 26,500 students attended classes daily at these institutions.

The contiguous new campuses of Rutgers, The State University in Newark, and Newark College of Engineering, were developed through the urban renewal process. Seton Hall University Law School operates presently in temporary downtown facilities while its permanent new home is under construction on an urban renewal site at Mulberry Street and Raymond Boulevard. Essex County College, operating now in an older, converted office building in the business district, awaits the completion of its Megastructure on another site acquired and cleared by this agency through the urban renewal process. At Rutgers, besides wide ranging undergraduate and graduate programs, there are two graduate schools, the Rutgers University School of Law and the Rutgers Graduate School of Business Administration.

The New Jersey College of Medicine and Dentistry also has a permanent campus under construction, on urban renewal land in the heart of the Central Ward, while it functions in temporary facilities.

A Center of Medicine

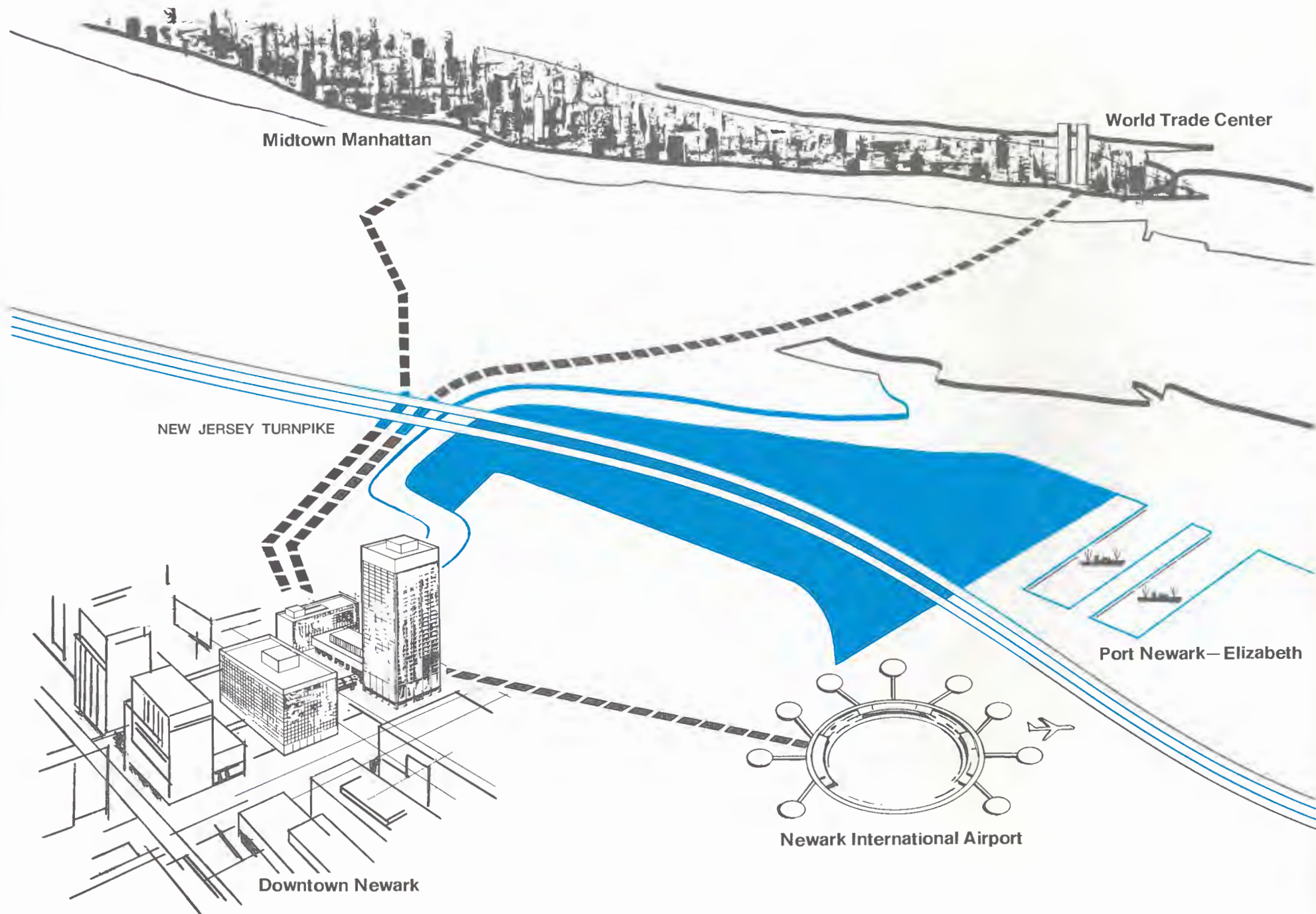


Newark today has more first rate hospitals and medical centers than almost any city of its general size in America. This is due in part to the development of such facilities during recent years under the urban renewal program. Specifically, the vast development of the New Jersey College of Medicine and Dentistry on 50 acres in the Central Ward, and the construction of a new building for St. Michael's Hospital, both redevelopment projects, have greatly enhanced Newark's health resources.

These redevelopment projects, together with major building expansion work at Beth Israel, Columbus, St. James, and United Hospitals, all within the city, have made Newark a leading center of medical facilities.



St. Michael's Medical Center, one of Newark's busy centers of medicine, erected a major new building (below) on urban renewal land. The New Jersey College of Medicine and Dentistry is building its permanent campus on 50 acres in the central sector of Newark (opposite page)



Newark's Industrial Meadowlands is the result of a long term planning effort by the Redevelopment and Housing Authority, and cooperation between the Authority and the Newark Economic Development Corporation.

Planning for the Future

The Authority regards planning for the future as one of its crucial responsibilities. The framework for future development of Newark's resources is the Housing and Community Development Act of 1974. This Act defines a new relationship between the federal government and local housing and redevelopment authorities, and delineates the roles each will play in the future planning and development of our cities. It consolidates former programs into single block grants, and transfers decision-making powers to the local agencies which administer and manage these grants.

These factors will increase considerably the scope of the Authority's involvement in the life of Newark.

The \$60.8 million apportioned to Newark under this act is to be utilized for continuing already existing programs, and is in addition to the \$41 million granted this year by HUD for use in moving forward with new urban redevelopment work.

Even that portion of the program pertaining to existing projects, however, will generate some important innovations. For example, a substantial subsidy is included to provide low-income families the opportunity to move into developments with moderate or middle income families, instead of segregating these low-income families in concentrations of high-rise buildings.

Another important facet of the Authority's future planning program commissions potential developers and designers to submit plans for the total rebuilding of blighted sections of the city.

One such design, submitted by Porter & Ripa Associates, Inc., envisions the future development of what would be a "floating city," running approximately from the area of Lincoln Park, south over the meadowlands as far as the complex of highways leading into Newark Airport. It is from visionary plans such as this that ultimately come the concrete examples of spectacular progress as embodied in the many completed developments represented in this report.

A more productive relationship also is growing between the Authority and the State of New Jersey. The State Department of Community Affairs is providing a deficit operating subsidy for a new turnkey elderly housing project located at Bergen and Rose Streets. This subsidy, the first of its kind, may serve as a model for a new, cooperative relationship between the state and local housing and redevelopment agencies:

Summary Data . . . Urban Renewal Projects

September 30, 1974

Project No.	Project Name	Total Acres	Clearance Acres	Major Uses		Dwelling Units	
				Before UR	After UR	Before UR	After UR
UR NJ 3-1	Branch Brook	20.4	12.2	Residential	Residential	798	560
UR NJ 3-2	Broad Street	22.6	14.4	Residential	Residential	465	680
NJ R-6	Old Third Ward	204.2	129.2	Resid-Comm	Resid-Pub-Comm	3,446	4,803
NJ R-32	Central Ward	94.2	64.8	Resid-Comm-Indus	Resid-Pub-Indus-Comm	1,758	2,361
NJ R-38	Lower Clinton Hill	78.2	15.5	Resid-Pub-Comm	Resid-Pub	1,910	467
NJ R-45	Newark Colleges Expansion	57.0	33.9	Residential	Public	1,176	0
NJ R-49	Hill Street	12.9	6.8	Commercial	Resid-Comm	66	429
NJ R-50	Educational Center	23.7	12.8	Commercial	Public	36	-0-
NJ R-52	South Broad	35.6	24.6	Comm-Resid	Resid-Comm	521	912
NJ R-58	Newark Plaza	50.9	23.3	Comm-Indus	Commercial	28	0
NJ R-62	Essex Heights	47.3	31.5	Resid-Comm	Public-Comm	786	0
NJ R-72	Fairmount	84.8	49.7	Resid-Pub	Resid-Pub-Comm-Indus	1,406	690
NJ R-121	Industrial River	1,528.5	484.5	Indus-Comm	Indus-Comm	201	0
NJ R-123	St. Benedict's	35.0	17.4	Commercial	Pub-Indus-Comm-Res	206	310
NJ R-141	Essex Heights 2nd Stage	14.0	9.6	Resid-Comm	Commercial	253	0
NJ R-156	St. Michael's	3.7	3.6	Comm-Pub	Public	44	0
NJ R-196	Medical Center	54.2	47.8	Residential	Public	1,234	0
		2,367.2	981.6			14,334	11,212

Original Taxes	Present Taxes	Est. Future Taxes	Federal Grant 000's	City Share 000's	Status		Value of Development		Project No.
					Planning	Execution	To Date	Est. Total	
100,000	223,342	223,342	2,304	1,151	— Completed —		13,015,780	13,015,780	UR NJ 3-1
88,000	331,401	431,401	2,970	1,483	— Completed —		7,935,422	8,935,422	UR NJ 3-2
1,069,659	951,525	1,967,525	36,110	4,268	1-31-56	2-5-60	39,402,000	85,537,000	NJ R-6
717,281	223,883	889,883	18,403	2,397	10-10-60	7-22-66	—	48,555,722	NJ R-32
497,330	955,579	1,105,579	6,201	1,043	1-15-59	9-29-61	8,895,000	10,895,000	NJ R-38
292,413	13,014	13,014	10,525	5,446	— Completed —		44,691,700	44,874,411	NJ R-45
202,261	263,709	293,709	5,060	2,366	12-23-59	9-7-61	8,375,408	12,054,087	NJ R-49
446,687	449,475	449,475	4,116	856	7-17-63	12-16-63	3,057,488	6,236,480	NJ R-50
298,153	284,517	344,517	9,032	5,019	4-13-60	9-1-61	21,247,329	29,677,000	NJ R-52
586,252	1,919,359	2,056,759	11,950	4,755	7-23-63	12-26-63	57,861,011	67,399,723	NJ R-58
312,888	25,112	425,112	14,232	4,446	10-7-60	8-14-62	39,304,692	42,238,180	NJ R-62
442,842	55,286	415,286	18,537	14,292	6-6-63	6-16-65	27,947,256	31,109,594	NJ R-72
2,878,805	5,929,639	9,609,639	37,161	12,153	6-20-63	10-14-66	15,722,429	800,886,512	NJ R-121
837,283	964,483	1,190,483	12,107	3,116	7-17-63	1-6-66	—	15,136,309	NJ R-123
148,267	220,910	760,910	4,089	1,254	10-12-64	Suspended	—	16,742,925	NJ R-141
25,075	7,925	7,925	1,584	472	— Completed —		6,708,100	6,868,150	NJ R-156
402,118	Exempt	Exempt	18,116	5,974	1-18-67	4-15-68	133,940,811	213,025,565	NJ R-196
9,345,314	12,819,159	20,184,559	212,497	70,491			428,104,426	1,453,187,860	

Public Housing Statistical Data

September 30, 1974

Dwelling Units

Currently under management	12,699
Designed exclusively for elderly and disabled families	2,746
Approved pending construction (large scattersite units)	366
Under Construction (elderly units)	206

Persons

Total	32,560	100.0%
Male	13,192	40.5%
Female	19,368	59.5%
White	3,937	12.1%
Black	24,340	74.8%
Spanish-speaking	4,283	13.1%
Minors (under 21 other than head or spouse)	17,638	54.1%
Elderly (aged 62 or over)	4,938	15.2%
In families receiving public welfare	16,177	49.7%

Families

Total	11,049	100.0%
White	2,508	22.7%
Black	7,585	68.7%
Spanish-speaking	956	8.6%
Elderly	4,665	42.2%
Non-Elderly	6,384	57.8%
Broken	3,936	35.6%
With head and spouse in household	2,609	23.6%
With 7 or more persons	901	8.2%
Relocated from U.R. sites since 1964	390	3.5%
Over income	436	3.9%
Needing a larger apartment	1,076	9.7%
Needing a smaller apartment	1,047	9.5%
With disabled or handicapped person(s)	1,357	12.3%
Living in public housing 10 years or more	3,543	32.0%
With a serviceman	83	.8%
With a worker (or self-employed person)	3,020	27.3%
Receiving public welfare	4,000	36.2%
Failing to clarify income	358	3.2%

	All Families	Elderly	Non-Elderly
Average income	\$4,284	\$3,054	\$5,230
Average rent (utilities included)	\$ 66	\$ 52	\$ 72
Average size (persons)	2.9 persons	1.5 persons	4.1 persons
Average pct. of income used for rent	18%	20%	16%

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The Newark Redevelopment and Housing Authority

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