



# **BUILDING COMMUNITY**

## **THE WORK OF THE NEW COMMUNITY CORPORATION**

*A Report Prepared by*

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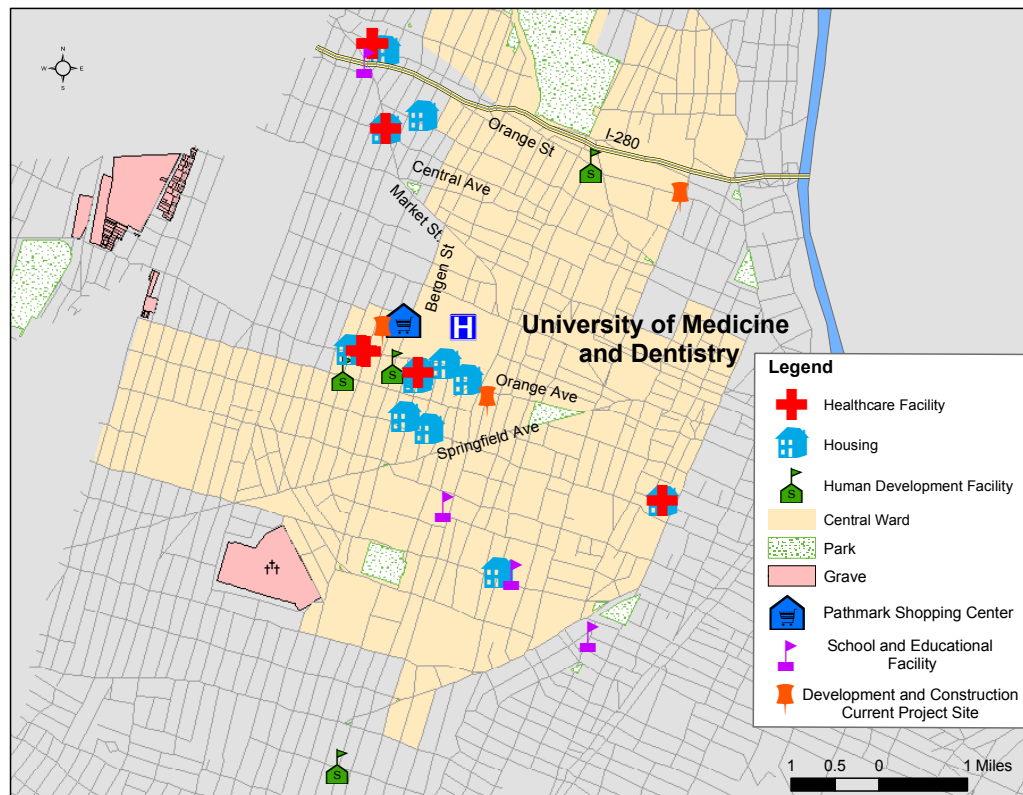
We hope our work will be useful to this very important institution.

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## NCC Network



## **THE WORK OF NEW COMMUNITY CORPORATION**

*“To help residents of inner cities improve the quality of their lives to reflect individual God-given dignity and personal achievement.”—NCC Mission Statement*

To understand New Community Corporation’s (NCC) accomplishment in Newark’s Central Ward and beyond, it is essential to understand its history, vision, and mission. NCC has been successful because of:

- **Comprehensiveness**

Provides many services—from housing to elder care;

- **Strong leadership**

Monsignor Linder’s progressive thinking;

Board of Directors commitment to the communities it serves;

- **Preserving a community voice**

Listens to the people it serves;

Maintains its focus and mission;

- **Flexibility**

NCC is large, complex, and stable with significant organizational capacity;

Is entrepreneurial, and forward-looking;

- **Networking and cooperation**

Works with many partners in the region, including businesses, foundations, local and state governments, and other non-profits;

- **Creating and building power**

Helps its constituents build political and personal power

## **COMPREHENSIVENESS AND SCALE**

Since its founding in 1968, the organization has grown from a group of people who met in a church basement to discuss neighborhood problems to the largest community development corporation (CDC) in the nation. NCC has more than \$200 million in assets and 2,300 employees in seven different divisions.

Despite its unprecedented growth, NCC keeps very close ties to the community that it was created to serve. The organization remains focused on the goals and mission set out by its founders. Today, NCC is extremely diverse, providing for the needs of its constituents.

New Community is actively involved in:

- ***Housing.*** NCC's earliest focus was on building decent, affordable housing. Its leaders saw this as among the most critical needs. NCC owns and manages 18 housing developments for 7,000 residents.
- ***Child Care.*** Providing childcare went hand in hand with developing affordable housing. There was a shortage of day care centers in the Central Ward. It was apparent that NCC would have to address this need to provide opportunities for job training and employment for parents. NCC provided child care services in cooperation with Babyland Day Care.
- ***Economic Development.*** NCC has also focused on economic development issues in the Central Ward. The goal is to create and maintain economic opportunities in the neighborhood. The flagship project, a Pathmark supermarket and shopping plaza, opened in 1990. This \$12 million investment was the first supermarket to locate there since the 1960s. NCC operates a credit union to stimulate investment and assist entrepreneurs in

the area. NCC also owns and operates a manufacturing plant that builds trusses and panels for use in NCC construction projects, an automotive training center for at risk youth, a private security force, a transportation division, and a Hispanic development group that offers services to Newark's growing Latino population. In addition, each construction project, service, or program offered by NCC potentially represents a better quality of life, a chance for job training, an employment opportunity, and the creation of an economic base for Central Ward residents.

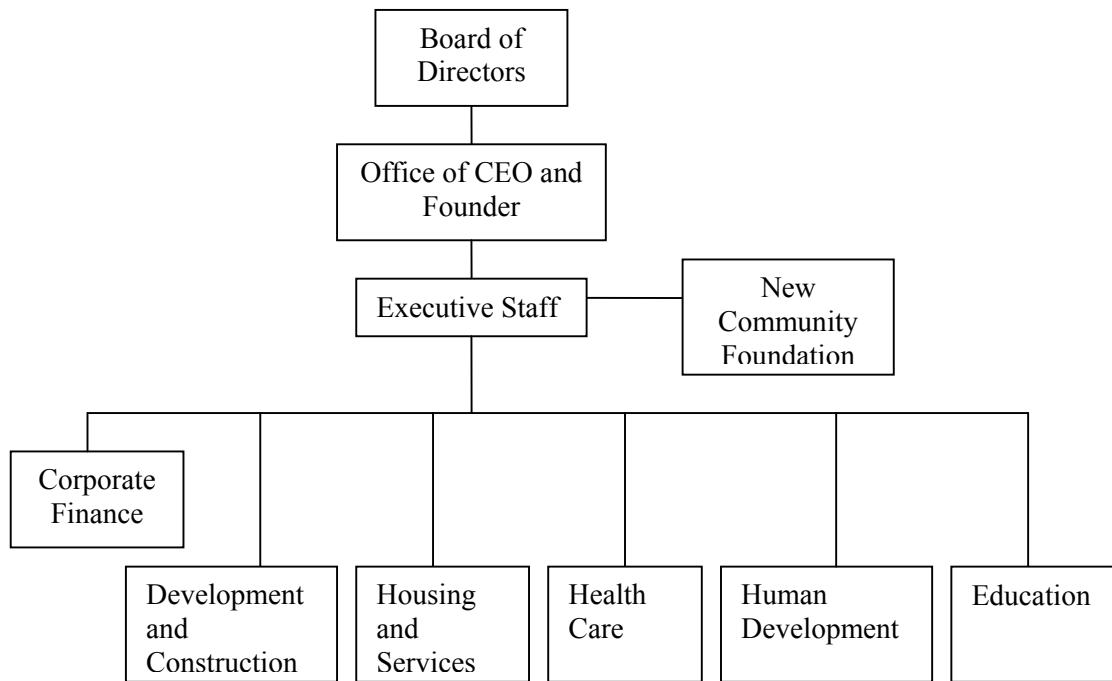
- **Human Development.** NCC recognizes that having a house is not enough unless the family also has access to human services. NCC's Human Development Department helps address the social needs that go along with housing and other new development. Among the services provided are workforce development (housed in a 24,500 sq. ft, \$4.5 million center), transitional housing for homeless families, vocational training, and employment services.
- **Health Care.** To address the extensive health care needs of Central Ward residents, particularly senior citizens living in New Community housing, the organization assumed the management of an extended care facility. The organization also provides nursing home and visiting nurses services to elderly residents.
- **Education.** NCC currently operates two charter schools along with the day care centers. The organization realized a significant need among area children for a quality education.

Today, NCC is made up of seven different primary divisions including: The Board of Directors, which includes the office of the CEO and Founder, the Development and Construction Group, the Housing and Services Group, the Health Care Group, the Human Development Group, the Corporate Departments, and the Education Group. Within these groups, there are approximately 45 separate entities; about 10 of which are for profit.



**Figure 1.**

**NCC Governance**



**Table 1**  
**Development of the NCC Network**

<i>Year</i>	<i>Activity</i>	<i>Description</i>
1967	Housing	Group met at Queen of Angels Church to discuss issues in the Central Ward of Newark. They decided that housing was the most important issue facing residents.
1968	Founding the Organization	After a list of names submitted by the group for membership on a board for a housing organization to the Newark Archdiocese is rejected, the residents form their own group and name it NCC.
1969	Childcare	Babyland Nursery opened. Childcare had been connected with NCC from the beginning. NCC saw a need for day care if mothers were going to be able to go to work. Before Babyland, there was no day care facility in Newark that accepted children under the age of 2 and 1/2.
1973	Property Management	Ground Breaking for New Community Homes. In keeping with the organization's philosophy of independence, NCC keeps control of all the property management.
1977	Senior Housing	Ground breaking for New Community Associates, senior citizen housing.
1984	Economic Development	NCC Federal Credit Union created.
1985		St. Joseph Plaza renovated and used by NCC. Attempted to address the need for jobs among Central Ward residents.
1986	Health Care	New Community Extended Care Facility opens. Residents living in NCC senior housing requested a health care facility. There was also the potential for creating new jobs in the area by providing this service.
1989	Social Service	Harmony House opens. Harmony House provides 102 units of transitional housing for homeless families. This is the largest facility of its type in the state.
1990	Expansion and Growth	Pathmark Supermarket opened. This represented another significant step in economic development for NCC. The project also provided a lot of exposure for NCC. Policy-makers, politicians, private firms, and other non-profit groups started to notice the organization. The project is still considered a major achievement. NCC grew very fast after this project was developed.
1995	Workforce Development	Workforce Development Department created at NCC. Group was created to assist job seekers and provide employment training for Central Ward residents.
1999	Education	New Horizons charter school
2000	Manufacturing	NCC Technologies opened. Provides jobs and job training as well as components for NCC housing and school developments.

## **LEADERSHIP AND COMMUNITY VOICE**

NCC has been able to achieve so much because of visionary thinking, maintaining a very strong community voice in its decision-making, and taking a comprehensive approach to community development. This has allowed NCC to maintain its leadership role in the

community development movement. Although it is not operated by any church or denomination, NCC was formed within a religious context. There was a strong faith base among the founders of NCC, which helps provide the overall sense of purpose for the organization. (Guskind 1996)

Monsignor Linder, a Catholic priest, is the founder of NCC and the head of the organization today. He is given much of the credit for the organization's success, because of his leadership and organizational skills, and the ability to look ahead for new ways to address the community's needs. Monsignor Linder was exposed to politics at an early age, having been raised in a politically active family. He also had a deeply engrained sense of obligation and service to others. (Interview with Senior NCC Staff member 2002) These factors led to Monsignor Linder becoming very involved in civil rights issues before he created NCC.

Monsignor Linder came to his Newark parish in 1963 as a priest with a strong philosophy of neighborhood activism. (Guskind 1993) He was very active with tenant groups in the area. He talked with residents of the housing projects in the Central Ward about the conditions and issues facing them. Monsignor Linder's sense of duty to the area became apparent after the civil unrest in Newark in the summer of 1967. In keeping with the tradition of catholic parishes not to leave an area when the population or conditions change (Linder 1991), he and a group of residents both from inside the Central Ward and from other areas met informally to decide how to address the needs faced by residents. The first meetings were held in Queen of Angels church where Father Linder was a priest. Through these meetings it was determined that the most important need in the area was decent and affordable housing. Housing at the time in the neighborhood consisted of mostly high-rise public housing complexes and deteriorated private houses, which were usually rented out. (Guskind 1993)

The group believed that "any improvement in the Central Ward had to come from the people who lived there." (Guskind 1996) They submitted names of prominent residents from the Central Ward to serve as representatives on the Mount Carmel Guild, the Newark's Archdiocese's social service agency that was being formed at the time to help address the housing need in the area. The church rejected all of the names the group submitted. (Guskind 1996) NCC faced this challenge by demonstrating their approach to community development: a

philosophy of independence, power, and maintaining a community voice. Instead of conceding, the group moved forward without the help of the Archdiocese. The informal group headed by Monsignor Linder created its own organization, NCC. Members of the NCC Board were asked to make 20-year commitments to the organization. This helped assure that the organization was dedicated to working on issues for the long term. New Community's goal was to rebuild the Central Ward of Newark, and provide the residents with economic, social, and educational self-sufficiency. (Linder 1991)

Independence was a large part of the organization's early overall vision. NCC had already achieved organizational independence; however the group knew early on that they would also have to achieve a level of financial independence. The founders of NCC sought to build a strong enough economic base so that the community would be able to control the funds necessary for further economic development. (Linder 1991) One frequently noted example of NCC's push for financial independence came when the CEO of Englehard Industries offered NCC a grant of \$40,000. NCC preferred a loan, and insisted that the money would be paid back. This was unprecedented for a CDC at the time. More importantly, it was a deliberate move by Monsignor Linder and New Community's Board to develop financial responsibility and establish credibility. This decision was critical to shaping the way NCC was perceived outside of the organization. (Guskind 1993)

Generally, NCC's Board of Directors has supervision and control of all of the entities. Specifically, the Board of Directors has three functions: The Mission, The Finances, and Human Resources. The purpose of the Board of Directors is to ensure that the community voice is maintained in the organization. The Board of Directors and Monsignor Linder determine what issues NCC is going to devote resources to, and identify any new directions the organization will take in fulfilling the needs of Newark's Central Ward residents. This happens during a yearly retreat in which Monsignor Linder and executive staff meet to plan the budget and set goals for the immediate and near future. Based on these goals, concrete ideas and steps are laid out for the year.

The New Community Foundation is the fundraising and consulting arm of the organization. It consists of business, religious, and academic leaders who volunteer to help NCC. The Board of Directors and the Foundation compliment one another; one provides community wisdom and direction for the organization, the other provides consultation and technical assistance. (Interview with Senior NCC Staff member 2002)

## **FLEXIBILITY**

NCC's overall budgeting and financial management is overseen by the financial unit, which has a staff of about 20-25 people, including a Chief Financial Officer (CFO) who is responsible for the unit. As part of its responsibilities, the Board of Directors ensures that money generated from all of the separate entities that make up NCC is placed in the main financial unit. Operating reports are submitted during monthly executive team meetings. These reports allow executive team members to see what other parts of the organization are doing and how financially successful they have been. Money from the main financial unit is then filtered back into the parts of the organization where it is needed. NCC sees financial integrity as essential, and a significant amount of money is spent each year on auditing and fiscal controls. (Guskind 1996)

Some parts of NCC make money, but many do not. Because the organization is committed to all of its programs, money made from certain entities in the organization is used to subsidize those that do not generate profits. For instance, profits from the Pathmark Supermarket provide funding for other programs. (Interview with Senior NCC Staff member 2002) When NCC first started to provide health care services, reimbursement from the state was inadequate. For the first ten years of NCC's health care group's existence, it lost money. (Interview with Senior NCC staff member 2002) There were calls from within NCC to abandon the idea of providing services in this field. However, the Board of Directors decided that it was an important need and that NCC was going to stick with it. Funds from more profitable groups were used to keep the health care services operating. Today the health care group generates enough profits to keep itself and other parts of NCC operating. As a result of adhering to its mission despite monetary losses, NCC is providing a needed service to neighborhood residents, which generates profits for the entire organization. Furthermore, NCC has attained the benefit of

experience gained from more than 10 years of providing this service as a CDC. This is an important example of the leadership of NCC keeping with the mission of the organization and how forward thinking benefited the organization in the long term.

Today for example, Hispanic Development is not a moneymaker for NCC. However, there is a major need for the services provided by this group. Continued funding represents a long-term investment in the growing Latino community in Newark. There is a relatively new process for operations that are not doing well financially, called the At-Risk Business Process. (Interview with Senior NCC staff member) This is a two-year process that first identifies those entities that are in financial trouble, what their problems are, and how they can be fixed. Finally, the process asks whether it can be fixed. Presently no entities have yet gone through this entire process.

Like most other CDCs, when NCC was founded, community development was synonymous with affordable housing. This was with good reason as housing was the most pressing need in the Central Ward of Newark at the time. Furthermore, there was a lot of money available for housing programs at the federal level during that period. Housing is also a very concrete undertaking. People can see results in a housing program. It is relatively easy to measure the success of a program based on something tangible like a house.

NCC had always planned to be a comprehensive organization and provide a variety of services beyond housing. In the 1980s and 1990s, community development became more sophisticated. Needs were defined in much broader terms. Housing was recognized as only one aspect of meeting a community's needs. NCC concentrated on housing for its first 15 years. After developing a number of affordable and senior housing developments, it became even more obvious to NCC that the Central Ward had human and social needs that were just as important. It was apparent that housing was "just the tip of the iceberg." (Interview with Senior NCC staff member 2002)

A significant year for the organization came in 1990. This was when the Pathmark supermarket and Harmony House began operations. Both of these projects represented a

significant shift from only housing development for NCC. The Pathmark Development in particular provided NCC with valuable press coverage and exposure to outside groups and people from all over the country. It was also at this point that NCC attracted some of its most important staff members. "We have grown exponentially since 1990." (Interview with Senior NCC staff member 2002)

As NCC continues to move into areas such as health care, economic development, and education it becomes more of a challenge to show results in a way that people and especially policy makers can easily comprehend. New types of projects present a need to quantify results. Only within the last year or two has NCC started to focus on quantitative reporting for different programs and projects. One method NCC uses is calculating the cost-effectiveness of a program. In other words, showing how much taxpayers save by having NCC provide a given service instead of a government program.

## **NETWORKING**

One of the reasons for NCC's success is the value the organization puts on human capital, i.e. technical, legal, and financial expertise from all sources. From the early days of the organization, NCC used experts from the private sector. The leaders at NCC admit that the type of expertise they sought simply did not exist in the community when the group was formed. The organization has been able to juggle the input from technical experts with the needs and spirit of the community.

When Monsignor Linder refused a grant from Englehard Industries in favor of a loan, he and the NCC Board also had their sights set on the expertise and brainpower that was available at the firm. Monsignor Linder wanted the "best people" from the firm to lend their expertise. Even today, NCC employs many people with expertise in different fields to run certain operations. These employees may or may not live in the neighborhood. NCC has the philosophy that there are genuinely good people at those levels it is just a matter of finding them. Many of the experts used by NCC have, and still, come through the New Community Foundation. All are in tune with the mission of NCC. This has been a key to the success of these partnerships and helps to avoid conflict between the upper levels of the organization and the community it is serving.

According to a senior staff member, many corporate volunteers are attracted to NCC because of the organization's success. "NCC is also very good at using them." Furthermore, as mentioned earlier, by design, the Board of Directors has the ultimate responsibility for all issues. Because the Board of Directors consists of people from the community, it is ultimately the community voice with the final say on all aspects of NCC's projects and programs.

## **POWER**

There are two types of power that NCC has created and built on throughout its existence: power of the organization and power for the individuals that it serves. NCC has successfully enhanced the power of the entire organization and at the same time created power for the residents it serves through employment, education, and housing. Yet, how the organization views power both organizationally and for individuals depends on the period in question. (Interview with Senior NCC staff member 2002)

According to staff, Monsignor Linder will often mention that NCC started out with nothing: no financing, no offices, no staff, or even experience in community development. (Interview with Senior NCC Staff member 2002) What the group that started NCC did have going for it was leadership, organizing and political skills, and a genuine desire to succeed. Therefore, the earliest form of power for NCC was the ability to mobilize and organize citizens, which translated into political power. The group used political skills early on to gain important allies from all levels of government as well as residents in other communities—including the suburbs—with a greater political voice. Still, NCC was careful not to align itself with any one politician or group. This political power allowed NCC to overcome many early obstacles. Even today, NCC uses its political power to get things done.

Later, as NCC completed a number of projects, power at NCC was based on achievements, and credibility. (Interview with Senior NCC Staff member 2002) The organization's long record is the basis for this type of power. NCC is able to confidently plan long-term projects. In addition, potential partners, both corporate and political, can be confident of NCC's commitment and devotion to the issue at hand.



Finding talent is yet another way that Monsignor Linder creates power within the organization. A senior staff member boasts that many important and prominent figures in New Jersey have worked with Monsignor Linder or NCC at some point. (Interview with Senior NCC Staff member 2002) The power created by attracting so much talent comes in the form of knowledge and expertise, which helps ensure that projects are developed and managed in the most efficient and effective way. The organization has also significantly increased its financial power. This power allows NCC to continue to support programs that might otherwise be unsustainable. This degree of flexibility and comfort is not found in many other similar organizations.

One of NCC's earliest goals was to empower residents. This is accomplished through a number of the services that NCC provides to residents in the Central Ward. One example is the power created among tenant groups associated with NCC housing developments. NCC encourages the growth of power among tenants of their housing developments even though that power may encroach on the organization's power as the landlord of the developments. The same holds true for NCC employees. Employees are given the power to voice concerns and provide input regardless of the fact that this means NCC may lose a degree of its organizational power. The latest form of power provided to NCC employees is the power of self-sufficiency. This is cultivated through education, literacy, and providing the tools for self-improvement. Monsignor Linder is a strong believer that the power to control one's own destiny is real power. (Interview with Senior NCC Staff member 2002)

## **NEWARK: A CHANGING URBAN CONTEXT**

### **BRIEF HISTORY/OVERVIEW**

Captain Robert Treat, who purchased a large expanse of land from Native Americans, established Newark in 1666. Its boundaries originally extended north to Passaic County, and west to the top of the Orange Mountains. It remained this large community for more than a hundred years, when in 1793 it saw its first division. Border shifts continued until 1908, as sections of Newark were incorporated into independent towns and unsuccessful towns came back under Newark's protective fold. Some of these newly incorporated towns included the Oranges, Montclair, Bloomfield, Belleville, Springfield, and Caldwell, while Vailsburg, Clinton, and Woodside were those to come back. (virtualnewarknj.com)

Newark seems to have always been a city of two realities. One is a society that is a center of industry, education, and culture. The other is a city of very poor people who could not contribute to, or participate in, the aforementioned "society." The presence of this poorer community within the Newark community was realized early in city's history. Less than twenty years after its founding, "the first poor person was provided for." (virtualnewarknj.com) As early as 1719, citizens were assessed a tax for the purpose of supporting the poor. From then until present day, a long line of charitable and institutional organizations have been established in Newark to aid the orphaned, sick, elderly, and impoverished citizens.

Newark also has a history of unrest. From 1740 until 1770, there was a series of riots over land and property rights. In 1834, an anti-abolition riot occurred that resulted in property damage. This is rather ironic considering riots over black civil rights occurred in the same city in the 1960s.

While one-third of Newark's citizens were employed in shoe manufacturing in 1806, the Country's elite were studying at The College of New Jersey (now Princeton) and other academies that flourished in the city. A higher paid service industry was also blossoming into a

major player in Newark's economy. Between 1804 and 1875, four major insurance providers were founded and established in the city, including the still-present powerhouse Prudential. Newark was also becoming a major transportation hub, with several railroad lines, a canal, and major port access to move people and products. ([www.virtualnewarknj.com](http://www.virtualnewarknj.com))

Newark has had to grapple with this societal dichotomy almost since its inception. While the profitable sectors have grown in dollars, the poor citizens have grown in numbers. An epic of private charity and public apathy has plagued the city, leading to many of its present problems.

## **DEMOGRAPHIC AND ECONOMIC TRENDS**

Newark is the largest city in New Jersey and 64th largest in the country, with 273,546 residents as of the 2000 Census. This is the first time Newark's population did not realize a significant decrease since its plateau of 442,337 in 1930. Before this most recent census, Newark's population was losing thirty to fifty thousand people between censuses. Since 1990, Newark lost only 1,675 people. Despite Newark's continued decrease in population, it remains one of the most densely populated cities in the country with more than 11,000 people per square mile—ranked 6<sup>th</sup> in 1990 of those cities with 100,000 or more citizens. (US Census Bureau 1990 and 2000)

Newark is also the most diverse city in the state, with the largest Black and Hispanic populations, the second largest Multi-racial population, and the fifth largest White population. ([www.guide2newark.com](http://www.guide2newark.com)) According to the 2000 Census, nearly 56 percent of Newark's population is African American, nearly 28 percent is White, and almost 30 percent is Hispanic. (US Census Bureau 2000) Almost 27 percent of Newark's population is foreign born, and nearly 59 percent of them entered the United States between 1990 and 2000. Almost 62 percent of Newark's immigrant population is from Latin America, more than 29 percent are from Europe, 5.5 percent are Asian, and 3 percent are from Africa. Nearly 42 percent of the population speaks a language other than English at home, and more than half of those people speak English less than "very well". Most of these people speak Spanish. There is a large and growing Portuguese

population in Newark, making up nearly 42 percent of the white population. (US Census Bureau 2000)

The median age in Newark is 30.8 years, slightly younger than the national average of 35.3 years and the New Jersey average of 36.7 years. Newark's median household income of \$29,587 is significantly less than the state median of \$54,126. More than 46 percent of Newark's families receive public assistance income or other non-cash benefits compared to 14.2 percent at the state level. Furthermore, Newark has an unemployment rate 2.6 percent higher than the state. Nearly 22 percent of Newark's families are below the poverty line, and 66 percent of those families have children under 18. (US Census Bureau 2000)

Nearly 17.1 percent of Newark's households are headed by single mothers; whereas, the rate is only 6.4 percent statewide. Thirty-one percent of Newark's households are married couples, compared to 53.5 percent in all of New Jersey. Furthermore, married couples with children are only 15.1 percent of Newark's households compared to 25.3 percent in the state. 4.7 percent of Newark's population is in group quarters, while the state average is only 2.3 percent.

Newark has an old and decaying housing stock. The high-rise public housing built in the 1930s is inadequate and unsafe. There is a great need for new public housing. In 1998, 9,054 Newark families were on waiting lists for subsidized housing. In addition, Newark has an extremely high rental rate of 76.2 percent, compared to the state rate of 34.4. (US Census Bureau 2000)

## **PUBLIC AND PRIVATE INSTITUTIONAL FRAMEWORK**

There are really two forces working to maintain and better Newark's society. The city government is often thought of as having a "machine" mentality. Membership and/or compliance with the machine are necessary to promote one's particular agenda. The government promotes economic development through tax incentives and subsidies, including land, to big business, big entertainment vendors, and big universities. While creation of a tax base is important to Newark's revitalization, the city government seems detached from the needs of its citizens.

The other forces working in Newark, charitable organizations, private philanthropic institutions, and non-profit community-based organizations take up the effort to support and rejuvenate the citizenry. These groups provide many of the social and human services needed and they also accommodate the demand for sufficient quality housing. These groups pick up where the city often fails.

Other major players in Newark's institutional dynamic are County, State, and Federal government. They have instituted reforms that have been overlooked or poorly met by the city government. Essex County provides many of the social services, such as mental health programs. The State has taken over the failing school system, in hopes to bring Newark's education to the level of other parts of New Jersey. The U.S. Department of Housing and Urban Development (HUD) provides financial and institutional backing to many of the public housing initiatives. These, and many other, regional government entities provide a great deal of services to Newark's citizens.

## **REVITALIZATION**

Recently there has been a reawakened interest in the city of Newark. The Community Reinvestment Act has placed a mandate on financial institutions to invest in Newark again. Newark's housing stock is improving thanks to private investment by K. Hovnanian, and by NCC and other CDCs that are constructing new housing units with public subsidies. The Abbott decision is making way for reformed public education, and charter schools are providing an alternative to the yet to be improved system. Newark boasts several secondary academic institutions, including Rutgers-Newark, University of Medicine and Dentistry, New Jersey Institute of Technology, Essex County College, and Seton Hall Law School. The New Jersey Performing Arts Center has fulfilled a long missing niche—entertainment—in Newark. Meanwhile, the Ironbound, with its rich Portuguese and Brazilian cuisine, is the place to go for a night of dining. Businesses are coming back to the city, enticed by urban renewal, and the still relatively low leasing rates.

This modern renaissance may be just what Newark needs to bring it back to functionality. The question remains, however, whether Newark will be yet another victim of urban gentrification, or will it learn from its dichotic past and embrace its diversity? Can Newark's poor become accepted, functional members of this revitalized community?

## **REAL ESTATE OPERATIONS (REO)**

### **FROM BRICK CITY TO NCC COMMUNITY**

This chapter presents an overview of housing and real estate operations—NCC’s main component. We will demonstrate how NCC is transforming the Central Ward from “Brick City” into a new community by focusing on neighborhood revitalization using infrastructure and resident empowerment. It will also highlight the many successes, challenges, and lessons that the organization has learned along the way. NCC is unique among other CDCs, both in scale and ability to deliver its services. The organization has constructed more than 3,000 housing units, which provide affordable housing for more than 7,000 residents. Other CDCs can learn from the organization’s model of community development and incorporate some of the techniques that has made it one of the largest CDCs in the country. To better understand the history and development of NCC’s housing and real estate operations, we will first discuss the need for affordable housing in the context of Newark.

As a crucial part of NCC’s network, the Real Estate Operations division of NCC is charged with the daily management of NCC’s properties. It accomplishes this through:

- Building Affordable Housing
- Property Management
- Providing Security, Transportation and Environmental Services, and
- Resident Organizing

### **THE NEED FOR AFFORDABLE HOUSING**

Affordable housing has always been a critical component of city life in Newark, particularly after the 1960s, when Newark underwent vast racial, economic and social change. Because of racial discrimination and disinvestment, the neighborhood declined rapidly and showed all of the signs of severe urban decay. During the summer of 1967, racial riots exploded throughout the Central Ward. Buildings, homes, and businesses were destroyed or abandoned after days of rioting. In attempting to discern the root causes of race riots in this neighborhood,

“a study commissioned by New Jersey’s governor concluded “permanent, affordable housing was needed to stabilize an otherwise transient population.” (Pratt Institute Center for Community and Environmental Development website [www.picced.org/advocacy/ncc.html](http://www.picced.org/advocacy/ncc.html)) Dilapidated housing became a critical rallying cry in the summer of 1967 and helped propel NCC.

Since the early 1930s, when the first public housing “projects” were built, the fabric of the city has changed. Newark became synonymous with concentrated, high density, towering public housing buildings, thus earning it the nickname “brick city.” As of 2000, Newark was the largest city in New Jersey and had a population density of 11,254 per square mile. (U.S. Bureau of the Census [www.census.gov](http://www.census.gov)) High population density and need for affordable housing dating back from the 1940s, promoted the erection of some of the most notorious public housing projects in the country. Nearly all of those high-rise public housing projects have been demolished and Newark is again confronting a severe shortage of affordable housing.

### **NCC’S RESPONSE TO THE NEED FOR AFFORDABLE HOUSING IN NEWARK**

Since 1998, more than 2,000 housing units have been built in Newark as part of what is being called the Newark “Renaissance.” These units include market-rate for sale homes, detached and semi-detached low-rise public housing units, and mixed-income rental and for-sale homes. Newark’s elite and political leaders have been criticized for focusing development on areas surrounding the airport, the train station and the downtown central business district. NCC has responded to the need for affordable housing by developing affordable housing units geared at singles, families, and seniors outside these “hot” areas. As a staff member of NCC said, “You are going always to have a certain amount of people you will have to take care of.”

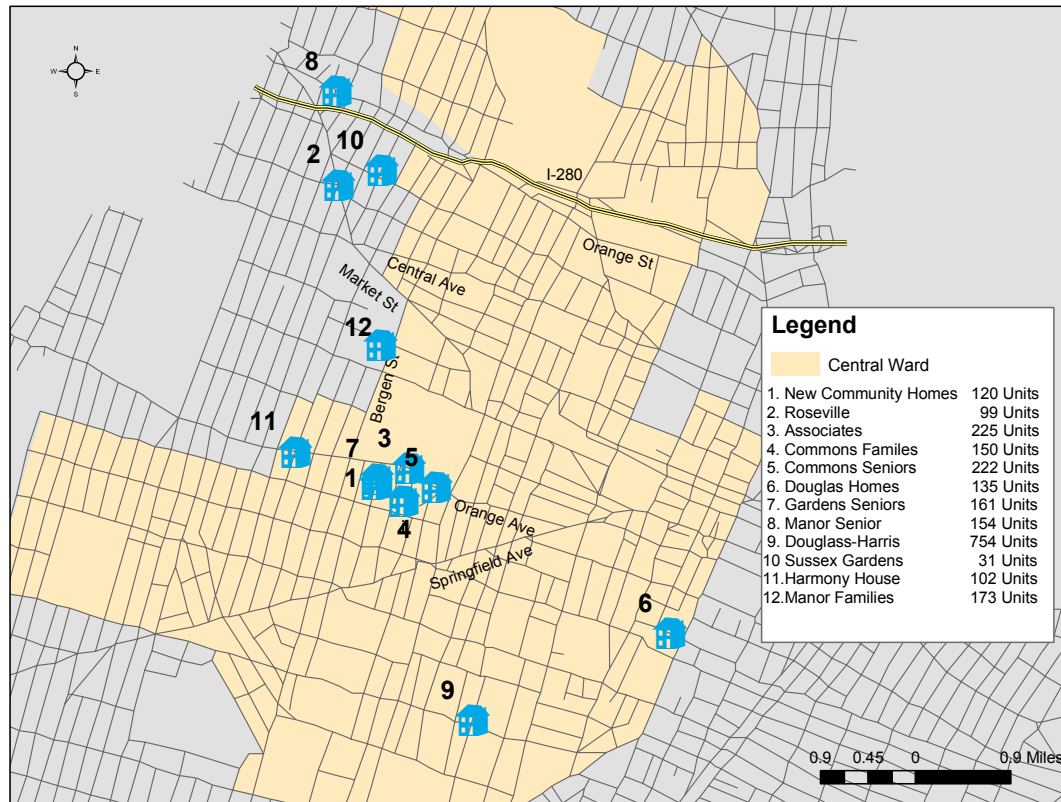
At its inception, NCC only envisioned the development of a 45-acre tract, encompassing 14 city blocks in the heart of the Central Ward, the site of the 1967 riots. At the time, housing was heralded as the conduit through which Newark was going to rebuild itself. Today, NCC is doing much more than housing and has expanded its geographical reach beyond these borders and beyond Newark. It has housing developments in Englewood and, more recently, in Jersey City.



NCC reacts to national, state, and local housing policies. Less federal money allocated to housing coupled with the increased demand for affordable housing affected the development and nature in which NCC developed housing. Although NCC built many of its housing units between 1975 and 1983, with nearly 2,300 units developed or acquired at this time, NCC had a noticeable stoppage in building from 1983 to 1988 as the federal government reduced funding for housing. These changes set the organization on a path towards self-sufficiency and innovation by finding alternative funding sources and resources.

About two-thirds of NCC project-based housing was built during the 1980s. The opening of the Pathmark in 1990 set NCC on a course of exponential growth as well as national acclaim as a powerhouse CDC. By 1992, the organization had begun to become unglued and was decentralizing its services and personnel. A testament to the organization, NCC looked within and sought to make changes. As a result, the Real Estate Operations division was overhauled in the early 1990s. The changes included hiring more qualified people and restructuring departments. Today, there are about twenty certified property managers on staff. As an executive staff member said, “You really need people with the right experience and education. [NCC] learns...from what fails at other small nonprofits that conduct housing property management and other services similar to [ours].” REO is also divided into four components: property management, security, environmental services, and resident organizing. In all, the group employs more than 270 people at salaries ranging from \$7.00 per hour with benefits to executive salaries. To fulfill NCC’s mission, REO cooperatively engages the community as an equal partner in creating and maintaining a civil and physical environment that provides dignified and secure affordable housing. With a deep commitment to social justice, REO operates under the overall mission of NCC.

## Location of Housing



### Property Management

In 1975, NCC built its first housing project New Community Homes to provide safe and affordable family units for residents of the Central Ward. The founders expressed three goals:

- To develop safe, sound attractive housing for low-income residents, depending on a community of people sharing and caring for one another - a new community for the Central Ward.
- To promote interest, pride and responsibility through community participation in the housing development process. Local residents would be encouraged to participate actively in the design process.
- To use new housing development to spur the revitalization of the Central Ward.

([www.newcommunity.org](http://www.newcommunity.org))

The Property Management portfolio includes 17 developments. It oversees 557 family units, 1,077 senior units, 877 tax credit units, 92 condominiums, and one development with four market-rate units. (NCC 2000 Annual Report) All told, 2,607 families were housed in properties in 2000. In 2000, NCC established a revised property management structure. Site offices were opened at Commons Family and Manor Family. According to NCC, placing property managers on-site helped to strengthen their visibility and presence, while improving rent collections and resident relations. (NCC 2000 Annual Report) The use of sophisticated property management software promotes accountability and faster response time when problems need to be resolved quickly. In fact, technology has enabled the real estate division to connect all four departments and to bridge links between management, environmental services, legal, security, resident organizing, finance and operations. According to Real Estate Operations, the “goal is to create efficiencies so that [the staff] can spend more time on resident issues, planning, prevention.” (Real Estate Operations Department: Description and Role 8)

REO generates substantial income; these profits are redistributed throughout the network to subsidize other programs. In 2001, property management collected \$26 million in rent; management fees were \$1.1 million. Administrative billings were \$975,000 and an estimated \$2 million was spent on maintenance. (REO Department: Description and Role 8)

### **Security & Environmental Services**

Environmental Services (previously called Central Maintenance) is charged with the preservation and upkeep of the physical structures of NCC properties and transportation. This department is divided into two sections. The first includes on-site superintendents, janitors, and maintenance workers. Skilled tradesmen (plumbers, electricians, carpenters, HVAC technicians, etc) comprise the remaining security and environmental staff. In 2000, this department completed many tasks, such as planting trees and shrubs on several properties, and tackling land erosion along 15<sup>th</sup> Avenue.

The Security Department was first established in 1975. The department has 136 security officers. The heads of security and transportation have more than fifty years of combined experience in law enforcement. Security officers receive 40 hours of in-service training, which

includes report writing and department rules and regulations. Security officers conduct mobile foot crime prevention patrols and provide emergency courier and escort services. The staff is available 24 hours a day, with both vehicular and foot patrols. Many buildings are equipped with video cameras that feed back to the base station. To better manage its properties, the Security department added two quad sergeants to work along with the shift sergeant. NCC recognizes a security officer of the month in each issue of the *Clarion*. Along with the security department, residents have access to the Newark police, Essex County Sheriff's Office, and UMDNJ's armed security force for recourse. (Briggs 1997)

The in-house and on-site security force enables NCC to have more control over its properties and to provide jobs for people who live in NCC housing and in the neighborhood. Most Security Department employees are residents of NCC Housing or have been referred by NCC's Employment Center. Along with the security department is the transportation network. NCC's vehicle fleet carries toddlers to day care, elderly to medical appointments, youth to recreational events, and provides transportation for the job-training program.

### **Resident Organizing**

The mission of the Resident Organizing Department is "to work with all residents to preserve life, maintain human rights, protect property, and to promote individual responsibility and community commitment." ([www.newcommunity.org](http://www.newcommunity.org)) In 1996, the resident organizing department was incorporated into the real estate operations division. Resident organizing immediately became part of the other divisions and each division worked hard to include this component. NCC's first project, New Community Homes was very much a product of resident involvement. In designing the first houses, residents were involved in the decision-making process; members of the planning group made visits to existing planned communities in other states to see what type of development would best suit their needs.

NCC "has a fairly complex system of organizing our tenants so that we can get information to them about things that are happening and they can, more importantly, get information to us about things that they want to see happen," said an executive staff member. The resident organizing division stresses the importance of connecting, educating, and

empowering residents to be active on local, state and NCC issues. For example, residents are encouraged to take part in seminars to learn how to utilize activism to their advantage and learn skills that are vital to getting their message across and getting results. The NCC resident organizing staff meets with each tenant council representative of each building once a month and the leadership of the council meet once a month with Monsignor Linder to voice their concerns regarding various issues.

NCC listens to its residents. As one staff member explained, “It makes a big difference when they’re involved in a significant way...they might not be able to make a significant decision in terms of what goes on in the housing,” said one staff member. However, residents’ concerns about free use areas are given weight. The Recreation Advisory Board is charged with this responsibility. According to a senior staff member, “tenants concerns are usually centered on property management issues more than anything else.” However, the organization strives to educate them on other external issues that will potentially affect them such as safety, education, housing, health, and jobs.

Residents have a little input in NCC’s management and development processes. Today, housing is less than tenant-driven and more determined by REO staff decisions. Residents are employed and encouraged to organize around issues that affect the larger NCC framework or projects that fall outside the “housing domain.” NCC's Resident Advisory Board consists of eighty members, of which fifty are active members. In 1988, when city officials and corporate powers were discussing bringing a supermarket into the Central Ward, residents obtained 12,000 signatures during a citywide petition. However, circa the early 1990s, the organization drifted from the tenant organizing process. “[NCC] definitely went through a time period when we were not doing as much tenant organizing...it was part of a growth period for us,” said a prominent NCC employee. NCC reinvigorated its organizing efforts by hiring a director of resident organizing and implementing a comprehensive resident organizing program.

## **SUCSESSES AND CHALLENGES**

NCC is one of the largest non-profit developers in the country. Admittedly, NCC has not been successful at measuring its own success. Although NCC cannot take credit for the

“Newark Renaissance,” it has made a difference in the lives of a great number of people. With more than 3,000 housing units that provide affordable housing, NCC’s properties have a vacancy rate of 3.2 percent. [Note: This does not include Douglass-Harrison Apartments that, with more than 700 units, comprises more than half of other NCC properties.] In contrast, the number of housing units in Newark is 8,759 and the vacancy rate is a whopping 8.7 percent.

(www.census.gov) In addition, the organization sustains its housing developments by providing access to services and job training for residents.

**Table 2**  
**Evolution of NCC Housing**

Year Built or Acquired	Housing Development	Address	Total Units
1975	New Community Homes	270 Morris Avenue	120
1977	Roseville	1 S. 8th St	99
1978	Associates	180 S. Orange Ave.	225
1980	Commons Families	198 Morris Ave	150
1980	Commons Seniors	140 S. Orange Ave	222
1980	Douglas Homes	15 Hill Street	135
1981	Gardens Families	Bedford Street	74
1981	Gardens Seniors	265 Morris Ave	161
1983	Manor Families	Hunterdon & Hayes Sts	173
1983	Manor Senior	545 Orange St	154
1983	Douglass-Harrison	51 Somerset St	754
1988	Sussex Gardens	78 N. 6th St	31
1989	Harmony House	232-260 Littleton Ave	102
1991	Ocean Bayview	Jersey City	33
1994	Englewood Apartments	Englewood	42
1994	NCC Estates	Camden & Fairmount St	56
1996	Salem Lafayette	Jersey City	74
1997	Hudson Senior Housing	Jersey City	81
1999	Community Hills	Irvine Turner Blvd	206

REO has successfully involved residents and built collaborative partnerships to improve management services and to build community power. The formation of tenant organizing stemmed from numerous discussions and concerns on strengthening the organization's relationship with its residents. Soon thereafter, a resident advisory board was established that met monthly with Monsignor Linder. Resident input and organizing has helped NCC address numerous internal and external issues of importance in the Central Ward and in Newark. NCC residents have voiced their concerns on issues such as charter schools, Newark's Master Plan, the playground at Harmony House, and the closing of a notorious local bar in the neighborhood.

Community Hills is another success story for the organization. This marks the first time that NCC is able to provide homeownership opportunities to residents of the Central Ward. To inform residents and the general population about homeownership opportunities, NCC's Federal Credit Union conducts home readiness education workshops on the importance of maintaining good credit and other intricacies involved in securing a mortgage. Home-readiness workshops are advertised in NCC's *Clarion*, at Pathmark, in NCC housing developments, and other highly visible areas.

Community Hills, funded by HUD, through a \$25 million HOPE I grant, is a 13-acre townhouse development that includes a day care and community center. The Newark Housing Authority sold New Community the two sites for its project for about \$250,000. (*New York Times*, November 7, 1999) Community Hills has 98 two-bedroom and 108 three-bedroom townhouses, and is the first housing project to reserve a portion of its units for foster parents, and those planning to become foster parents. This effort is a partnership between NCC and the New Jersey Division of Youth and Family Services (DYFS).

NCC works effectively with other groups, neighborhood institutions, and consultants to build housing and to attract significant numbers of volunteers to conduct landscaping and beautification projects at their housing developments. For example, a 1997 NCC annual report hailed the numerous volunteer programs administered in collaboration with Loyola College, Seton Hall University, St. Peter's College, and New Jersey Institute of Technology that grew into new partnerships well after the project was completed. (NCC Annual Report 1997) These types

of partnerships have permitted NCC to successfully beautify and work on several landscaping projects for many of the older housing developments such as Douglass-Harrison, Manor and Gardens Families. Volunteer collaborations also permit NCC to alleviate the tremendous burden from environmental services, which works on maintenance, rehabilitation, and landscaping matters at nearly twenty NCC housing developments.

Despite its many successes, there are also problems. For example, conflicts have arisen at the Douglass-Harrison complex. More than 20 percent of the 700-plus units are vacant. In 1999, when Stella Wright Homes was closed as part of the Newark Housing Authority Hope VI redevelopment, former residents of the troubled complex relocated to Douglass-Harrison and brought with them a flurry of drug activity. Even before Stella Wright Homes closed, there were drug dealers, loiterers, and squatters on the property. NCC inherited these problems when it purchased Douglass-Harrison in 1983.

The organization has been criticized for not having turned this complex around as it has with its other projects. To be fair, the property management issues are endemic to most CDCs. Evictions of undesirable tenants are extremely hard to obtain and pose a great impediment to removing some of the stigma associated with the complex. Douglass-Harrison is also quite old and decayed. The organization is constantly thinking of innovative ways to remedy the problems with this complex. Millions of dollars have been used in renovation and upkeep of the property. In addition, the organization is undertaking an advertising campaign to market the property. However, the difficult history makes it hard to fill these apartments.

NCC also faces problems collecting rents “New Jersey is a very pro-tenant state,” said a key staff member. Therefore, tenants know that they can delay paying rents and prevent eviction. For example, they can file for bankruptcy. When this happens, it is difficult to evict non-paying tenants and this creates a major gap between tenant eviction and re-occupancy of a unit because bankruptcy filing is such a long process.

Lack of funding poses another challenge. Money for new housing development is another problem despite NCC’s tremendous name recognition and ability to work to locate grants and



other sources of funding. As one NCC staff member simply stated, “There is [just] no money for new construction.” In addition, HUD prefers to allocate the majority of its resources to local housing authorities as part of its drug elimination program. As a result, NCC and other non-profit developers fight for the remainder of funding that is available.

Resident organizing has also experienced significant successes and challenges. For example, “in some cases, many of the tenants are not happy with some of the conditions of the units,” said an executive staff member. In 1997, “residents of New Community Homes Court...[threatened] a rent strike to protest conditions at the complex, which they [said was] literally crumbling of poor maintenance, crime and neglect.” (Roberts 1997) Carrying out the dual role of landlord and organizer has sometimes proven to be an obstacle when it comes to galvanizing residents around external issues such as the Master Plan, crime in Newark, etc. The political climate in Newark is also discouraging for residents of NCC. Middle-income black workers in Newark are employed in the local school system, City Hall and Housing Authority, so they are vulnerable with regard to challenging the political system. “Retribution is not a myth politically in Newark. Black people here know each other and there is a real sense of a small-town mentality.” This becomes a major obstacle to resident organizing within NCC, claims an executive staff member.

Voter registration is another component of resident organizing at NCC. According to one resident organizer, “low-income people become apathetic and therefore it becomes hard to turn people around and make them understand that voting does matter if you want to affect change in Newark, the state, national or local level for that matter.” A NCC senior-level staff member noted, “we [NCC] are hoping for new leadership in Newark...what’s needed for a good relationship with the city is five city council seats and a friendly mayor.”

NCC properties do not exist in a vacuum. Societal problems that affect the lives of Newark residents often spill over to NCC. Therefore, drugs, welfare cutbacks, crime, poverty, etc., all play a pivotal role in how NCC is able to conduct property management. Many property management issues regarding upkeep of NCC units often center around the activities of many of its residents and not necessarily the wear and tear of older housing units. This presents a major

challenge with respect to remodeling and renovation in older buildings such as the Douglass-Harrison apartments that have a more troubled property management track record.

The ability to have a working, productive relationship with local government has also become a serious impediment for conducting Real Estate Operations for NCC.

“For instance, there are a group of residents in a Co-Op across the street [from the Douglas Harrison Apartments] that are opponents of the housing project and NCC. They go to city council meetings and complain...NCC feels the city should work together with NCC to help to help solve some of the problems with the development...instead the council passed a resolution making it mandatory for NCC to provide armed security guards. This only ends up costing NCC more money and making the troubled housing project more expensive to run.” (Interview with a high-level staff member)

## **LESSONS FROM NCC**

According to an NCC executive, other CDCs can learn a great deal by looking at the organization’s structure, computer software system, building design and property management, and security and environmental services operations. Other CDCs, community groups and political and community leaders can learn a great deal about the successful techniques used within NCC’s Real Estate Operations divisions. Specifically, REO employs techniques used in the private sector to help manage more than 3,000 housing units in Newark, Jersey City, and Englewood, to organize tenants, and to maintain and secure NCC’s housing developments. It also hires people from within the neighborhood who are familiar with NCC’s framework to accomplish these tasks.

Moreover, NCC provides the majority of its services from within rather than outsourcing them to contractors. For instance, rather than contracting out environmental services, residents who possess these skills are encouraged to apply for these positions. NCC also builds partnerships with local institutions, such as Seton Hall University and Rutgers University to work on beautification projects and community outreach programs. NCC utilizes strategic

planning to address management and resident issues. Strategic planning helps to organize staff around a departmental mission, NCC's mission statement, and division-specific missions.

Perhaps more so than other CDCs, NCC recognizes that it has "strength in numbers" and uses its residents as an important political base. By creating a mass base of more than 7,000 residents and nearly 2,000 workers, NCC has created an effective model for other CDCs to emulate. For example, residents were organized to help gather more than 50,000 signatures, which were used to convince local and business officials that there was a need for a Pathmark Supermarket. Residents also help to circulate information such as when housing units become available. NCC advertises its broad services to tenants as well. To market its properties, NCC posts fliers and sets up recruiting tables at Pathmark, where most NCC residents shop and attaches fliers to payroll paychecks, and advertises in the *Clarion*, NCC's newspaper. In addition, perhaps more importantly, tenants spread information about programs through an informal network of friends and neighbors.

Another critical private-sector strategy used by NCC's REO is that information is now disseminated among all four divisions through staff meetings and training seminars. REO conducts several inter-departmental staff meetings with property management, security, environmental services, and resident organizing divisions, so that each division is kept abreast of issues that affect the effectiveness and efficiency of their responsibilities for tenants and the community. For example, through weekly interdepartmental staff meetings, residents' concerns about lack of lighting and foot patrol security in a development are disseminated to both the environmental services and security division. In addition, the technology boom of the 1990s forced NCC's REO to change and adapt the way in which they store and upgrade information regarding housing units, residents, and maintenance requests. A new property management software system allows NCC to better track this information between property management, security, and environmental services.

## **FUTURE**

Perhaps, a study conducted by the Joint Center for Housing Studies at Harvard University said it best. In continuing its mission as a CDC, NCC should follow these guidelines: "Producing

and preserving affordable housing must be job one...second, housing providers may want to reach beyond housing. If it takes a village to raise a child, it takes more than housing--as fundamental as it is--to build communities.” (Belsky 2002, 12) To its credit, NCC has already begun to reach beyond just building, “bricks and mortar,” and has expanded its housing component to not only include property management but also security, environmental services and resident organizing. In conceptualizing far in advance of the future curve, NCC has branched out from a housing development-oriented CDC to an organization that operates daycare centers, charter schools, for-profit business ventures, healthcare centers, and job training programs.

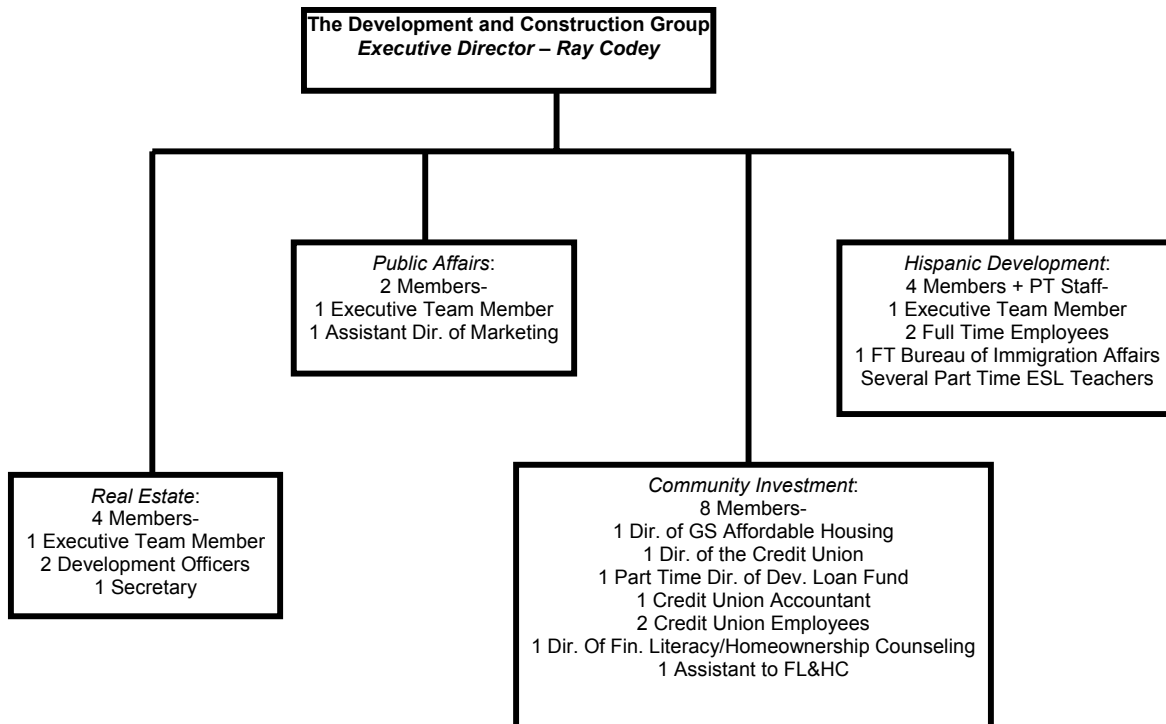
New Community has remained steadfastly committed to its mission of providing affordable housing to the people of Newark. As one staff remarked, “NCC will continue to build whatever housing is needed in the future.” Certainly Monsignor Linder’s vision and leadership have guided the organization. The ability of the organization to innovate and respond creatively to a changing environment will no doubt ensure its longevity and solidify its presence as a force of change in Newark and beyond.

## DEVELOPMENT AND CONSTRUCTION

In 1975, after having successfully completed its first housing development, NCC began preparations for embarking on its first non-housing initiative. The Development and Construction Group (DCG) was officially founded when a full-time Director of Development was created. Realizing that the needs of the Central Ward went beyond housing, NCC began exploring community development possibilities outside the realm of housing. A Development and Construction group was established within NCC in order to facilitate the processes involved in project development and completion: site selection, property acquisition, financing, and construction. Today, there are approximately twenty staff members in DCG, not including the people employed through the construction management department and the various part time teachers employed through the Hispanic development department.

Although the Real Estate division of DCG has remained prominent, the group is now additionally comprised of Community Investment, Hispanic Development, Resource Development, and Public Affairs. Even though it is not technically considered part of the group, DCG also leverages off the Construction Management division, which is a separate NCC entity that DCG uses as a resource for construction services. While NCC started as a grass roots organization, it has a real estate replacement value of approximately \$500 million. (<http://www.newcommunity.org/departments/index.html>) A brief description of each of the divisions within DCG is outlined below.

- **Real Estate:** The Real Estate Division is responsible for the duties related to the development process to house the comprehensive services that NCC provides. As stated in NCC's Business Segment Organizational Chart, the Real Estate Division provides "strategic identification, negotiation, financing, and execution of real estate and business deals and mission-oriented opportunities." For example, the Real Estate Division was responsible for constructing the Workforce Development Center, which houses the many services of



the Human Development Group. It is currently in the process of developing the Home Health Care Center, which will become the headquarters for the Healthcare Group.

- **Community Investment:** The Community Investment Division houses the New Community Federal Credit Union, NCC Development Loan Corporation, Garden State Affordable Housing Fund, and Financial Literacy Program. These financial and investment services provide banking, savings, and loan options for community members, expanding and enhancing their financial possibilities and opportunities.
- **Hispanic Development:** The Hispanic Development Division addresses issues facing the Hispanic community of Newark. They particularly focus on areas of education, community organizing, immigration advocacy, employment, and social services outreach.
- **Resource Development and Public Affairs:** The Resource Development Division is responsible for fundraising activities for the entire NCC network and undertakes various activities to achieve this. The Public Affairs Division oversees the publication and

dissemination of NCC materials and the publicity of NCC events, projects, and achievements.

- **Construction Management:** Through the auspices of NCC Technologies, the Construction Management division provides pre-fabricated materials, such as wall panels and roof trusses, to facilities under construction.

NCC's mission statement is reflected in the comprehensive services it offers in the Central Ward. The Development and Construction group relates to NCC's mission in various ways. First, the Real Estate division facilitates the development of safe, affordable, quality housing, an integral component of NCC's continued efforts to realize its mission. Second, in allowing for the development of the other NCC services, the Real Estate division assists the organization as it undertakes operations beyond housing- education, healthcare, human development, workforce development, retail- as NCC expands its community development scope into areas it deems necessary for the improvement of lives of community members and to adequately address community need. Similarly, the Hispanic Development division uses the mission statement as its springboard; diving into areas it sees as necessary and practical to realize the mission, with a particular concentration on immigration advocacy, employment, education, and social services outreach.

Beyond the Real Estate division, the other divisions of Development and Construction more generally echo NCC's desire to internalize many of its operations. In this regard, Construction Management, Community Investment, Resource Development, and Public Affairs are emblematic of this internalization, as they all serve the NCC network, yet are part of that same network. While this reflects the philosophy of NCC, these divisions, particularly Community Investment Services and Construction Management, relate to the mission statement in that it serves as a guide to their activities and actions. Community Investment gives individuals financial options and opportunities they may otherwise not have had, thus, paving the way for improving their lives and achieving personal success. Construction Management similarly provides further employment opportunities with the intent of, again, improving

individual lives. Thus, the Development and Construction group has a broad, yet firm relationship with NCC's mission statement. DCG promotes and undertakes projects and activities in agreement with the mission, designed to continue to help the organization realize its mission.

## **THE NEED FOR RETAIL**

Without even reviewing any of the data, it does not take much to realize that the Central Ward is woefully underserved from a retail perspective. Whereas for most of us, a trip to the local supermarket, bank, or mall is a quick walk or a ten-minute car ride, residents of the Central Ward must rely on suburban locations for reasonably priced goods and services. This could take up to an hour to find a simple discount department store, and many have to travel by bus because their situation does not afford them a car.

When analyzing the data, the lack of retail establishments in Newark becomes clearer. In 1987, Essex County ranked fourth in New Jersey by volume of sales, constituting 38.1 percent of the state's total sales volume. (US Department of Commerce 1987, 89) Newark ranked sixth among places with 2,500 inhabitants or more, and represented 14.3 percent of the state's total. However, when looking at the number of retail establishments per person, these rankings lessen in importance. As seen in the table below, New Jersey, Essex County, and Newark all lost between 28 and 38 percent of their retail establishments between 1987 and 1997. In 1997, Newark had one retail establishment per 329 people, compared to the state, which has one retail establishment per 242 people, and Essex County, which has one retail establishment per 282 people. (US Department of Commerce 1997, 7, 71, 246) In addition, Newark lost 500 retail establishments between 1987 and 1997. This represents approximately 30 percent of the total number of retail establishments lost in Essex County even though there are 21 other municipalities in the county. It appears that from a retail perspective, Newark is becoming increasingly isolated from the rest of New Jersey and Essex County.



**Table 3**  
**Retail Data Analysis—New Jersey, Essex County, and Newark**

	<i>1987</i>	<i>1997</i>	<i>Absolute Change</i>	<i>% Change</i>
<b><u>New Jersey</u></b>				
Total Retail Establishments	48,395	34,827	(13,568)	-28.0%
People Per Establishment	160	242	82	51.3%
<b><u>Essex County</u></b>				
Total Retail Establishments	4,506	2,819	(1,687)	-37.4%
People Per Establishment	173	282	109	63.0%
<b><u>Newark</u></b>				
Total Retail Establishments	1,332	832	(500)	-37.5%
People Per Establishment	207	329	122	59.1%

Source: 1987 and 1997 Census of Retail Trade

## **GROUP ACTIVITIES**

DCG brings the overall plans for NCC to life through the construction of buildings to house NCC's many services as well as supporting banking and investment opportunities in the community. The programs and services that NCC chooses to focus on are vital to the goals and objectives of DCG because it dictates what construction activities will occur for the rest of the year. If NCC chooses to build a health care facility to centralize the health care services it provides, then DCG knows it must begin the process of finding a site and building the structure to answer the needs of the community through NCC's vision.

The first level of decision-making is through a community board (the Board), which consists of approximately ten people representing various segments of the Central Ward population and Monsignor Linder. The Board has a retreat once a year, and outlines long-term goals and objectives they feel are important to the community. In addition to this annual Board meeting, NCC recently began annual training sessions for executive heads. Monsignor Linder kicks off these gatherings with his goals based on his meetings with the Board. The executive heads then outline barriers and opportunities for their departments. Ultimately, DCG derives a list of goals for NCC to work on over the next year. In order to execute these goals, the executive heads form six teams with various people throughout the organization, and each team is assigned

one to monitor its progress. These groups will meet a few times a year to see if goals are being met to have some hard tangible data by end of year. These goals dictate the types of projects DCG will be working on over the next year.

### **The Real Estate Group**

When the overall goals of NCC are established, Ray Codey, director of development, finds the site, financing for the project, and leads the construction of the building. We outline the details of this development below. On a parallel track, DCG will constantly search for other opportunities, including money, jobs, and equipment, in order to enhance the mission statement of NCC.

#### *Prospecting the Site*

NCC does not have a master plan with regard to finding development sites. When decisions come from the executive meetings, DCG will look in a few different areas for prospective sites. First, they will search the database of various city-owned sites to determine if the city owns any sites that could work for them based on the project they are planning to construct. The city owns a tremendous amount of vacant land that they currently have no plans for. NCC will also look for vacant and abandoned parcels that they may be able to buy through a private sale or take by eminent domain.

Given the limited amount of options NCC has to pick a site, they must find a site that will be the most optimal site for their development given these narrow options. DCG will then go through the appropriate channels to get appropriate zoning, building, and construction permits. It will also design the site if the need arises. The optimal location for a site is based on the population NCC is trying to serve, its access to other NCC facilities, transportation access, and the physical conditions of the site. However, sometimes NCC must go with a less-than-optimal site because of obstacles put in place by the city as well as obstinate private property owners who will not sell their land for a reasonable price.

In a suburban location, depending on problems that may occur on the site, including but not limited to environmental problems, access to utilities, the number of parcels needed,

necessary variances, existing infrastructure, and grading issues, the zoning and permitting process could take six months to two years. In a city like Newark, even the easiest process can take years to complete. In general, while internal struggles may exist, the relationship between Newark and NCC is adversarial. As stated by an NCC staffer, “Newark politicians are good at rewarding friends and giving nothing to enemies.” Because NCC is considered an “enemy” of some elected Newark officials, this makes even the easiest of processes very difficult. Many times, the city will not work with NCC, and DCG will have to scramble to get an appropriate site. With local elections occurring in May 2002, DCG is hoping that a new mayoral candidate will make things less adversarial. In addition, there are some council members willing to work with NCC. NCC is hoping for the local elections to also add a few more board representatives who are warm to NCC’s goals. Some of the more recent problems regarding land prospecting are outlined below.

#### *Lady Liberty Charter School*

In 2000, NCC found a piece of city-owned land in order to build a much-needed charter school in the community. This particular site was picked primarily because a councilman from the ward where the site was located was willing to sponsor the charter school based on the needs of her community. DCG needed to rezone the land for educational purposes. The land was unused, had minor contamination, and had some existing structures that had to be demolished before construction. NCC was willing to demolish existing buildings and remediate the land for approximately \$200,000. At the zoning meeting, many parents of children in the ward attended in support of a new educational facility in the area. There was only one voice of opposition in the audience. A teacher got up and stated that charter schools undermined the public education system. That was all it took. Even with NCC’s commitment to clean up the site, demolish existing buildings, and return the land to a productive use, based on this one negative statement, the zoning board voted against the ordinance.

As a result, DCG had to find a new site. Someone at NCC read a newspaper article about the imminent closing of a Catholic school in the area. After discussions with the Archdiocese of Newark, DCG structured a sale-leaseback transaction with the Pastor of the church in order to keep the doors open while it was being converted to a charter school. While the school’s

structure was adequate, it required renovation and upgrades. In total, it cost \$1.3 million to clean up. In addition, NCC agreed to pay the Pastor \$75,000-a-year in rent for use of the facility.

### *The Home Health Care Facility*

While Newark can set up substantial barriers to the zoning process, there are often internal struggles over the location of a site. For example, the construction of a Home Health Care Facility is probably one of the top items on DCG's list. They are currently in the process of finding financing to begin construction of the facility. However, when choosing the site, Monsignor Linder ultimately chose the final destination of the Facility. Based on criteria set by DCG, they probably would not have chosen the site that Monsignor picked because the site is very small, approximately 11,000 square feet, for the type of building being constructed. A four-story, 37,000 square foot building with each floor measuring approximately 9,300 square feet on such a small site does not allow for much parking space. DCG feels it may be wedging into a building into a site that is not big enough. However, Monsignor picked the site because it was close to other health care facilities, and it is on a major transportation bus line.

### *Financing*

Financing is also a very important step in realizing the development of a project. DCG must analyze alternative financial schemes for each project. Should NCC own the project outright, or will the organization design a sale-leaseback transaction? Will NCC contribute the land as equity, or will it have enough grants and contributions to satisfy potential lenders? All of these options are crucial when determining the type of financing. In general, DCG will finance their projects through multiple funding sources in order to maintain diversity of funding so as not to be dependent on one particular source of funding should that source not be available to them for one reason or another. In addition, when looking for financing, it is important that their deals make sense from a financial perspective. This provides credibility to their deals when searching for funding sources.

In general, for commercial properties, lenders like to see about 25 percent of the total project cost contributed by the borrower, leaving a loan balance of 75 percent of the total project cost. The project cost is derived from the value of the anticipated future rental stream of the

property. In many cases with NCC projects, that anticipated rental stream will be from another incorporated branch of NCC. For example, the tenant for the Workforce Development Center is a branch of the Human Development Group. In determining a rental stream for the Center, DCG will assign an annual rental payment that is acceptable to the potential lender and enough to cover the debt service for the 75 percent loan.

During construction, the same process applies, however, because the project during the time of construction is not operational, debt service payments are deferred until completion. At that time, the construction lender will either convert the loan to a permanent loan based on the original underwriting criteria, or expect NCC to find permanent financing and take the construction lenders out of the loan. There are various ways in which NCC looks for external financing, which are outlined below.

### *Debt Financing*

NCC looks at various options for debt financing, but mostly deals with banks that have Community Reinvestment Act (CRA) credits to fill. The CRA was enacted in 1977 to “encourage banks and thrifts to help meet the credit needs of all segments of their communities, including low- and moderate-income neighborhoods” depository institutions, national banks, thrifts, and state-chartered commercial and savings banks are all eligible for CRA credits. (Comptroller of the Currency...2002) The CRA requires that “each depository institution's record in helping meet the credit needs of its entire community be evaluated periodically.” (<http://www.federalreserve.gov/DCCA/CRA/>) The bank's record will be taken into account when considering the bank's application for new deposit facilities. The CRA does not give specific criteria for rating the performance of depository institutions. The law does indicate, however, that the evaluation process should accommodate an institution's individual circumstances given its surrounding area. (<http://www.federalreserve.gov/DCCA/CRA/>)

NCC is constantly looking for new banking relationships through CRA. They will often use a group called Thrift Institutions Community Investment Corporation (TICIC), a consortium of 83 different savings and loan banks. TICIC will spread the loan out to the various banks to divide out the risk, and each will get CRA credits depending on the amount they loan. NCC also

looks for new opportunities to use the CRA through mergers and acquisitions. For example, the repeal of the Glass-Steagall Act in 1999 was fundamental to the opening up of new institutions to benefit from the use of CRA credits. Glass-Steagall was passed in 1933 in response to the financial shambles left in the wake of the Depression. The legislation prohibited banks from underwriting, dealing in, or owning stocks and bonds of corporate companies, which ultimately separated the investment banking world from the commercial banking world.

(<http://www.cftech.com/BrainBank/SPECIALREPORTS/GlassSteagall.html>) With its repeal, Merrill Lynch, which had two small banks for client use only but which previously could not operate traditional commercial banking activities, had now become one of the largest banks in the country. As a result, Merrill came under the purview of CRA. This has created a large opportunity for NCC.

NCC also receives funds through the New Jersey Economic Development Authority (NJEDA). Through programs like the Fund for Community Economic Development, the NJEDA “provides loans and loan guarantees to community development organizations for projects located in urban areas.” (<http://www.njeda.com/>) In addition, the NJEDA will collaborate with the Environmental Protection Agency (EPA) to assist companies “involved in hazardous discharge site investigation and clean-up with loans up to one million dollars for up to ten years.” (<http://www.njeda.com/>)

NCC will go to various agencies and organizations in order to fund their various projects. Some of those agencies include HUD, the U.S. Department of Health and Human Services, the Administration for Child and Families, the Office of Community Services, and private charitable organizations, just to name a few. Below are some of the financing, subsidies, grants, and charities NCC receives through the agencies outlined above in building their projects.

### *Third Party Financing*

***New Jersey Local Development Financing Fund.*** The New Jersey Local Development Financing Fund was started by NJEDA to develop commercial and industrial projects in urban areas through matched fixed-asset loans. Loans are low interest and can range from \$50,000 to

\$2 million. It is necessary for the municipal government to sponsor a request for this type of financial assistance. (<http://www.njbrc.org/finance/local.html>)

***NJ Housing Mortgage and Finance Agency.*** The NJ Housing Mortgage and Finance Agency (NJHMFA) is a state-run agency whose mission is “to encourage the production of affordable housing for all New Jersey citizens.” (<http://www.state.nj.us/dca/hmfa/>) It does this through various ways, including providing low interest loans, tax credits, and support services to developers willing to develop housing in economically challenged neighborhoods.

### *Subsidies*

NCC also seeks subsidies that often attract lenders and tenants. Some of these subsidies are outlined below.

***Urban Enterprise Zone.*** In 1984, the Urban Enterprise Zone (UEZ) was enacted. In order to receive the benefits of the UEZ (which include the right to buy property without sales tax, credits against certain business taxes, and a decrease in sales tax upon operation for retail services), certain stipulations must be met. For example, employers in the zone must have 25 percent of new full-time employees come either from a current UEZ, be unemployed for at least six months before being hired, or dependent upon public assistance for at least 90 days. ([http://www.state.nj.us/commerce/uez\\_incentives.htm](http://www.state.nj.us/commerce/uez_incentives.htm))

***Community Development Block Grant.*** The Community Development Block Grant (CDBG) program is a federally funded grant program through HUD. It provides annual grants to various metropolitan cities and urban counties to “revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons.” (<http://www.hud.gov/progdsc/cdbgent.cfm>) In Fiscal Year 1999, HUD had \$4.9 billion in CDBGs to expend on such projects.

***HOME Program.*** The HOME Program came into existence as part of the Cranston Gonzalez National Affordable Housing Act of 1990 (HOME). The Program helps to “expand

the supply of decent, affordable housing for low and very low-income families by providing grants to States and local governments referred to as participating jurisdictions.”

(<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>) To date, the HOME Program has built, acquired, or rehabilitated more than 400,000 units and provided direct rental assistance to 72,000 residents.

### *Private Foundations*

NCC also elicits funds from private charitable foundations. Some of those foundations NCC uses on a regular basis are outlined below.

***F.B. Heron Foundation.*** The F.B. Heron Foundation was created in 1992 for the purposes of funding programs that “promote wealth creation strategies for low-income families in urban and rural communities.” (<http://fdncenter.org/grantmaker/fbheron/>) The Foundation typically gives funds to community-based organizations, like NCC, that yield such results.

***Victoria Foundation.*** The Victoria Foundation is a private charitable organization that focuses on “improving opportunities for poor and disadvantages families and the neighborhoods in which they live” within the city. (<http://www.victoriafoundation.org/>)

***Ford Foundation.*** The Ford Foundation is a private charitable organization established by Henry Ford that focuses on Asset Building and Community Development, Peace and Social Justice, and Education, Media, Arts, and Culture. (<http://www.fordfound.org/>)

### *Constructing the Site*

In general, DCG will centralize the construction management process internally through the real estate division and hire subcontractors to do the actual construction work. The Construction Management division, through NCC Technologies (an NCC company that produces prefabricated housing panels), does not have enough manpower to do the construction of an entire project, but they will provide much of the pre-fabricated materials, such as wall panels and roof trusses, to the development. This also gives DCG an opportunity to hire small



businesses and minority-owned businesses in the community, which creates more jobs in the community.

### **Community Investment Services**

Encapsulated within the Community Investment Services division are the New Community Federal Credit Union, NCC Development Loan Corporation, Garden State Affordable Housing Fund, and Financial Literacy Program. Each aspect of NCC's banking services has a unique purpose and role within the larger organization.

#### *New Community Federal Credit Union*

Established in 1983 with the intent of offering banking services to individuals whom traditional banks might not be willing to assist, such as those who hold small balances or use money orders for many payments, the credit union now has 2,600 members and more than \$4 million in assets. Among the services offered by the credit union are direct-deposit, direct bill paying, Individual Retirement Accounts (IRA), Individual Development Accounts (IDA), and MAC-ATM cards (NCC Annual Reports). IDAs are particularly useful in earmarking savings to be put toward home purchases, business creation expenses, and education expenses, as the credit union matches \$2.00 for every \$1.00 deposited by individuals. Additionally, the credit union provides basic loans for higher education, automobile purchases, home purchases and improvements, or micro-enterprise loans. To this end, home purchasing clubs and consumer credit counseling are offered. The credit union has received financial support, in the form of grants and share certificates, from firms such as Chase Manhattan, Bankers Trust, and Hudson City Savings Bank. In addition to offering services to those with typically small balances, the credit union also caters to senior citizens, who make up a large portion of credit union members and who find difficulty in utilizing traditional banks. (Interview with NCC Senior Staff members 2002) Further, in keeping with NCC's ethos of education, the credit union runs the NCC Youth Credit Union, created in 1999, to teach children about financial literacy and savings. (NCC Annual Report 1999)

### *NCC Development Loan Corporation*

With loan funds drawn from a consortium of five investment banks, the NCC Development Loan Corporation provides loans to small businesses that, otherwise, would not be able to obtain loans from traditional loaning agencies. In this way, the loan corporation looks to lend not only to small businesses, but also minority-owned businesses, start-up businesses, and single-person businesses and, in the process, spur job creation. (NCC Development Department Annual Report 1993) In addition to delivering loans, the loan corporation offers services and classes to assist recipients with business and financial management. In 2000 the loan corporation provided more than \$200,000 in financing to a start-up law firm, an accounting firm, and an auto detailing company all in the Newark area. (NCC Annual Report 2000) Other loans have included \$70,000 to Good Shepherd Bookstore in South Orange, \$60,000 to Kelly's Kids Day Care in Newark, \$60,000 to New Wave Investment Corporation for a Laundromat in Newark, and \$75,000 to a day care center in South Plainfield. (NCC Annual Report 1998 and 1999)

### *Garden State Affordable Housing Fund*

Garden State Affordable Housing, Inc. is the umbrella and managing organization of the New Jersey Housing Opportunity Fund II. Drawing on investments from Chase Manhattan, Bank of New York, First Union National Bank, PNC Bank, Fannie Mae, and the Federal National Mortgage Association, the fund creates a tax equity fund to be used to provide capital to non-profit organizations developing affordable housing. Though NCC is not directly involved in the housing development and production, the housing fund assures that capital is available for organizations, largely faith- and church-based groups, and acts as a liaison between banks and the developing organization, in effect, sponsoring smaller organizations that may not have as strong a financial history as NCC. The housing fund has invested in affordable housing developments in Newark, Jersey City and Elizabeth, providing close to 100 units of affordable housing. (NCC Annual Report 1998-2000)

### *Financial Literacy Program*

The Financial Literacy Program arose when 3,000 applicants for Community Hills failed to qualify for mortgages because of poor credit. Sensing a need to offer credit counseling and

drawing upon available money the program was launched, offering assistance in developing and maintaining credit responsibility, operating checking accounts, and maintaining credit cards.

### **Hispanic Development**

Although incorporated separately from NCC in 1995, Hispanic Development remains a part of the Development and Construction group and the NCC Network. Hispanic Development focuses on and addresses issues facing the Hispanic community of Newark with an emphasis on education, community organizing, immigration, advocacy, cultural development, employment, and social services outreach. (NCC Annual Report 1998-1999)

The large and growing Hispanic populations in the West Ward and the Central Ward presented the need for NCC to address specific issues confronting the Hispanic community. In terms of education, Hispanic Development provides beginner, intermediate, and advanced English As A Second Language classes, Spanish As A Second Language classes, and a summer youth program. Additionally, Hispanic Development personnel attend the monthly Mass meetings at St. Rose of Lima Church, whose parishioners constitute their largest single client base. (NCC Annual Report 1998) By attending these meetings, personnel seek to better respond and adapt to community needs as they change and arise. Culturally, Hispanic Development administers the Hispanic Cultural Committee, which is responsible for events such as the annual Pathmark Hispanic Festival, Noche Latina, and the Three Kings Festival. (NCC Annual Report 1998-1999) With immigration issues a consistent concern in the community, Hispanic Development is able to perform and process immigration work on-site thanks to a community member accredited by the Bureau of Immigration Appeals. (NCC Annual Report 2000) Past efforts involved organizing residents to be counted in the 2000 Census and organizing a health care fair. Continued efforts include creating a temporary employment agency and assistance in sending money to family members in other countries.

### **Resource Development and Public Affairs**

The Resource Development division of Development and Construction oversees and undertakes fundraising activities for all of NCC. Money raised through fundraising activities goes directly into NCC's general equity fund. Fundraising is primarily aimed at individuals and

foundations, involving contact with past and potential financial supporters of NCC, as well as applying for grants from various foundations. Due to the breadth of Ray Codey's contacts in Newark and in New Jersey, the Resource Development division was sited in DCG.

Fundraising, however, can be problematic when the donor wants their contribution to be put toward a specific project, and, in effect, controls the money, a financial relationship NCC leadership tends to avoid. Resource Development also sponsors NCC's annual Golf and Tennis Classic, a consistently valuable fundraiser, having raised more than \$700,000 since its 1996 inception. (<http://www.newcommunity.org>)

The Public Affairs division of Development and Construction works internally and externally to publicize NCC events, undertakes outreach and networking efforts, and plans major public events. In producing NCC's own media and publicity material and working with external media outlets, Public Affairs serves notice of NCC's projects, achievements, and overall approach to community development. Internal media productions include *The Clarion*, the monthly NCC newspaper, distributed both locally and nationally, the NCC Annual Reports, *Faith, Hope and Leverage*, NCC's 30<sup>th</sup> anniversary video, and the NCC website.

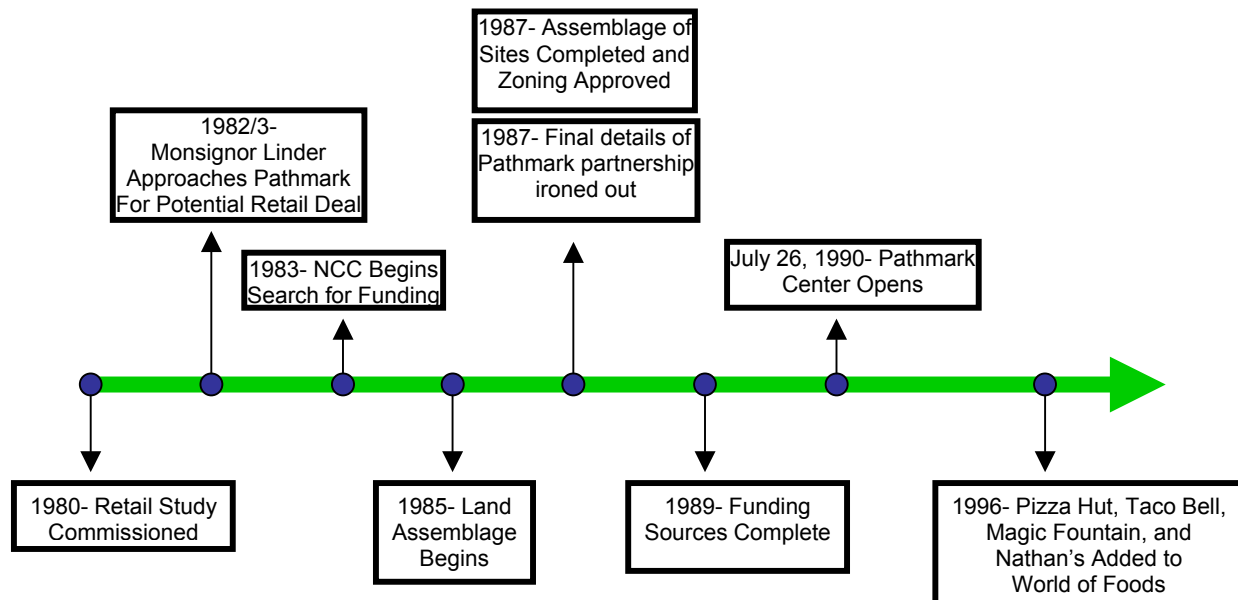
### *The Pathmark Development--Obstacles To Inner City Development*

NCC has to deal with more obstacles than the average developer faces for its projects. While every project is different, in order to give a better understanding of the types of obstacles and issues NCC has to deal with on a daily basis, a timeline of one of their more successful projects, the Pathmark development (the Project), has been comprehensively outlined. Because the Project was the first non-housing commercial development to be completed by NCC, it helped to establish NCC as a major commercial developer.

Because of the problems that have always existed between Newark and NCC, DCG had to turn to the State of New Jersey to aid in progress and financing, in particular, Governor Kean, to get over many of the hurdles of site acquisition and financing. In addition, a tremendous amount of tenacity and commitment were needed from Ray Codey and the Monsignor in order to get this project completed, which will also be shown in each of the phases of the development.

As stated by an NCC staffer, “NCC's motto is faith, hope and leverage. The Pathmark shopping center required all three -- as well as patience, as the planning process through completion took almost 12 years.” The following figure shows the development of the Project.

**Figure 2**  
**Pathmark Development Timeline**



While supermarkets are common in mainstream America, they are rare in inner city neighborhoods. Even though these areas are often the most starved for retail development, the physical constraints of putting a full-size retail development in a central city location has made this difficult to carry out. Parcels in urban locations are typically smaller than in suburban locations, which means the developer must assemble quite a few parcels in order to make one big enough to satisfy a major retail development. Not only is this very difficult, but many times,

urban locations do not have enough contiguous parcels to support such a development. Because many of these urban locations were centers for manufacturing many years ago, many urban sites often have environmental problems. In addition, the perceived threat of crime and vandalism with building in a low-income, primarily African American neighborhood has made it all but impossible for this type of development to occur in such a location. Pathmark was the first supermarket development to occur in the Central Ward since the civil disturbances in 1967 and is a national symbol of renewal for Newark.

### **Project Data**

The overall project has 55,000 square feet of space anchored by a 47,000 square foot Pathmark supermarket. While the Pathmark is about 15,000 square feet smaller than their typical suburban shopping center development, the layout of the store is still very similar to suburban counterparts, and it is typical of the size of supermarkets in community shopping centers. (ICSC, 152) Dunkin' Donuts, Mailboxes Etc., Taco Bell, Nathan's, and NC Print and Copy Shop are just a few of the tenants that have also been attracted to the center.

The Pathmark has proved to be a very successful financial venture. Major in-line tenants have a length of lease ranging from one year to twenty years, and the average annual rent is \$18.50 per square foot. According to Dollars and Cents of Shopping Centers, the average rent per square foot for in-line space at a community shopping center is \$17.30, so NCC was able to negotiate rents slightly higher than the average. (152) Rent at the Pathmark is currently \$1.15 per month, plus a percentage of annual sales, which is also in line with typical supermarket development. Average annual sales per square foot at the Pathmark is \$733, which is almost double the average sales per square foot for national supermarket chains in the east of \$431. (ICSC 137)

It is located on 3.3 acres of land with 227 parking spaces at the intersection of South Orange Avenue and Bergen Avenue and is bordered by Camden Avenue and 13<sup>th</sup> Avenue. It is approximately one mile from Interstate 280, five miles from the New Jersey Turnpike, and two miles from the Garden State Parkway. To the east of the development are the University of Medical and Dentistry of New Jersey (UMDMJ) and University Hospital. The site was chosen

because of its proximity to UMDMJ and to other NCC housing facilities. Other adjacent land uses include mom and pop first floor retail with above floor apartments and Dominos to the south and west and Kentucky Fried Chicken, International House of Pancakes, and Eckerd Drug to the north. KFC, IHOP, and Eckerd were all built after the Pathmark and are all relatively new.

### **The Pathmark Partnership**

In 1980, NCC commissioned a retail study of the Central Ward, which determined that “with 93,000 residents in a one-half mile radius, the site was virtual Mecca for shoppers.” (ULI, 1997, 3) However, there were few decent shopping choices available—Central Ward residents had to shop in high-priced, low-quality mom and pop bodegas and convenience stores or travel long distances to suburban, lower-priced supermarkets outside of Newark. After this study, Monsignor Linder approached Supermarkets General, the parent company of Pathmark, to potentially locate a supermarket in the heart of the Central Ward. Pathmark agreed based on the population density of the area and the lack of competition in the market. Pathmark entered a joint venture with NCC and purchased one-third of the supermarket. They currently operate the center under a management agreement with their parent company.

Even though it had been proven that the Central Ward needed retail desperately, getting Pathmark to realize it was an entirely different story. Many barriers had to be overcome for Pathmark to move forward with the deal. First, the site was too small for them to build their typical prototype development. Second, urban development typically is much more expensive than suburban development. Third, Pathmark had no idea how to market to an urban shopper as opposed to a suburban shopper. Fourth, in general, because of increased traffic and security issues, operating expenses in an urban location are much more expensive than a suburban location. It took many meetings between the Monsignor, Ray Codey, and representatives of the Pathmark to make them feel comfortable that their store could work in an urban location. When all was said and done, it took approximately five years to iron out all the details of the partnership with Pathmark. In the end, NCC was not only the landlord of the in-line space, but it also owned approximately 66 percent of the Pathmark partnership as well.

## **Land Acquisition and Assembly**

NCC began assembling land for the development of the Project in 1980, completing this process in 1984. This was yet again another instance where the patience, tenacity, and commitment of DCG were sorely needed. The site encompassed 62 parcels, 15 city-owned and 25 with structures on them. By 1985, NCC was ready to begin purchasing the sites. The organization was able to purchase 56 of the 62 sites without resorting to condemnation primarily because the owners of the sites were willing to sell their parcels at reasonable prices. The owners of the remaining 6 parcels were not so generous, and NCC was forced to proceed with the condemnation process on the remaining parcels. After various court appearances and a run through the appeal process all the way to the Supreme Court of New Jersey, by May 1987, two years to the month of the beginning of the acquisition process, NCC was given the go ahead to proceed with the condemnation of the lots. In addition to changing the zoning to allow for the retail development of the Project, by October 1987, the Newark Board of Adjustment voted in favor of NCC's right to build the Project. Finally, there was actually one holdout in the land assemblage and acquisition portion of the development that wanted more than one million dollars for their small parcel. NCC was not willing to pay this, so it simply developed around the parcel. Based on the design of the site, its only effect was a decrease of ten parking spaces.

## **Project Design**

NCC did not design the Pathmark; rather, Pathmark configured it to resemble its typical store layout. NCC conducted various community surveys to determine the most productive use of the Project for the neighborhood's residents, and Pathmark was sure to incorporate them into their design. For example, Pathmark contemplated not including a fresh seafood and deli market in the supermarket; however, based on resident surveys indicating a strong degree of interest in such things, they redesigned their plan to accommodate these ideas. Such a design change has proven very successful for the Pathmark. Pathmark is also constantly re-evaluating the products they stock in the supermarket. For example, the florist department was eliminated after several months of lackluster sales.

**Table 4**



### **Land Use Information**

	<i>Acres (SF)</i>
Site Area	3.3
Gross Land Area:	143,748
Gross Building Area:	55,000
Gross Leasable Area:	55,000
Floor Area Ratio:	38.3%
Parking Spaces:	227

Source: NCC and ULI

Besides the general design of the Project, security is also a major concern. As of 1996, security costs for the site totaled 1.4 percent of the total operating expenses. Security not only includes a state-of-the-art surveillance system in the supermarket. It also includes a fenced-in parking lot that has a 24-hour-a-day private security guard, two additional security guards on the property at all times, and extra illumination in the parking lot. Another security measure that was not counted on is the security measures exhibited by the patrons. Patrons will generally report any crime-related activities occurring within the Pathmark or in the parking lot, like shoplifting or car vandalism. Because they have waited so long for this type of development, many customers of the supermarket have taken great pains to protect their investment.

### **Financing the Project**

NCC began actively pursuing financing for the Project in 1983, and finally completed receiving funding in 1989. The various types of funding for the Pathmark development received by NCC are outlined in table 5. The total project cost was approximately \$12.9 million, of which, NCC contributed approximately \$1.23 million. Permanent financing for the project was approximately 56 percent of the total cost and NCC contributed about 10 percent, the remaining 34 percent of the total cost was financed through various local, state, and federal funding vehicles including the New Jersey Local Development Finance Fund, the Urban Development Action Grant, a Community Development Block Grant, and the New Jersey Economic Development Authority. Pathmark also benefits from the site being in an UEZ, which gives them a \$1,500 tax credit for each person hired from Newark who has been unemployed for three months or more.

**Table 5**  
**Financing**

		<i>% of Total</i>
Permanent Financing - Prudential Insurance	7,200,000	56.0%
NJ Local Development Finance Fund	1,380,000	10.7%
Urban Development Action Grant	1,530,000	11.9%
NJ Office of Community Service	500,000	3.9%
Community Development Block Grant	300,000	2.3%
NJ Economic Development Authority	717,000	5.6%
New Community Corporation	1,233,000	9.6%
<b>Total Financing</b>	12,860,000	

Source: NCC and ULI

As seen in table 6, total development costs for the project were \$233 per square foot in 1990 when the shopping center opened. Based on conversations with various development professionals, the average cost per square foot for a current retail development ranges from about \$111 per square foot to \$325 per square foot. Growing the total project costs conservatively at 2.5 percent per year, the Project would have cost approximately \$291 per square foot if the development had occurred in 2001. While this is within the range of a typical retail development project, it is definitely approaching the high part of the range.

**Table 6**  
**Development Cost Information**

		PSF
<b><u>Land Costs</u></b>		
Land Acquisition	1,574,780	10.96
Demolition	<u>672,462</u>	4.68
Total Land Costs	<u>2,247,242</u>	15.63
<b><u>Hard Costs</u></b>		
Site Improvement Costs	1,712,095	31.13
Building Construction Costs	<u>3,698,601</u>	67.25
Total Hard Costs	<u>5,410,696</u>	98.38
<b><u>Soft Costs</u></b>		
Professional Fees	647,500	11.77
Financing Costs	199,600	3.63
Construction Interest	600,000	10.91
Real Estate Taxes	12,000	0.22
Contingencies	642,962	11.69
Equipment	1,900,000	34.55
Working Capital	<u>1,200,000</u>	21.82
Total Soft Costs	<u>5,202,062</u>	94.58
<b><u>Total Project Costs</u></b>	<u>12,860,000</u>	233.82

Source: NCC and ULI

## **Current Projects**

The various projects that DCG are working on in Newark are listed below.

### *Community Hills*

Community Hills is a HUD-funded HOPE I homeownership project at the former Hayes Homes public housing site in Newark. Phase I at Community Hills, approximately 92 units, was completed in winter 2001, and by Christmas, approximately 50 families had moved in. Construction of Phase II, 114 units, is substantially complete, and closings began on both Phase I and Phase II in December 2001. (Jury 2002, 1)

### *Community Hills Early Learning Center*

NCC constructed an 18,000 square foot facility on the Community Hills site for the purposes of a daycare center, adult education, training center, and meeting space for residents of Community Hills. The Center opened in March 2001, and NCC is currently working with the Newark Board of Education to use the Center as a prototype for other NCC daycare centers. (Jury 2002, 1-2)

### *Bergen Estates*

NCC is continuing work on the remediation of an NCC-owned site for the construction of 12 two-family homes in Newark. The homes will be offered for sale to low and moderate-income residents, where the family will live in one of the homes and will rent the other home to a low income resident. (Jury 2002, 2) NCC is financing the project with HOME funds, funds from the NJHMFA, and the Urban Housing Renewal Opportunity Funds. (NCC Annual Report 2000)

### *NCC Home Health Care Center*

Within the last ten years, NCC has chosen to provide health care services for more than just the senior community of Newark. With that in mind, NCC has undertaken the development of a Home Health Care Office Facility, a 4-story 37,500 square foot building, which will house its healthcare headquarters and serve as a training center for its comprehensive health care services. The project is situated near its other healthcare facilities, which will employ

approximately 1,000 people in total. DCG is currently in the early stages of the development process, having chosen the site and received final site plan approval from the city. They have started construction and expect the facility to be operational by early 2003. (Jury 2002, 2)

#### *Towne Center Commercial Site*

NCC has been working on this 12-acre site to bring the public and private sector to provide long-needed retail in the Central Ward. After many years of negotiations and applications, NCC has been able to provide the potential retailer with various subsidies and loans, including low interest development loans, grants, tax abatements, and a location in the UEZ. Such opportunities include \$900,000 for brownfields remediation and a \$300,000 customized training grant both from the State of New Jersey. (Jury 2002, 3)

NCC originally had a commitment from Kmart to anchor the 100,000 square foot retail site; however, due to recent financial complications, Kmart had to pull out of the deal. NCC has approached other retailers, including Wal-Mart, Target, Lowe's, and Home Depot. However, none were interested in the site because they felt it was too small. NCC has been speaking with a retailer under the TJ Maxx umbrella, known as A.J. Wright, which provides discount clothing and accessories to moderate-income shoppers, but nothing has been finalized. The Central Ward has been without a major retailer since the closing of Macy's more than ten years ago. Even with the success of the Pathmark and the various subsidies, loans, and grants that NCC will be able to provide, it has still been very difficult to convince retailers to take a chance on the Central Ward.

#### *Borden Site / NCC Tech*

On the former Borden Milk processing plant site, NCC recently completed construction of a 38,000 square foot manufacturing building that houses NCC Technologies. NCC Technologies manufactures the housing components for NCC's low to moderate income housing units, including wall panels and roof trusses. They also provide these things for external housing projects. In addition, they are currently developing a prototype modular school classroom to aid in the development of schools under the Abbot District ruling. The factory is currently providing

200 skilled and unskilled jobs to Newark residents.

(<http://www.newcommunity.org/ncc/econdev/egc/index.html>)

The Enterprise Growth Center is also planned on the Borden site. The Center will “offer flexible space, shared support services, and specialized technical services, with the purpose of growing businesses in Newark.” (<http://www.newcommunity.org/ncc/econdev/egc/index.html>)

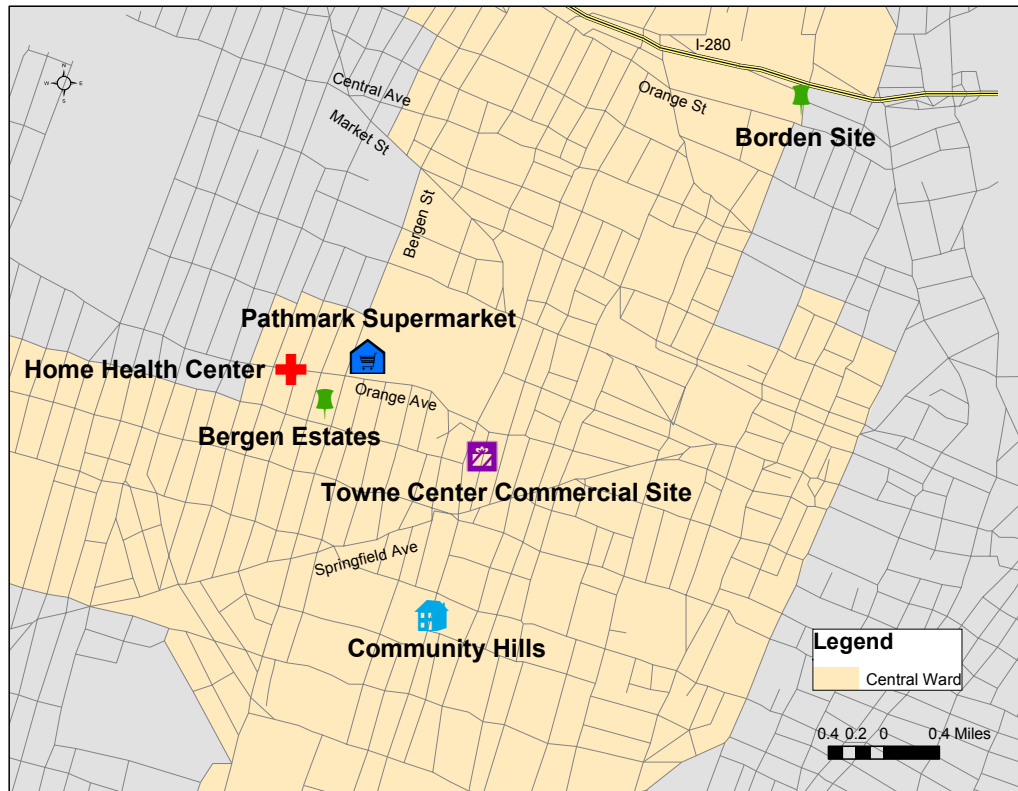
The planned development will be 117,000 square feet right next to NCC Technologies. It will serve the purpose of “new business creation, partnerships with established regional and national businesses, training and preparation of the urban workforce for today's job market, loans and technical advice for small entrepreneurs, incentive accounts for personal savings, and otherwise directing operations and spending to keep each dollar within the community as long as possible.”

(<http://www.newcommunity.org/ncc/econdev/egc/index.html>)

#### *Lady Liberty Academy Charter School*

In September 2001, NCC completed a \$1.3 million renovation project to create a new public charter school. The school is located at the former St. Columba School in the East Ward and serves more than 300 students from kindergarten through 6<sup>th</sup> grade. (Jury 2002, 4)

## Current Projects for Development and Construction



## FUTURE AGENDA AND DIRECTION

As NCC continues to respond to the needs of the community and to address its mission statement, the activities of DCG will reflect this effort. With the current emphasis and focus in the organization on health care and education, DCG anticipates its future real estate operations to largely revolve around health care and early childhood education facilities. Development officials foresee the centralization and expansion of NCC health care operations to be a major component of their future agenda. Similarly, with the Abbott decision requiring early childhood education in designated school districts, DCG expects to be heavily involved in NCC's foray into additional early childhood education facilities, with the Early Childhood Learning Center at Community Hills serving as the model. Beyond what is expected to be the major focus on health care and education, DCG plans to pursue in-fill housing development in various areas throughout

Newark. In sum, DCG expects to continue to facilitate development projects as NCC expands and enhances its comprehensive community development operation.

The ability of NCC and DCG to act as effective community developers and to maintain their level of production and services could be altered, positively or negatively, by the direction of future public policy issues. DCG officials stress that the Bush Administration's Faith-Based and Community Initiatives legislation has the potential to be either a positive or a negative mandate, depending upon the amount of funding in the legislation and its direction. At the state level, DCG operations are closely tied to the Department of Community Affairs' Neighborhood Preservation Balanced Housing Program and NJHMFA, and the capability of continuing to draw funding from these sources is integral. Likewise, the CRA is critical to DCG operations and continued and future utilization of this legislation figures highly in its ability. However, despite potential funding setbacks, by often utilizing multiple-source funding, DCG is well positioned to insulate itself from major cutbacks in federal or state programs and to maintain its financing capabilities.

## **SUCSESSES AND CHALLENGES**

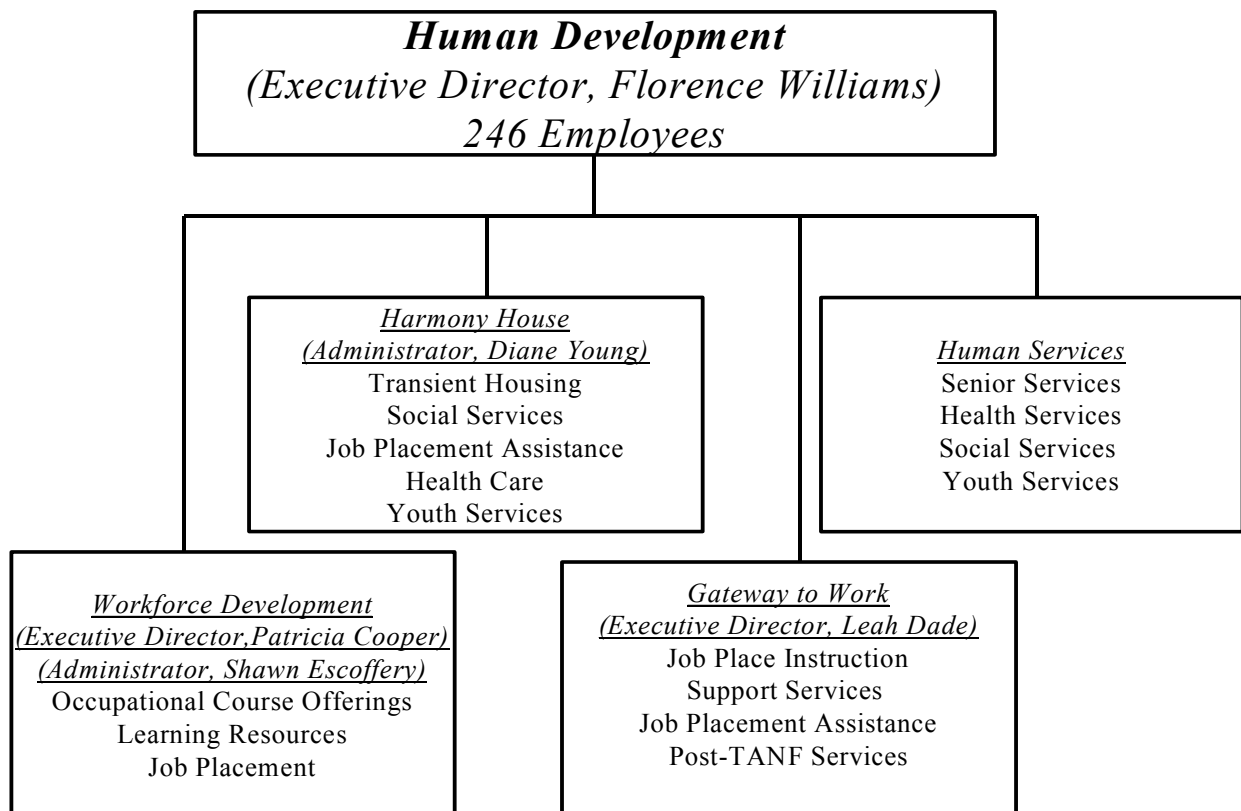
Many of the development group's successes and challenges have been outlined throughout the section. Successes include flexibility, a diverse base of funding sources, tenacity, patience, and making sure their projects are financially feasible. Challenges include increasing fundraising and dealing with the existing political climate in Newark. In addition, one challenge not mentioned in the section but brought up as a challenge was shedding unsuccessful initiatives.



## HUMAN DEVELOPMENT

Newark's residents are poorer than other New Jerseyans—nearly 22 percent of the population is in poverty. (US Census Bureau 2000) NCC's Human Development Department addresses the growing need for assistance among Newark's poor. NCC provides services for the unemployed, the homeless, the elderly, and those needing health care. In addition, NCC trains people seeking jobs and those who are trying to make the difficult transition from welfare to work.

**Figure 3 Human Development Department**



## **THE NEED FOR HUMAN DEVELOPMENT**

### **Welfare Dependence and Unemployment**

According to a recent study by Mathematica Policy Research, Inc. in 2001, 10 percent of Newark's population was dependent on welfare, which was much higher than the state at 1.5 percent. (Mathematica Policy Research 2001) About a third of those receiving assistance did so for a period that exceeded the five-year time limit. These families have become dependent on welfare assistance for various reasons including housing insecurity, not being able to afford groceries and supplies, and health related issues.

### **Homelessness**

Homelessness is a serious issue in many urban communities, including Newark. The Institute for Children and Poverty and Homes for the Homeless, studied homelessness in New Jersey. The study found that 82 percent of the homeless in Newark were females, and 91 percent were African American. (Institute for Children and Poverty and Homes for the Homeless 1998) In terms of education and employment of the homeless population, 51 percent earned less than a high school diploma, 20 percent were currently employed, and 99 percent had been employed at some point in their life. While this very poor group of people would be eligible for welfare services, 44 percent never received welfare assistance. It is apparent that this group needs to be connected to the support services available to them, and receive assistance in learning the skills necessary to function in the workforce.

### **Elderly**

NCC has placed a major emphasis on helping the elderly. Newark does not have an atypical number of seniors, but it does have a large population of seniors living on their own—nearly 32 percent of those over the age of 64. (US Census Bureau 2000) Most cannot afford assisted living facilities, so they chose to stay on their own, despite health problems that may prohibit them from supporting themselves sufficiently. These seniors, thus, require services that help them sustain a high quality of life.

## **Health**

Essex County and Newark, in particular, have a major health crisis when it comes to HIV/AIDS. Newark's two largest populations, African Americans and Latinos, are disproportionately affected. (NJ Department of Health and Senior 2001) Newark also has the highest number of incidences of all recorded types of sexually transmitted diseases (STD) in the state—which includes syphilis, tuberculosis, gonorrhea, and chlamydia. (NJ Department of Health and Senior Services 2000) Furthermore, many of Newark's mothers are considered to have "high risk" pregnancies for a range of reasons including late or no prenatal care, teenage pregnancy, drug-use, and sexually transmitted disease. There is, therefore, a higher probability of infant death, low birth rate, and birth defects for these mothers. (Department of Health and Human Services 1996) To reduce the incidence and negative consequences of these health concerns, education, counseling, and aid for those already inflicted must be supplied. NCC offers a range of services to help alleviate the pressures put on the community by these health issues.

## **Education and Labor**

In Newark, 49.4 percent of the population 25 years of age and older had not completed high school, compared with only 23.3 percent of New Jersey's total population. Moreover, 76.7 percent of the State's population had completed high school or higher, while Newark's proportion remains very low at 51.2 percent. (US Census Bureau 1990) Newark has a high proportion of its labor force in unskilled, blue-collar jobs—a phenomenon associated with its low educational attainment. Only 14.1 percent of Newark's population has a managerial or professional job, compared to 30.1 percent for the State. At the same time, the proportion of the labor force employed as operators, laborers, and fabricators was high at 26.4 percent. This contrasts with a 12.7 percent for the State population. The proportion of service workers is also higher than the one for the State at 17.9 percent and 11.4 percent, respectively. (US Census Bureau 1990) This lower educational attainment and job skill level in Newark reflects the need for training programs that will better prepare people to enter the workforce.

Through the comprehensiveness of its programs, NCC succeeds in connecting people with all the services they need.

## **CHANGING PUBLIC POLICY**

### *Personal Responsibility and Work Opportunity Reconciliation Act of 1996*

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 created the Temporary Assistance to Needy Families (TANF) program replacing the Aid to Families with Dependent Children (AFDC) program, with the focus of moving people from dependency on the welfare system into work. This new program had certain guidelines that forced people to move off the welfare rolls within five years of receiving assistance. Another stipulation of the legislation was mandatory work requirements for adults receiving welfare assistance. According to the legislation, work could consist of employment, education, job search, or job training. States were assigned the responsibility of creating their own welfare programs.

The legislation requires that a large low skilled population be forced into the workforce. Everyone would have to work (with some exceptions), regardless of his or her abilities. Families that had been dependent on welfare for an extended period, and may have never worked before, would now be shifted into the workplace environment. The implications of the legislation established a clear need for an agency, be it governmental or non-profit community based, to step in to help these people make the transition.

### *Welfare to Work Grants Program of 1997*

The Welfare to Work Grants Program under the Balanced Budget Act of 1997 sought to make the transition into the workforce much easier by combining social services (United States Department of Health and Human Services) and workforce development (United States Department of Labor). With this new program, funds were distributed to state and local welfare to work programs as supplementary funding to the TANF program. Funding was targeted at those considered “hard to employ”, as defined under specific guidelines of the program. Seventy percent of the funds must be used to assist those persons who have received welfare assistance for 30 months or more, or are within a year of losing the TANF assistance due to the time limit. These people must also have faced two of three specified barriers: lack of a High School

Diploma or GED, have a substance abuse problem, or have a poor work history. This program established that there is a need to move people from dependency, and that resources are also needed to move people beyond their employment barriers. (Smith-Nightingale et al 1999)

*Work First New Jersey—Temporary Assistance to Needy Families*

New Jersey's response to the federal devolution of welfare to the states is Work First New Jersey, a program created in 1997. States were given the responsibility of creating their own welfare assistance programs and New Jersey designed its program by putting the emphasis on work. The program established a time limit of no more than five years for people to receive assistance, and once this time has expired, the person is not eligible for TANF cash assistance (some exceptions apply, such as Emergency Services). Through this program, the recipient works with a social worker to create individual "Responsibility Plans" to identify potential barriers and services that the person will need to become self sufficient. Requirements for the program include that a person works or participates in work related activities no longer than twenty-four months after receiving assistance, and cooperates with all program requirements. Non-compliance with requirements results in monetary sanctions. (New Jersey Department of Human Services 2002)

Through county welfare agencies, the New Jersey Department of Human Services and New Jersey Division of Family Development assist recipients in acquiring job skills. Assistance to welfare recipients includes a number of support services such as childcare, health care, and transportation in order to make the transition into employment a more successful one. Those who leave welfare and get jobs are eligible for support services for up to twenty-four months. The program also assists recipients with work related expenses, such as purchasing work uniforms, with up to five hundred dollars in vouchers during the five-year period. For those who leave the program and wish to seek additional training or education, Work First NJ will pay an institution up to four thousand dollars toward the cost of training and education. (New Jersey Department of Human Services 2002)

*State Employment and Training Commission (SETC)*

In 1990, Governor Kean and the Legislature created the State Employment and Training Commission (SETC) to streamline and revitalize New Jersey's workforce readiness system, which encompassed all institutions, agencies, and programs that educate, employ, and train people for work. The challenges of reengineering the workforce readiness system and preparing New Jersey's citizens for the demands of the global market placed the SETC's focus on school-to-work transition, youth apprenticeships, work-based education, local governance, gender equity, and the employment needs of persons with disabilities. (SETC 2000)

The SETC policy recommendations led to New Jersey's receipt of a three-year federal implementation grant to establish One-Stop Career Centers statewide in 1995. The One-Stop Career Center system included delivery of all employment training, education, and human services programs.

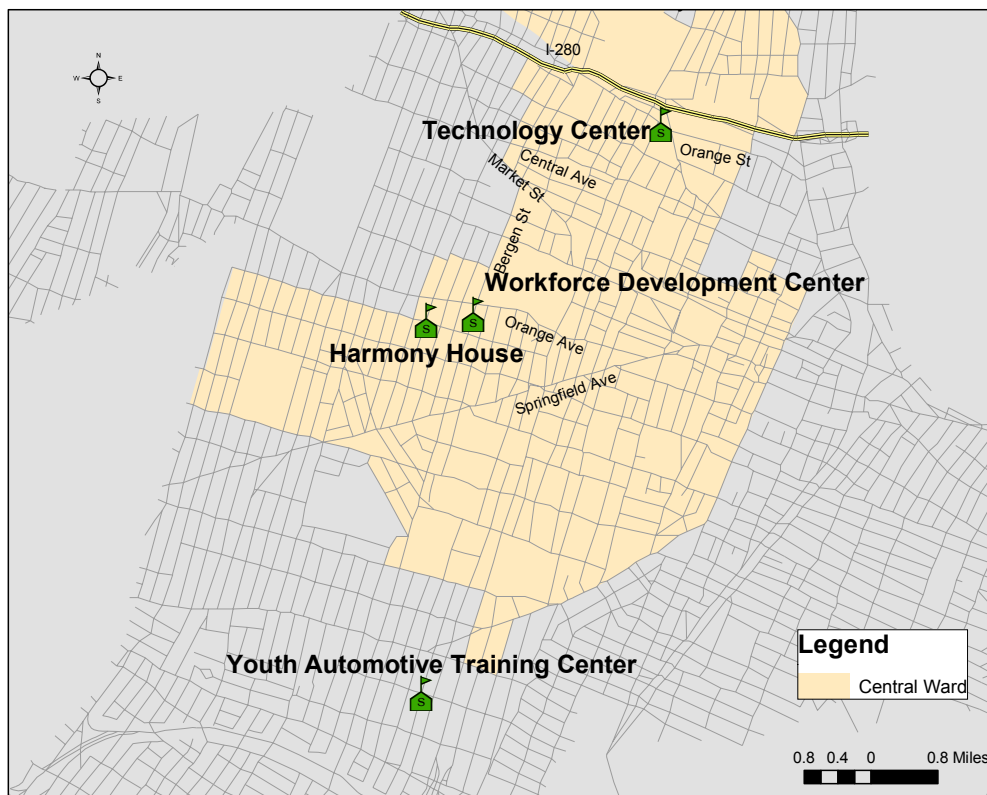
*Workforce Investment Act of 1998*

The passage of New Jersey's welfare-to-work initiative and the *Work First* program resulted in New Jersey becoming a national leader in policies and programs that provide welfare recipients with a genuine opportunity to break the cycle of dependence by earning livable wages. In 1998, after extensive nationwide debate, the United States Congress passed the *Workforce Investment Act*. This Act reflected New Jersey's vision and renewed the vigor of state and local partners in collaborative planning and delivery of workforce investment services in a One-Stop System.

Building on its successful efforts with its statewide network of Workforce Investment Boards (WIB), the School-to-Career and College Initiatives, the Work First program, and the Comprehensive One-Stop Career Center system; New Jersey elected to be an early implementation state. It presented its Strategic Five-Year Unified State Plan for New Jersey's Workforce Investment System to the US Department of Labor on April 1999. Full emphasis in 2000 was placed on "putting pieces together" (SETC 2000), that is, developing and implementing local plans and processes that would improve the unified delivery of all employment, education, training, and human services programs.

As a contracting organization with the State, NCC opened the Workforce Development Center. It is the first newly constructed One-Stop Career Center in New Jersey. Although located in a community with one community college, The State University, and a four-year Technology training Institution, the mission of its institution sets it apart from the traditional proprietary and collegiate institutions. (NCC 2001) NCC prepares its students not only for jobs but also for careers.

## Workforce Development Facilities



### *Welfare to Work*

In response to the large number of people who receive welfare in Newark and to the changes in welfare legislation, NCC created Gateway to Work. It is one of the largest welfare to

work programs in New Jersey. Gateway to Work provides a comprehensive approach to welfare to work through a number of support services that are available to the associates. The main goal of this program is to get people who have never worked, have not worked for an extended period, and/or have very little education to become acquainted with an entry-level working environment. Through education, training, and experience they can move into more financially rewarding jobs. This program has a number of units that target specific needs. Successfully navigating the units leads to employment for the associate. (Interview with NCC staff member 2002)

NCC Gateway to Work Units are as follows:

*Complete Intake* is the first unit the associates work with. The staff works with the welfare associates to gather demographic information and determine their needs. *Job Plus Coordinators* deliver intensive care management to the welfare associates. They work together to eliminate any obstacles that may impede progress and make certain that the obstacles do not become problems again. Two barriers associates face are a lack of familiarity with workplace environments and a lack of workplace skills. The *Instructional Program* is a thirty-five week job place instruction program that teaches associates workplace skills.

The Gateway to Work program provides a number of support services to their associates who are working to move from welfare to work. The *Support Service Unit* deals with severe issues that are barriers to sustained employment. These services include substance abuse counseling, assistance with reverse commute/transportation, services for high-risk mothers and children, housing needs, etc. They also provide employer and staff development, and have an Individual Development Account Program that keeps track of personal goal progress and achievement. The *Employment Service Unit* works to find jobs that meet the skills of the associates. Instead of forcing those with limited skills into any job, the Employment Service Unit places associates in an environment where they can work productively and improve their skills. The *Retention Unit* monitors the progress of associates on the job, and assists in the adjustment to a work environment. They inform associates and former associates of services that may be available to them once they are off TANF. For those who are not placed in jobs, more



extensive training is available through the *Alternative Work Experience Placement Program*. This program requires associates to complete twenty-hours per week of volunteer work, and fifteen hours per week of vocational training. The program allows them to gain experience, and learn the soft skills necessary to be permanently employed.

Ultimately, the goal is to get people into the workforce, and for families to overcome the barriers that have made it difficult for them to get and keep a job in the past. NCC is able to do this through its Gateway to Work program by providing the services and support that associates need to succeed.

### *Harmony House*

Founded in 1989, Harmony House is a transitional housing facility with just more than one hundred apartments for Newark's homeless population. It began as a partnership between Leonard Stern, of Hartz Mountain Industries, and Monsignor Linder who both wanted to help the homeless. For this project to become a reality, NCC needed the support of the New Jersey Department of Community Affairs and the New Jersey Department of Human Services. These two agencies are in charge of assisting the homeless. After receiving the support they needed, NCC designed a facility to provide a healthy environment for families that were homeless or at risk of becoming homeless. Hartz Mountain built the facility, with funding provided by a "\$3 million mortgage from Mutual Benefit Life and a \$1 million grant from the NJ Department of Community Affairs." (Guskind 1993) At this facility, residents are offered services and assistance to help start the transitional process from homelessness toward permanent housing.

Tenants are offered a number of support programs at Harmony House. These include on site job search, which is important to retaining people in the program, because it removes the burden of having to go elsewhere to get the information they need. Adults are also given literacy training to make them more attractive to potential employers. In addition, HUD has provided a grant to Harmony House to provide for those that wish to take training courses at the Workforce Development Center. (Interview with NCC staff member 2002)

Childcare is offered through the Babyland childcare center and a number of after-school youth programs. Harmony House facilitates activities on Saturdays and full time during the summer. Youth have access to Internet programs and other educational workshops. Harmony House provides these services, to reduce the child-rearing burden of parents so they can function better at the workplace. (Interview with NCC staff member 2002)

The Newark Homeless Health Care program provides immunization and preventative care to families at Harmony House. Parenting skills classes are offered to help parents better negotiate the child-rearing process. In addition, home and life management workshops are offered to help residents learn to live on their own. House keeping contests are done to encourage maintenance among tenants and inspections are done frequently to maintain cleanliness. These are essential to promote tenant responsibility that will be needed when they try to find permanent housing. (Interview with NCC staff member 2002)

Individual and group counseling is made available to those who wish to use these services. Social service workers assist the tenants with a number of issues such as family disputes. Harmony House provides a Relocation Specialist to assist in locating homes for people once they are ready to move out. They also help them get Section 8 vouchers to defray the cost of housing. (Interview with NCC staff member 2002)

The staff at Harmony House really cares, and puts effort into helping people turn their life around. One NCC Staff member stated, “Service providers/social workers can burn out because it is hard to reach people, but our staff keeps coming back for more”. There is a dedication to really helping people by finding out what there needs are and identifying what can be done to meet those needs. (Interview with an NCC staff member 2002)

### *Workforce Development*

In 1992, NCC established the Center for Employment Training. It was modeled after a similar California institution to respond to the growing need for job training services. It is now known as the New Community Workforce Development Center. It is the first newly constructed One-Stop Career Center in New Jersey. NCC prepares its students for careers, not just for jobs.

(NCC 2001) The Center designed its vocational programs based on the workforce needs in the community and the surrounding counties. It concentrated on establishing professional training that would ensure better than minimum wage jobs with greater opportunities for raises, promotion, career advancement, and entrepreneurship. The programs are offered in two different facilities. The main campus is located at 201 Bergen Street in Newark's Central Ward. It is a four-floor, 25,000 square ft., state-of-the-art One-Stop Career Center. The 4.5 million-dollar building was completed in 1999. The Youth Automotive Training Campus, located at 210 West Bigelow Street, is a 12,800 square ft. automotive training center. It offers the Automotive Technician program.

The Workforce Development Center, according to the NCC Accreditation Report, offers a variety of career programs. Table 7 shows the description of these programs, the number of hours, and the jobs for which the graduates are eligible.

**Table 7**  
**Workforce Development Programs**

<i>Program</i>	<i>Hours</i>	<i>Description</i>	<i>Job Placement</i>
Personal Computer Office Specialist	725	Training in the Microsoft Office suite of programs, Internet, and e-mail office skills.	Students are placed in an internship program that gives them computer experience.
Cisco Networking-Beginners and Advanced	900	Training in Internet Technology and Preparation to pass the Cisco certified Network associate Exam.	Challenging jobs and salary opportunities of \$65k and more in this field.
Home health Aide	225	Provision of basic medical knowledge for providing quality health care services in the homes of the elderly or disabled and preparation to pass the NJ State Board of Nursing Examination.	Graduates can work as a Home Health Aide.
Certified Nurse's Aid	225	Training in a variety of nursing procedures and laboratory techniques and preparation to pass the NJ State CNA exam.	Graduates can work for the NCC Health Department, in hospitals, or nursing homes.
Medical Biller Specialist	600	Instruction in the skill areas needed to become proficient in medical billing, insurance, and office procedures.	Graduates can work in medical and insurance offices.
Medical Assistant Clinical	920	Instruction in medical biology as well as in clinical, laboratory and office procedures.	Graduates can work in ambulatory settings such as medical offices and clinics.
Building Trade Specialist	900	Instruction in the principles and procedures of plumbing, electrical wiring, carpentry, boiler repair and maintenance, and other building trade areas.	Graduates can work as assistant building superintendents and can enter apprenticeship tracks in various construction/building trades.
Security Officer Specialist	600	Preparation to become protection officers.	Graduates can work as technical security specialist, security offices, safety coordinator, or loss prevention officer.
GED preparation		Instruction in the skill areas necessary to pass the national High School Equivalency General Education Development Test (GED).	With a GED, people can get jobs that are available to High School Graduates.
Automotive Technician	1200	Instruction in the official Ford Maintenance and Light repair curriculum and eligibility for Ford certification.	Graduates have the opportunity to work on vehicles in a fully functional auto repair center.
Culinary Arts Specialist	900	Training in food preparation, nutrition, sanitation, and storage.	Graduates can work as first cook, prep person, griller, saucier or salad person.

*Source: NCC Accreditation Report, 2001*

### *Learning resources*

To support its courses and programs, the Workforce Development Center and its Youth Automotive Training Campus possess readily accessible and appropriate learning resources. There are resource computers in the lobby, a Career Resource Center, Career Assessment Center, Distance Learning Lab, and computer-equipped classrooms. (NCC 2001) *The Career Assessment Center (CAC)* provides support to the admissions and placement processes. Students are scheduled in the CAC for the Test Adult Basic Education. *The Distance Learning Lab (DLL)* is used to transmit and receive video and audio signals that enable conferencing with other educational institutions, companies, and corporations. *The Career Resource Center (CRC)* has computers linked to WNJPIN, a State of New Jersey web site that allows clients to research information relating to employment, childcare, housing, education, job search, and more. Reference books and text materials are maintained in the CRC. The Computer Lab in the Automotive Training program is available to students. They utilize Ford Motor Company's Maintenance and Light Repair training software and testing software.

### *Human Services*

#### *Senior Services*

Much of Newark's aging population is in need of special services that are not provided by the government, and cannot always be provided by friends and family. A NCC staff member spoke of two kinds of seniors—"elderly and older elderly." The older elderly are those over ninety years, and are generally in the greatest need. They often require help with daily chores and decisions, such as housekeeping, guardianship decisions, and banking. (Interview with NCC staff member)

Those living in NCC senior facilities have the opportunity to receive assistance from staff and volunteers. Each senior housing facility has one social worker who is the senior's "life line." They provide guidance in decisions about guardianship, help in proper medication consumption, and provide basic mental health support services. The government does not provide funding for any of these services. NCC senior-care staff is funded completely by profits from other NCC entities—primarily real estate. (Interview with NCC staff member 2002)

NCC also provides congregate services to elderly living in NCC senior facilities. For a nominal fee (about a dollar, or whatever the resident can afford), residents receive daily, hot breakfast and lunch. Four hours of housekeeping and other chores weekly are also provided to senior and disabled residents. These programs are partially funded by the New Jersey Department of Health and Senior Services. (NCC 2000)

For those not living in NCC senior facilities, the Essex County Division on Aging funds a Meals on Wheels Program that delivers hot meals during the week, and frozen meals for the weekend to elderly in the Central Ward and Jersey City. Essex County also funds the Home Friends Network, which provides home chore services to Medicare recipients in Newark. NCC contracts both of these programs to ensure a “semi-independent lifestyle” for the disabled and elderly. (NCC 2000)

The NJ EASE Care Management Program is another NCC contract that assists seniors and their families in determining the best course of action regarding senior care. The program provides intensive services, including “care plan development, implementation, monitoring, assessment, and maintenance of records.”

([www.newcommunity.org/ncc/humdev/ease/index.html](http://www.newcommunity.org/ncc/humdev/ease/index.html)) NCC tries to find solutions to allow seniors to stay in their homes, but when that is not possible, it assists the seniors and their families with the transition. The Essex County Division of Aging refers clients to this program.

### *Health Services*

The Ryan White Comfort Program provides Essex County residents with HIV/AIDS with some of NCC's assisted care services. They have the opportunity to utilize home health aides, medical transportation, meals on wheels, home friends, and case management. (NCC 2000) The high rate of HIV/AIDS in the County made this program necessary. NCC has been receiving the grant that funds this program for several years, yet the amount of the grant has never been raised, despite the increasing demand for the services. (Interview with NCC staff member 2002)

Newark New Start is a support network for “at-risk” pre-natal and postpartum mothers. Late or absent prenatal care, substance abuse, and/or unstable living situations put many of

Newark's newborn children in danger. The program was initiated after a class-action suit was brought against DYFS because of the high rate of boarder babies—babies left at hospitals. Volunteers provide weekly support groups for mothers, fathers, and babies. NCC does whatever it can do to help these families get into a more stable environment. The services range from donating car seats and clothing, to referring families to the Harmony House. (Interview with NCC staff member 2002) Referrals for this program come from Newark hospitals, prenatal clinics, health clinics, substance abuse facilities, homeless shelters, and welfare caseworkers.

### *Social Services*

Case management is provided to residents of NCC housing to inform them about programs available to them through NCC and Essex County. NCC sponsors voter registration drives, facilitates breast and prostate cancer screenings for UMDNJ, and holds focus groups to attain pertinent information. (Interview with NCC staff member 2002)

The Family Advocate Program is a part of Newark New Start; the program's purpose changes depending on the grant in question. Currently, NCC is overseeing the transition of Newark SSI recipients from Medicare/Medicaid to managed care. NCC hopes to prevent mismanagement of this process. (Interview with NCC staff member 2002)

NCC also contracts with the Family Services Bureau of Newark to offer a range of social and mental health services to Newark residents. Some of the services include counseling and crisis intervention, sexual abuse services, and employee assistance programs. (www.newcommunity.org) This affiliation with the Family Services Bureau allows NCC to employ a large staff of social workers able to assist Newark residents with a range of problems. NCC is also affiliated with Jersey City Social Services, to provide “full-time case management...to provide linkages to social services and youth programming to residents of Salem-Lafayette, Hudson Senior, and the Ocean-Bayview I/II housing developments.” (NCC 2000) Both of these affiliations provide residents with essential social services, and opportunities to better themselves.

NCC also facilitates after-school, Saturday, and summer recreation for NCC children and their parents. Events include trips to the circus or the beach, and various local activities and gatherings. There are strong ties with the Newton Street School for the after-school activities because, 82 percent of its students live in NCC housing. (Interview with NCC staff member 2002) These programs are partially funded by the Victoria Foundation.

### *Youth Services*

Many youth services that were formally housed under Human Development are now the Education Division's programs. The only program still in Human Development is the Lucent Online Youth Village, because of its technology ties to Workforce Development. (Interview with NCC staff member 2002) The program provides an "online community" to students involved with after-school and community programs. It helps facilitate an exchange of ideas for youth leaders. (NCC 2000)

## **Funding**

### *Gateway to Work*

The Gateway to Work program gets funding through a variety of sources. The associates that are referred to this program through the County receive a set amount of monetary benefits. The program receives some of its funding by contracting with the County's welfare assistance program and through a Essex Work Partnership Grant, a 21<sup>st</sup> Century GA Grant, a 21<sup>st</sup> Century TANF Grant, the NJ Department of Human Services, and the US Department of Labor. These grants are all competitive grants in which NCC must submit proposals that layout a plan for the use of the funds.

In terms of private funding, NCC has been able to gain a number of supporters. The supporters vary in terms of funding. Some provide funding for a specific use, like a van to provide transportation to the associates. Others provide much broader funding to be used at NCC's discretion. It was crucial for Gateway to Work to receive funding from private sources when the program was in its early stages, because there was no up-front funding available from



the government. Government contracts were performance based, requiring private funding of infrastructure and start-up.

### *Harmony House*

Harmony House is similar to the Gateway to Work program in terms of funding, because the majority of the population they serve is referred through the County's welfare assistance program. This means they get most of their funding through the County. Harmony House also receives grants from HUD and DYFS, for those trying to escape domestic violence and for children, respectively. The funding provided by creating new programs, like the domestic violence program, helped generate additional income to defray the cost of running this facility.

### *Workforce Development*

"New Community Workforce Development Center is aggressive in seeking grants and contracts as well as other sources of funding." (NCC 2001) The Center's operating budget is 3,085,933 million dollars. Some tuition is received from state, county, and municipal agencies that pay tuition for clients who are referred to the Center. These funding agencies include the New Jersey Department of Labor, the Essex County Department of Training and Employment, and the Newark Mayor's Office of Employment and Training. The Workforce Development Center is currently going through an accreditation process with the Council on Occupational Education (COE). Accreditation provides legitimacy and peer review of courses and programs offered, opening NCC's program to additional funding opportunities. The Center Staff tries very hard to find funding for people wishing to take classes, and NCC provides a flex-pay schedule. However, NCC does not extend payment beyond the length of the course because there is a high default rate. Some students pay all or part of their tuition. Revenue is also generated from NCC's Human Development Department, grants, scholarships, and donations from private funders and foundations. Grant funding is received from sources such as the Victoria Foundation, Ford Motor Company, and the United Way.

### *Human Services*

NCC receives funding for its services from a variety of sources. Many of the programs are funded by state and county agencies, as well as, money from some of NCC's more lucrative

entities. The human services are not the moneymakers of the organization. For the most part, they are the ones that draw from the profit of others in the organization. For example, real estate profits are used to defray the costs of employing a social worker in each of the elderly housing facilities.

Many of the services are under-funded. For example, there is a long waiting list for the meals on wheels and home friends services, but funding to NCC for these services has not been raised in years. Most of the senior services are under the same strain. According to a NCC staff member, “there are no funding streams for these services despite the fact that as they get older, they need more.” (Interview with NCC staff member 2002) NCC must facilitate the large demand the best they can, with the limited resources available for the purpose.

The Essex County Division of Aging, NJ Department of Health and Senior Services, NJ DYFS, Family Service Bureau of Newark, and Jersey City Social Services are the main governmental contributors to NCC human services. NCC also relies on various grants, a number of which are from the Victoria Foundation. Furthermore, personal contributions help to support recreational activities for residents and their children.

## **Outreach**

### *Gateway to Work and Harmony House*

For both the Gateway to Work program and Harmony House clients/associates are referred to NCC by the Essex County Work First NJ program. The county office handles all welfare associates and refers them to the various vendors such as those at NCC.

### *Workforce Development*

Although NCC is a non-profit organization, the Staff view the Workforce Development Center as a real business. The Center is trying to attract a mix of students. In addition to the traditional students referred by Gateway to Work, and county and local institutions, the Workforce Development Center is marketing to self-payers, those changing careers, and others not relying on grants. The Center advertises its programs in flyers, Public Access Cable, free

Metro TV times, free employment guide distributions, The *Clarion*, posters in Pathmark, and a billboard on Route 27. According to a NCC staff member, the Center is often overlooked and taken for granted because it has become a fixture in the community. They, therefore, must do new and exciting things to be noticed. (Interview with NCC staff member 2002) Future advertising plans include a toll-free telephone information line, and advertisement placement on NJ Transit.

### *Human Services*

The social workers are a valuable tool for reaching out to NCC and Newark residents. They are not only a lifeline for senior facilities residents; they provide information about services to all NCC residents. Social workers are essential to disseminating information about NCC activities, services, and programs.

### **Networking**

All NCC programs are linked through the organization's common mission. NCC began by providing housing, but this service cannot be effective if the people living in the housing do not advance their lifestyles in other manners. When asked to describe the 'NCC Network', one member of the staff said, "It is one comprehensive community revitalization effort from birth to old age." It provides parenting classes, help to expecting mothers, childcare, charter schools, early education, etc...at every point NCC provides an opportunity to better one's life and to move out of poverty. If a person falls back into poverty, NCC will catch them and help them back up. NCC has many different 'nets' to catch them. It is a "series of nets to catch and propel to different levels." (Interview with NCC staff member 2002) The fact that the NCC is often referred to as a 'network' indicates the comprehensiveness of the inter-connections involved in this massive organization.

The Human Development Department is just one of many entities within NCC that provides significant services for improving Newark residents' lives. The many services attempt to provide a sense of dignity to those who may not be able to support themselves any longer because of age or health. They also try to uplift residents while they are young, and not too embittered and/or faithless. Education is essential to furthering this purpose. It provides an

opportunity for those without any training to move into low-skilled jobs. It then allows those with low-skills to attain higher-skills, and move up the career ladder. “Workforce development gives everyone a fair chance to improve themselves, and often a second and third chance to overcome past mistakes.” (Interview with NCC staff member 2002) Human Development is also concerned with helping Newark’s residents navigate the welfare bureaucracy. The most recent reforms have confused many, and left some without any means of support. Gateway to Work helps keep residents afloat and make the transition as smoothly as possible. Lastly, Harmony House is the most obvious connection between the housing element and human services. It provides transitional shelter, while also addressing the social problems that brought these people to be homeless in the first place. All of the Human Development programs are linked to NCC’s mission.

Workforce development and human development were not always housed under the same unit of NCC. Workforce development, or the Center for Employment Training, originally focused on current NCC employees and their potential advancement in the organization and individually. It expanded after the first wave of welfare reform to include job placement help for NCC residents. The welfare to work reform brought the need for higher levels of training, but the welfare programs were housed under Human Development. The two programs began vying for the same clientele, which caused internal strife. There were two entities looking for the same ends using different means. It became apparent that the two should merge, pool their resources, and use common strategies. This common goal of employment training connects the workforce development and gateway to work programs.

Many of the human services provided through Human Development are partially funded by profits made in other NCC entities. The Real Estate Division, for example, provides backing to many of the services provided in the senior housing facilities. The real Estate Division is also responsible for the bricks and mortar investment that was necessary to build the Harmony House and the Workforce Development Center. NCC has a unique profit sharing ability that helps the organization to grow and sustain itself. The profits from one NCC entity enable others to be created. NCC’s willingness to move funds around allows them to go beyond bricks and mortar

to fully fulfill its mission. There is a large amount of risk-taking involved in this type of money management scheme.

NCC's ability to work well with government is largely due to its size and scope. NCC is a powerful force in Newark, and has done a lot to improve the situation of the city many thought to be hopeless. It has a long record of accomplishment; therefore, governments respect NCC. This is why they are able to work so well with government agencies, particularly at state and federal levels.

The individual programs under the Human Development umbrella have linkages specific to them. Some of these connections are described below.

#### *Gateway to Work*

The Gateway to Work program is linked to Essex County through a referral system, as required by Work First NJ policy. The Gateway to Work staff collaborates with the County's staff to deal with various issues, such as, employment services, and the monetary benefits that are available to associates. Although NCC does not provide associates with childcare because this service is available through the county, NCC does assist parents in locating a childcare provider near their home by providing them with a contact list of all the providers. The County refers the welfare associates to NCC, where they can take advantage of the broad range of services that NCC provides.

In terms of employment, Gateway to Work has developed a relationship with various employers, such as, ShopRite and Marriott, to employ their associates. These businesses provide on-the-job training to associates who, many times, have little or no experience. By working as cashiers, and other entry-level jobs, the associates are able to learn some of the soft skills that are needed for any job.

Within NCC, the Gateway to Work program collaborates with other departments to provide a comprehensive package of services to associates. They work together with the Workforce Development department to provide GED classes and employment training. For

those who are at risk of becoming homeless, the Gateway to Work Program may refer them to Harmony House. The Gateway to Work program can collaborate with any department in NCC to assure that the needs of associates are met.

### *Harmony House*

Harmony House provides a broad range of programs and services to assist homeless families make the transition into stable homes. When there are services that Harmony House cannot provide, they collaborate with other agencies to access those needed services. The staff at Harmony House is well connected with other agencies. This allows it to offer a great pool of services for tenants. Harmony House also collaborates with Workforce Development to provide education and training.

### *Workforce Development*

The Workforce Development Center's first level of networking is through funding. The second level of connection is the referral network set up within NCC, and with outside agencies. The Center connects to the community by reaching out to other social services providers in the area. (NCC 2001)

### *Human Services*

Human Development provides many of its human services by contracting, working in conjunction with, and taking referrals from governmental agencies. The relationship with Newark's government is often strained, largely due to the highly partisan and political nature of the city's leadership. However, they do work with the Family Services Bureau of Newark to provide services and counseling by qualified social workers. Human Services has a particularly healthy relationship with county and state agencies. The Essex County Division of Aging supplies much of the funding and support for NCC's senior services. The NJ DYFS is the government force backing NCC's prenatal and postpartum support services.

## **Program Outputs**

### *Gateway to Work*

Gateway to Work primarily serves women; currently it enrolls 314 females and 23 males. The majority of associates are African American with an average age of 33. The average wage of those who are or were employed during the program was \$8/hour with an average Aid to Families with Dependant Children (AFDC) assistance of \$293 and \$233 in Food Stamp assistance. The majority of the clients are either searching for employment or are in direct placement. For those who did not participate in employment and took up a different activity, more than 90 percent completed the activity. (NCC 2001)

In the *Return on Investment Study* for the year 2000-2001, Gateway to Work had a return on government spending of 400 percent. That means for every \$1 that the government invested there was a return of \$4.24; this is quite high with other areas that have done similar studies such as Tulare County, California (a return of \$2.03) and Brevard County, Florida (a return of \$1.83). (KOG Associates 2001)

### *Harmony House*

Harmony House serves primarily welfare associates who are referred through the county and their stay is usually 6 to 9 months. However, they also have funding to serve up to five victims of domestic violence through a HUD grant, as well as serve up to five working poor families who are also referred through the Essex County Work First NJ program. (Interview with NCC staff member 2002)

### *Workforce Development*

The Center has changed its focus from a community-based center that provides training for entry-level employment to an institution that serves residents beyond its community boundaries. Yet, it is totally committed to making a difference in the lives of its residents who need a second chance system to enter the ranks of the competitively employed. (NCC 2001) The participants mostly come from Newark, but some are from Elizabeth and Irvington. The

Workforce Development Center accepts anyone who can meet the eligibility criteria printed in the catalog, regardless of residence.

The Center takes walk-ins and is open to anyone willing to make the necessary commitment to continuing education and career advancement. The Center has been very successful in its effort to work with high school dropouts, as well as high school graduates who possess weak skills. The Center has also worked with previously employed persons who experienced job loss caused by the decline in manufacturing and businesses closing. (Interview with NCC staff member 2002)

There is limited historical data regarding job placements. For those who complete the vocational programs, the Center faces a poor survey return rate from the Center's graduates. The medical and automotive programs provide an opportunity to follow a career, and there are always jobs in those fields. There are evaluation processes and data in place to measure the effectiveness of the training. (Interview with NCC staff member 2002)

The Center does 30, 60, and 90-day follow-ups. It is sometimes hard to follow-up because the people feel they have gotten what they wanted from the program, and do not want to be bothered. It is also difficult because there is a large transient population that moves or changes telephone numbers. However, many people are pleased and happy, so they come back to provide updates and thank Center staff. NCC will soon begin one-year follow-ups, and will try to contact employers to track graduates. The Center is looking to start an Alumni Club to further facilitate follow-ups. (Interview with NCC staff member 2002)

### *Human Services*

The need for any of these services is not totally met, as demonstrated by the waiting lists. While NCC cannot possibly provide every resident with every needed service, it is able to guide and refer residents. The social workers play an important role in facilitating this process, and they are available to every NCC resident. NCC, therefore, has managed to open the line of communication that will eventually empower this under-privileged society.



## **SUCCESSES AND CHALLENGES**

### **Gateway to Work**

Associates of the program have had to overcome some of the barriers that characterize them as hard to employ such as low literacy skills and lack of employment history. Many do not have the skills necessary to function in a working environment and are not able to get along with others. In addition, some of the associates have difficult substance abuse, housing, and health problems. To further aggravate the situation associates have transportation issues once they get a job (Interview with NCC staff member 2002)

The Gateway to Work program endured a number of challenges as well, beginning with funding shortages. The County administered funding through performance based contracts, necessitating out-side up-front funding. NCC was able to access some of this funding through the Prudential Foundation. In addition to funding issues, the program has had to continuously change in order to meet the needs of the welfare population that it has to deal with. The first groups of welfare associates had some skills, and were not considered ‘chronic cases’. As time passed, the program found itself dealing with much harder to employ individuals. There was a need to change the curriculum and the teaching staff to be more effective, and more sensitive, in addressing the needs of this group of individuals. Therefore, another obstacle required great flexibility on NCC’s part. (Interview with NCC staff member 2002)

The success of the Gateway to Work program is in being able to move people from welfare to work, and being able to transform people’s lives. There are people who were once dependent of welfare for an extended period, far exceeding the current five-year limit. After going through the Gateway to Work program, they moved into jobs and began to take financial responsibility for themselves. (Interview with NCC staff member 2002)

### **Harmony House**

Some of the barriers that those who reside at Harmony House face include low income, poor credit history, and poor tenant history. The jobs that these people are placed in are not necessarily jobs that will allow them to pay for market rate housing; instead, they will need

assistance—like Section 8 vouchers. Although NCC does own housing, there is a low vacancy rate, making immediate placement difficult. In addition, homelessness has prevented potential tenants from establishing a credit history, causing a barrier to approval for permanent housing. Harmony House does have relocation specialists who negotiate with landlords, and help tenants to make the transition from Harmony House to their own private housing. (Interview with NCC staff member 2002)

For Harmony House, the major barrier has been dealing with the personal barriers. The staff is very committed to overcoming these barriers, and Harmony House provides a number of services to rise above them, but it is still difficult. Another challenge that they face is finding the staff that is willing and able to work with this population. In addition, funding is always an issue. (Interview with NCC staff member 2002)

The success of Harmony House lies in being able to assist families to overcome their barriers, and be able to move into permanent housing and turn around their lives in a positive way. Harmony House is able to do this through the integration and cooperation that takes place within the NCC network. (Interview with NCC staff member 2002)

### **Workforce Development**

For the NCC staff member, success is moving people from their current state of poverty to a place where they know the opportunities available to them, and can take advantage of these opportunities.

The main challenge for the Workforce Development Center is continually offering programs that meet the needs of a community that require both soft skills and occupational training. The Center has to incorporate current job market requirements in the educational program. Student recruitment and retention are also challenges. NCC has been studying student absences and dropouts, and has developed a plan for improved retention and completion. The organization and collation of evaluation surveys continue to challenge the Center Staff. (NCC 2001; Interview with NCC staff member 2002) This makes it hard for the Workforce Development Center to fully gauge its success rate.

The Center was designed with the anticipation of growth, but the Center has grown more rapidly than expected. This has created a demand for increased space in programs. In addition, the Center always faces a need for funding, and a lack of qualified substitute instructors. The integration of new Staff members is also problematic, because, competitive benefits packages and competitive salaries are not offered at NCC. (NCC 2001)

The automotive and medical programs are the most successful, because they provide the opportunity to follow a career path. They enable life-long learning, and allow people to take the next step. For example, a Certified Nursing Assistant has the opportunity to become a Licensed Practical Nurse. The possibility for advancement has made these programs popular among the skilled workers. (Interview with NCC staff member 2002)

One of the relative failures of the Workforce Development Center is the Security Training Program. It has a history of poor enrollment, because people can get a security guard job without prior training. There is an enrollment and perception issue with this program, despite the fact that the Center provides training to get the “next-level” security job. The curriculum of this program has been enhanced to meet post 9/11 federal requirements, which should help to bolster enrollment. (Interview with NCC staff member 2002)

## **Human Services**

The greatest challenge for NCC human services is a recurring theme—the need for funding. Many of the human services lack sufficient funding, and consequently have waiting lists. Many of the programs—like Meals on Wheels and the Ryan White Comfort Program—have received the same level of funding since their creation, despite inflation and increased demand for the services. As one NCC staff member put it, “every year [we] request more money, every year [we] get the same.” (Interview with NCC staff member 2002) This means some people have to be turned away. NCC cannot wholly fulfill its mission if the need is not completely met.

The success of many of NCC’s human service programs cannot be explained quantifiably. Instead, quality is a major indicator of success. For example, NCC’s senior

services enable many to maintain independent lifestyles and continue to live on their own, despite health problems. This enables a higher quality of life for seniors who would otherwise have to be institutionalized. NCC has also managed to improve the quality of life for a number of residents living with HIV/AIDS. While supplying four hours of chores and hot meals may seem negligible, they have a large impact on those who receive the services. They enable people to maintain the sense of dignity that is outlined in NCC's mission.

## **LESSONS FROM NCC**

Dedication is essential to providing the depth of services that NCC is able to provide. NCC employees give well beyond forty-hour workweeks, because they believe in the mission. "Everyone believes in the mission, and that, the mission is powerful. If people do not buy into the mission, they weed themselves out." Their faith goes beyond religion; they have a "faith and obligation to contribute in a positive way to society and concrete way to [the] individual." The reward is that they are putting back into the community and can see real change. (Interview with NCC Staff 2002)

## **Gateway to Work**

NCC and the Gateway to Work program have been successful in helping people move from welfare to work and there are many lessons that can be learned from their efforts. To begin with, any organization wishing to get involved and create a program to serve those on welfare, must do the research. It is necessary to understand the funding stream—who will be funding the program and how will reimbursement take place? This is important because government funding may not be available up front. It is also essential to have the infrastructure that is needed to handle the needs of the group, whether the services will be provided through an internal network or if the services will be provided by collaboration with other agencies. Finally, organizations interested in getting involved in this effort need to understand the needs of the welfare associates that they will be dealing with. The needs of those who were on welfare a few years ago are not the same as those who are currently on welfare. The provider, therefore, must tailor programs to meet their needs, and not make unrealistic assumption about needs. (Interview with NCC staff member 2002)

## **Harmony House**

In designing a transitional housing facility it was very important to do the research necessary to know what type of facilities already existed, which ones were successful and which ones were not, and to know how they would operate such a facility. It is crucial for any organization that is interested in becoming involved in transitional housing to come up with a realistic plan. It should detail the size of the facility, the number of families it will house, security needs, and provide a realistic financial plan to cover the expenses. The transitional housing facility will need to bring in some dollars to pay the bills. (Interview with NCC staff member 2002)

## **Workforce Development**

At the Workforce Development Center, the Staff is involved in a lot of decision-making, and everyone believes in the mission of the Center. The Center has a team concept, and encourages input from everyone. Although NCC is non-profit, it is important to operate in a businesslike way. (Interview with NCC staff member 2002)

## **Human Services**

To provide Human Services effectively, a group must have multiple funding streams. NCC uses its own profits to bolster programs that are inadequately funded by government agencies or private grants. Reliance on one source of funding can leave the program powerless if that source is eliminated. Senior services' reliance on both real-estate profits and Essex County funds is an example of NCC's ability to do this well. A group must also use current funding to build a self-sufficient infrastructure in case a part, or all, of the income is temporarily stopped. By working administration costs into program funding, it is easier to find a new immediate funding source, or start the program back up when funding is available. (Interview with NCC staff member 2002)

## **FUTURE**

### **Gateway to Work**

Although the Gateway to Work program has been able to achieve a high level of success, there is still much work to be done. April 4, 2002 was the five-year limit for those receiving assistance, and the Gateway to Work program is working closely with the state and county to help place those associates in jobs. All of the people who reached their limit were given a six-month extension, and the Gateway to Work program has received a grant to work with this group.

In addition, the program is preparing to work with those who have already been placed in jobs to move beyond entry-level jobs. Currently, most associates are moving into entry-level positions such as those in the service industry, retail, the food industry, etc. The goal of the program is to provide life long learning where associates can move from basic job training into specific training, such as, the LPN program that is offered through Workforce Development. This will help associates not just move from welfare to work, but move into jobs that can provide economic self-sufficiency. (Interview with NCC staff member 2002)

### **Harmony House**

Currently, Harmony House has plans to extend their services to include a transitional housing program for those just coming out of foster care. There is a fear that these young adults do not have adequate skills in self-sufficiency. This new initiative will provide scattered housing within NCC's housing facilities, and a number of services and educational opportunities so the youths will learn how to eventually live on their own. NCC is currently looking at a variety of funding sources to support this program. (Interview with NCC staff member 2002)

In addition they would also like to have an outreach program for foster care youth within the ages of 14 and 18, to expose them to the skills they need in order to be prepare for life once they are out of the foster care system. NCC is also looking at a variety of funding source for this program, such as, the Federal Runaway and Homeless Youth Program, HUD's Youth Build Program, the Prudential Foundation, and DYFS. (Interview with NCC staff member 2002)

## **Workforce Development**

The Center has no plans over the next three years to expand or modify the facility. They are permanently seeking resources to continue programs and add new programs as needed. The Center is going through the accreditation process, and hopes to be fully accredited within the next few years. This will make the Center eligible for additional state and federal money, and will give the Center added notoriety as a learning institution. They are looking to start Spanish Certified Nursing Assistant and Home Health Aid placement, and other training for the growing Latino population. They are also looking to improve the evaluation and planning process by allowing more stakeholders to be involved.

NCC recently received a Literacy Grant of \$900,000 per year, for the next three years, from the New Jersey Department of Education. NCC will offer training to approximately two thousand people through existing programs, like Gateway to Work, Harmony House, and Workforce Development. The need for this program is demonstrated by the fact that more than 50 percent of the first six hundred people enrolled are reading between the second and sixth grade level.

The grant requires NCC to meet specific benchmarks. Twenty-two to 44 percent of people in the group must show progress for funding to continue. The students must complete a minimum of twelve hours a week. The average amount of time to improve, or move up a level, is sixty hours. This time frame should allow a person to improve several levels in the course of a year.

NCC plans to link participation in this program to minimum wage increases for its employees. They also hope to tie the program to computer literacy, and use part-time teachers to support the computer-based aspects. The program will provide both traditional instructional methods, as well as, web-based programs that enable people to log on at home and work on their education on their own time. The program will be individualized to meet a person's abilities and needs. The main purpose of the program is to raise individual ability, which allows them to gain better employment. (Interview with NCC staff member 2002)

## **Human Services**

Human Development plans to maintain the level of human services provided to residents. They will continue to ask for more funding for the programs that have unmet demand, like Meals on Wheels and the Ryan White Comfort Program.



## **HEALTH CARE**

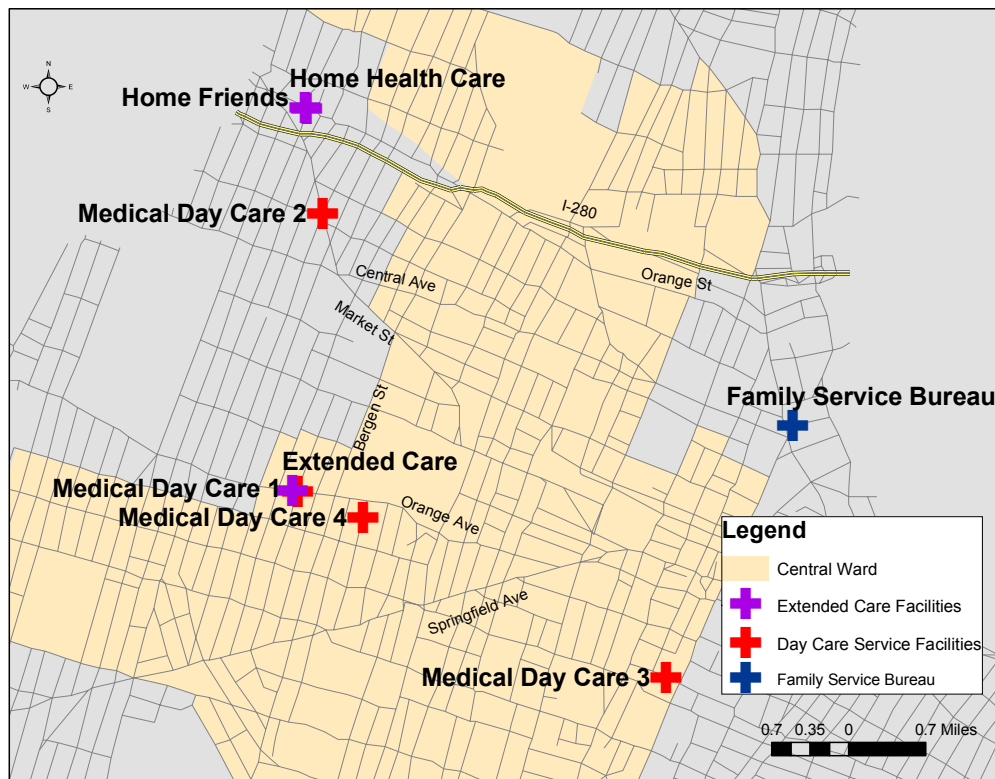
Begun in 1986 with the opening of the New Community Extended Care Facility, today the Health Care Division of NCC (“NCC Health Care”) is a very successful organization. It offers excellent health services to a primarily elderly clientele through such programs as Adult Medical Day Care and Home Health Care, among others. The success of the program is due in large part to collaboration with other New Community divisions and outside organizations, flexible programming, and a knowledgeable and caring staff. Despite these successes, however, the Health Care Division is still very much a work-in-progress, and while its elderly health care efforts are commendable, its efforts in the area of family health care and other critical non-elderly health care areas remain a challenge. The first part of this section, entitled “NCC Overview,” briefly describes NCC Health Care history and mission, its funding sources and strategies, its various programs, and its collaborative efforts with other NCC divisions and outside organizations. The second part, entitled “Findings,” explores NCC Health Care’s programs vis-à-vis the health care issues of Newark’s Central Ward and surrounding areas, and reveals the successes and challenges of these programs, as well as NCC Health Care in general.

### **DESCRIPTION AND BRIEF HISTORY**

NCC’s Health Care Division, with a \$35 million operating budget and a 930-person staff, offers a variety of services ranging from an extended care facility to adult medical day care centers and home health care programs. (Dedrick 2001) Although NCC did not originally envision health care as a part of its mission due to the complexity and expense, demand for a long term/extended care facility by senior NCC residents prompted the construction of the New Community Extended Care Facility (“Extended Care Facility” or “ECF”) in 1986. (Interview with NCC staff member 2002) Since that first project, NCC Health Care has grown tremendously and plans are currently underway to construct a new state-of-the-art NCC Health Care Center to house the many programs, as well as the administration and staff. Today, under the leadership of Shakir Hoosain, NCC Health Care includes the Extended Care Facility, Adult Medical Day Care Programs, Home Friends, Home Health Care, and more recently, the Family Service Bureau of Newark, and the Essex Valley Visiting Nurses Association and Care At

Home.

## Health Care Facilities



### Mission and Assessment of Need

Understanding and reacting appropriately to the health care needs of the people of Newark's Central Ward and surrounding areas is a difficult undertaking, as such needs change and evolve over the years. NCC has attempted to accomplish this task not so much by looking to epidemiological statistics, but rather by discerning important health issues through interaction and dialogue with the community. Though initially concerned only with the critical lack of standard housing stock in Newark,<sup>i</sup> NCC began to take an interest in health care when residents brought attention to the need for some type of long term or extended care facility for seniors. With the blessing of its board, NCC built the Extended Care Facility in 1986 and tenaciously supported it despite its poor fiscal record during the first few years of operation. (Interview with NCC staff member 2002) And although the ECF addressed the needs of some seniors, other seniors required instead daytime care and activities, assistance with domestic tasks, or health

care services at home. To address these needs, NCC instituted Adult Medical Day Care, Home Friends, and Home Health Care, respectively. By the end of the 1990s, NCC Health Care was not only financially sound, but it also had acquired the Family Service Bureau of Newark and expanded its Home Health Care Program to address the health care needs of women and children in the community. Today, NCC Health Care remains primarily focused on elder care, but it has instituted new programs and expanded existing programs to assist the health care needs of the non-elderly disabled and mentally ill, patients suffering from drug addiction, AIDS patients, and women and children, among other client groups.

### **Funding**

The financing of community health care is a complicated endeavor. While there are various sources of private and public money available to non-profit community health providers, utilizing such funding effectively can be difficult. Ten years ago NCC Health Care was in dire financial straits, losing more than \$1 million dollars every year. (Interview with NCC staff member 2002) Since that time, however, NCC Health Care has transformed itself into the most fiscally productive sector of the NCC organization.<sup>ii</sup> In fact, NCC Health Care has a history of taking over failing health care programs and transforming them into effective service providers. A recent example of this phenomenon is NCC Health Care's recent acquisition of the Essex Valley Visiting Nurses Association and Care At Home – a once-fiscally unsound organization that is now fiscally viable. (*see* NCC Health Care Programs section below)

NCC Health Care made a number of organizational changes that allowed for this new productivity. The first major change was that NCC Health Care, through efficient program organization and effective health care offerings, was able to acquire a greater recognition of its work by the State of New Jersey (the "State"). As a result, State Medicaid remuneration rates for NCC Health Care have risen. Second, it cut unnecessary expenses and changed some of the vendors. Specifically, it established a "three bids before selection" process for approving new vendors where vendors compete for contracts and the lowest bidder is successful. Third, it focused its attention on maintaining full or near-full capacity at its health care facilities. A good example of this is the Adult Medical Daycare Program. The Adult Medical Daycare Program loses money if it is operating at much less than 100 percent capacity. By ensuring full or near-

full capacity, NCC Health Care has maintained a steady inflow of Medicaid monies. Finally, it made efforts to better understand and effectively utilize the Medicaid and Medicare systems over other systems of funding. As a result of this reliance on Medicare and Medicaid funds, NCC Health Care does not anticipate any problems associated with recent State health care budget cuts. Medicaid and Medicare are Federal pass-through programs and this circumstance lessens the impact of any proposed State budget cuts.

#### *Funding – Building and Construction*

One of the primary techniques for acquiring the initial funding for facility construction is a limited partnership deal. A limited partnership deal relies on financial backing by an outside source, usually a for-profit corporation. Often the funds come from a source that is eager to invest in the project, but reluctant to assume personal liability for the project. NCC operates under a pervasive management style, which makes such a limited partnership deal attractive to a less-involved partner. NCC generally begins the process of building the facilities with a small amount of NCC seed money, derived from the outside source funding. Construction loans are then acquired, and eventually a mortgage can be taken out on the property. Despite the attractiveness of a limited partnership, however, acquiring seed money for projects is not as easy as it was prior to the 1986 federal tax reform measures (“1986 reforms”). Prior to the 1986 reforms, private corporations invested heavily in non-profits, writing off such donations as itemized deductions. Since the enactment of the 1986 reforms, however, corporations are forced to donate smaller amounts that come in the form of passive deductions.

#### *Funding through Medicare and Medicaid*

Medicaid is a federal program primarily intended for low-income individuals. It is a need-based program that currently serves more than 600,000 people in New Jersey. (New Jersey Department of Human Services Medicare Website 2002) To become eligible for Medicaid in New Jersey, one must be a resident of New Jersey, a United States citizen or qualified alien, and must meet certain standards for financial income. In addition, one must fall into one of the following categories: age 65 or greater; blind or permanently disabled; or pregnant with income restrictions or children. The coverage pays for the services of a physician; in and out patient hospital care; prenatal care; clinical services; prescriptions; dental care; optometry; eyeglasses;

mammograms; family planning services and contraceptives; lab and x-ray services; nurse/midwife services; and prosthetics.

Medicaid financing remuneration relies on an established mean cost per year of care. A health organization breaks down the cost per year per patient by all aspects of that cost, including food, maintenance, nursing care, housekeeping, medication, and all other costs that may be involved with the cost of a patient. A cost per year figure is then computed for each of these sectors. Taking the total cost per year and dividing it by the total patient days yields a figured cost per year per patient day in each category. Medicaid then takes these figures from the 300+ nursing homes/extended care facilities in New Jersey, categorizes them, and figures the mean. This mean cost determines the compensation screen. If a nursing home/extended care facility's costs are above the mean, it receives the mean reimbursement amount; if its costs are below the mean, it receives reimbursement for its actual costs. During a recent interview, a NCC staff member lamented that using this State rate for determining financial reimbursement discourages cost efficiency. (Interview with NCC staff member 2002) Initially, cost saving measures will benefit a health care provider, but in the long run it lowers the reimbursement rates for the entire State.

Medicaid, however, is considered a program of last resort; if one can pay or use Medicare, one is required to do so. Medicare is a federal health insurance program operated by the Social Security Administration. It is for the use of persons over the age of 65, those who are disabled or those with permanent kidney failure. There are no income restrictions for program eligibility. Medicare does not pay for long-term nursing or most prescription drugs; routine medical check-ups or custodial care; dentures; or eyeglasses. There are two parts to Medicare coverage: hospital insurance and medical insurance. Hospital insurance pays for care in hospitals and some follow-up care. The medical insurance component pays for doctor bills, certain outpatient services, and other medical items and services. Medicare pays benefits directly to the provider.

As a result of its financing primarily through Medicare and Medicaid, NCC Health Care does not anticipate any problems associated with anticipated State budget cuts. Because

Medicaid and Medicare are federal pass-through programs, the State budget changes are not likely to have much of an effect. As for the patients and residents of NCC Health Care, there are no fees to be paid out of their own pockets – all of the finances come directly from Medicaid or Medicare. Such programs also provide for some non-health care needs. For instance, residents in the Extended Care Facility are allotted \$35 a month for spending money out of Social Security. According to one NCC staff member, this figure has remained unchanged for the last fifteen years. (Interview with NCC staff member 2002) The remainder of such an individual's Social Security check goes to patient care.

### **NCC HEALTH CARE PROGRAMS**

NCC's major health programs include the Extended Care Facility, the four Adult Medical Day Care Programs, Home Friends, Home Health Care, the Family Service Bureau of Newark, and the Essex Valley Visiting Nurses Association/Care At Home (see Table 8). We shall briefly discuss each of these programs below.

**Table 8**  
**Health Care Programs**

<i>Name of Facility</i>	<i>Year Started</i>	<i>Capacity</i>	<i>Total Staff</i>	<i>Source of Funding</i>
Extended Care Facility	1986	177	198	Medicaid/Medicare
Medical Day Care 1	1994	84	23 <sup>a</sup>	Medicaid/Medicare
Medical Day Care 2	1996	40		Medicaid/Medicare
Medical Day Care 3	1998	48		Medicaid/Medicare
Medical Day Care 4	2001	<sup>b</sup>	<sup>c</sup>	Medicaid/Medicare
Home Friends	1991	54 <sup>d</sup>	40 <sup>e</sup>	Essex County Division on Aging
Home Health Care	1992	600	128	Medicaid/Ryan White Grant
Family Services Bureau	1999 <sup>f</sup>	6,039 <sup>g</sup>	—	Numerous Sources <sup>h</sup>
Essex Valley Visiting Nurses Association and Care at Home	2000	7,000 <sup>i</sup>	500 <sup>j</sup>	Medicaid (35%)/Medicare (60%) <sup>k</sup>

a. These 23 staffers are for the total MDC program. Usually, there are 9 patients for each staffer

b. MDC4 is a current project with statistics still unpublished

c. MDC4 is a current project with statistics still unpublished

d. In 2000

e. In 2000

f. Family Services Bureau has been practicing clinical social work service for more than 100 years. It began in 1902 but partnered with NCC in 1999

g. Clients served in 2000

h. Funding sources had included Essex County Youth Services Commission; Family Enterprises, Inc.; The Allen Group; the New Jersey State Office of Law & Public Safety; Community Development Block Grant funds; the Turrell Foundation (at Shabazz High School); and the George Ohl Trust. Since the recent collaboration with NCC, Family Service Bureau has been encouraged to utilize Medicaid and Medicare funding

i. Clients in 2000

j. In 2000

k. The remaining 5% comes from various other private insurers or out of pocket

## **Extended Care Facility**

The Extended Care Facility (“ECF”) was constructed in 1986, and operates primarily for the benefit of residents of Newark’s Central Ward, though residents also come from other Newark city wards, as well as the municipalities of East Orange, Irvington and Jersey City. It was initially conceived as an interim care facility for those recuperating from serious illnesses, but has since grown to become a full-service nursing home. (Interview with NCC staff member 2002) Funds for the facility come primarily from Medicaid, and more recently Medicare, and it presently holds a State-licensed capacity of 180 beds. (Interview with NCC staff member 2002; NCC Annual Report 2000) On average, 175 to 177 of these beds are occupied daily, and new admissions have increased in recent years. It also serves approximately 84 clients of Adult Medical Day Care. (Interview with NCC staff member 2002) The facility has 298 budgeted staff positions, of which 150 are full-time, 101 are part-time, and forty-seven are temporary. (NCC Annual Report 2000)

The ECF is a five-story building located at 266 South Orange Ave. Its first floor features administrative offices, a cafeteria for ECF workers and administrators, an outdoor garden and gazebo, an enclosed brick patio/grill, an indoor “horticulture room,” a therapy room, and an Adult Medical Day Care Facility (see below regarding the Adult Medical Day Care Program). The cafeteria is a clean, state of the art facility and NCC allows and encourages cooking students from the NCC Workforce Development center to sell their creations there. (Interview with NCC staff member 2002) NCC construction students have contributed to the ECF by constructing the outdoor gazebo and the enclosed brick patio/grill. (Interview with NCC staff member 2002) These facilities, as well as the “horticulture room” provide much enjoyment for the ECF residents. Across from the “horticulture room” is the therapy room, where ECF residents go for various physical therapy services. NCC subcontracts therapists providing services to ECF residents due to costs and the fluctuation in demand for such services (Interview with NCC staff member 2002)

The ECF’s lower level features the laundry, maintenance, storage and kitchen facilities. These facilities employ approximately thirty to forty employees over several shifts. The laundry facility includes washers, dryers and folding rooms and is “completely self-sustaining”: it is a

full service laundry operation serving the needs of all ECF residents. (Interview with NCC staff member 2002) NCC also completely operates and maintains the large-scale cooking and storage facilities. These facilities provide nourishment for the ECF, all four NCC Medical Day Care centers, the two NCC charter schools and the two NCC parochial schools, as well as the Meals on Wheels program. NCC culinary arts students provide cooking services along with resident chefs. Three meals are served daily to the ECF residents, while the number of meals served in the other programs varies. The kitchen is clean, runs smoothly, and has some nice, homespun touches: for instance, no paper or plastic products, but only silverware and porcelain, are used in serving meals; the latter “adds more dignity” to the operation. (Interview with NCC staff member 2002)

The ECF’s upper four floors house its residents. Each of these u-shaped floors is configured in the same way, with a front and center “Pavilion Room” off the elevator bank, a resident lounge at the end of the northeast wing, and rooms and caretaker stations throughout. NCC allows the residents of each floor to pick the paint color of that floor, even to the chagrin of some administrators: one NCC Health Care staff member loves the idea, but lightly remarked that the dark pink of the third floor probably was not the best color scheme. (Interview with NCC staff member 2002) The floors are clean and uncluttered, and odors are almost non-existent. NCC prides itself on such cleanliness, striving to address not only the health problems of its ECF residents, but also their comfort. (Interview with NCC staff member 2002) Another example of this sentiment is conveyed in NCC’s fastidious monitoring of bed-ridden patients for bedsores, a serious problem often neglected by area hospitals.<sup>iii</sup>

Patients are brought to the facility suffering from a host of physical and mental illness, including Alzheimer’s disease, and dementia. Many ECF residents arrive from area hospitals having no other place to go. An ECF representative tours area hospitals seeking those who have recently checked out and are in need of the medical services. As was almost exclusively the case in the past, many of these residents remain in the facility long-term. Recently, however, the ECF has been hosting more short-term patients due to its Medicare eligibility (See discussion of Medicare above). This higher incidence of short-term residents has led to a higher turnover rate, which in turn can at times make the task of finding beds difficult. Since the resident rooms are



configured for two occupants, with every two rooms being separated by a bathroom, all four occupants by law must be of the same sex. Residents cannot be simply juggled around either; such a practice may violate patients' rights and is counter to the NCC goal of providing dignity. The Extended Care Facility has primarily served the elderly community in the past, but currently there is an emerging need for nursing care for a younger clientele. According to one NCC Health Care staff member, this is in part due to drug abuse, gang violence, and mental illness. Despite these difficulties, however, NCC Health Care and the ECF staff have put forth their best efforts in ensuring that those in need have a place to stay at the facility; the number of people on the ECF waiting list has, in fact, decreased in recent years (Interview with NCC staff member 2002)

Of course, apart from receiving basic needs such as food, shelter and health care, the ECF residents also enjoy the many activities NCC sponsors. A trip to the ECF on April 3, 2002, revealed planned events such as Casino Night, T-Shirt Day, Plant Sale and Family Night. Past events have included trips to shopping malls; outings to the Universal Soul Circus, Hometown Buffet, Newark Museum, and Metropolitan Baptist Church; visits from students from St. Rose of Lima School, Kean College, AmeriCorps and the Ford Motor Company; and birthday parties.

### **Adult Medical Day Care**

The Adult Medical Day Care programming "aims to keep people out of the hospital by providing those services necessary to ensure the safety, comfort, and independent functioning of each person on a daily basis." (NCC Health Care Website 2002) In the past, the program was intended primarily for seniors needing daytime care, nutrition, and activities. In recent years, however, program participants have increasingly included those in their 20s and 30s, the disabled victims of drug abuse or gun violence. No matter what the demographic may be, however, NCC strives to accommodate the participants' demands for programs and activities. (Interview with NCC staff member 2002) Group programs are held at centers located at various NCC sites, including the Extended Care Facility and NCC Senior Housing.

Funding for these programs comes from Medicare and Medicaid, and the federal government licenses the number of people allowed to participate at each program center. Specifically, the federal government determines this number by dividing the square footage of

the program center by the number of program participants, in addition to taking into account the center's facilities, such as restrooms and offices. NCC Health Care hosts approximately 212 program participants at its four Adult Medical Day Care Centers: Medical Day Care Center #1, Medical Day Care Center #2, Medical Day Center #3, and Medical Day Care Center #4. (NCC Annual Report 2000) Each of these programs is described below.

Medical Day Care Center #1 ("MDC1"), located within the ECF at 266 South Orange Avenue, Newark, NJ, serves primarily as a training and development site for the other three Medical Day Care Centers. Training and education is designed for the clients and well as the staff. Past sessions have included Medical Compliance, Osteo-arthritis, Nutrition Management, Dealing with Depression, and Coping with Memory Deficits. Licensed capacity for MDC1 is presently 84, and average daily capacity is at full or near-full capacity (NCC Annual Report 2000)

Medical Day Care Center #2 ("MDC2") is located within the New Community Roseville Building (1 South 8<sup>th</sup> Street, Newark, NJ) and provides clients with medical care; laboratory services; x-rays; foot, eye, dental care; and therapy. (RCOPC 2001) Monthly trips to Atlantic City, Hometown Buffet and shopping malls are also held. MDC2 has a licensed capacity for 40 (NCC Annual Report 2000)

Medical Day Care Center #3 ("MDC3"), opened in March 1998, is located at the New Community Douglas Homes (15 Hill Street, Newark, NJ) and focuses on education and special medical programs. (RCOPC 2001). It has a licensed capacity of 48. (NCC Annual Report 2000) Medical Day Care Center #4 ("MDC4"), the newest Medical Day Care Programming located at 265 Morris Avenue, Newark 07103, offers therapeutic medical day care for seniors and the disabled. (RCOPC 2001) It has a licensed capacity of 40. (NCC Annual Report 2000)

### **Home Friends and Home Health Care**

Not operating within the confines of a facility but instead providing home care and support, Home Friends consists of nurses' aids and other service providers that travel to the homes of elderly clients for the purpose of providing domestic support services. Such domestic

support services include light housekeeping, laundry needs, local errands, food shopping, and the preparation of meals. Funded by the Essex County Division on Aging, this program helps these elderly maintain their independence and remain in their homes and is essentially a “hands-off” operation. That is, employees provide services for the elderly, but do not attend to their health needs. Home Friends primarily serves residents of the North, East, West and Central Wards of Newark, New Jersey. Depending on their needs, clients receive between two and six hours of services per day.

In order to qualify for the program, individuals must be on either Medicare, Medicare disability or pending disability. Individuals must also be residents of New Jersey, United States citizens or qualified aliens, and must meet certain standards for financial income and/or assets. Though a successful program, Home Friends has encountered a drop in admissions, from 137 in 1998 to 54 in 2000, while the number of applicants on the waiting list has risen during that same period (34 in 1998, 42 in 1999, and 62 in 2000). This situation has primarily been caused by a shortage of home health aides.

Home Health Care, like Home Friends a home care and support program, provides personal care assistance through certified home health aides and daily assessments by RN and LPN nurses. Unlike Home Friends, however, Home Health Care is also “hands-on,” providing various forms of health care. (Interview with NCC staff member 2002) It primarily serves residents of Newark, Irvington, and East Orange with various health programs, including maternal and child care; social work; family counseling; pastoral counseling; health education; personal care attendants; Adult Day Care; and placement screenings for nursing homes. Medicaid is the primary funding source of this program, although the Ryan White Grant funds a small number of cases. Presently there is a total staff of 128, of which 79 are full-time home health aids, 39 are part-time home health aids, 3 are RNs, and 7 are office staff. (NCC Annual Report 2000) The current caseload hovers around 600, and has almost doubled since the mid-1990s. (NCC Annual Report 1996 – 2000). This may be due in part to the large number of referrals – 600 as opposed to around 200 for other years - handled by the program in 1998. (NCC Annual Report 1998)

## **Family Service Bureau**

One of the more recent NCC Health care programs is the Family Service Bureau. The Family Service Bureau offers “mental health services, AIDS services, counseling & crisis intervention, specialty services, sexual abuse services, and [] employee assistance . . .” (NCC Family Service Bureau Website 2002) Major programs and divisions include the Family Crisis Intervention Unit, the Employee Assistance Program; Victim of Crime Acts; Newark New Start; General Counseling; School Based Counseling: Keys to Innervision; and Community Behavioral Health Outpatient Services. (NCC Annual Reports 1999-2000) Although the Family Services Bureau has more than 100 years of clinical social work service, it only became a partner with NCC in 1999.

Funding for the Family Service Bureau (“FSB”) has traditionally come from a wide variety of sources, including the Essex County Youth Services Commission; Family Enterprises, Inc.; The Allen Group; the New Jersey State Office of Law & Public Safety; Community Development Block Grant funds; the Turrell Foundation (at Shabazz High School); and the George Ohl Trust. Since NCC took over the operation, however, it has discouraged FSB from chasing many smaller grants, and has instead encouraged it to take advantage of Medicaid and Medicare funding. (Interview with NCC staff member 2002) This has enabled FSB to greatly improve its management and efficiency and today it has become yet another successful NCC Health Care operation. In 2000, there were 6039 clinical visits, including 3111 for Kearney, 400 for Children Together, 300 for Harmony House, 1188 for Newark, 240 for Turell and 800 for all others. (NCC Annual Report 2000) Also in 2000, there were 604 requests for services, 500 case openings, and 131 case closings. (NCC Annual Report 2000)

## **Essex Valley Visiting Nurses Association and Care at Home**

The newest NCC Health Care operations are the Essex Valley Visiting Nurses Association (“EVVNA”), and its partner organization, Care At Home (“CAH”). These professional nursing organizations “provide a wide range of home health services including skilled nursing, physical therapy, occupational therapy, speech therapy, medical social services, homemaker/home health aide services and nutritional therapy.” (NCC Health Care Website 2002) EVVNA is licensed by the New Jersey State Department of Health and certified as a

Home Health Agency by Medicare and Medicaid. The Joint Commission on Accreditation of Healthcare Organizations accredited it. CAH is licensed as a Health Services Firm by the New Jersey Division of Consumer Affairs and is accredited by the Commission on Accreditation of Healthcare Organizations. EVVNA and CAH employ more than 500 people and serve more than 7,000 patients. (NCC Annual Report 2000)

NCC acquired EVVNA and CAH in 2000, seeking in part to address the shortage of home health aides and nurses in its other programs. At the time, East Orange Hospital had cut EVVNA and CAH from its rolls, as the two organizations were losing \$1.5 million a year. NCC Health Care, however, examined EVVNA's and CAH's liquid assets versus their liability, notwithstanding the timing, and discovered that losses amounted to only 7.5 percent of the total expenses. (Interview with NCC staff member 2002) Armed with this knowledge, NCC determined that EVVNA and CAH could be financially viable with the correct restructuring. NCC then went about reorganizing EVVNA and CAH and trimming their budgets. Today, the two organizations are now not only close to financial viability – revenues and costs presently “break even” - but also effective as a source of additional home health aides and nurses for other NCC Health Care programs (Interview with NCC staff member 2002)

The reorganization of EVVNA and CAH has not been without its growing pains however: labor disputes have preoccupied NCC Health Care ever since it acquired the two organizations. Shortly before leaving East Orange Hospital, EVVNA and CAH both voted to unionize. When NCC acquired the two organizations in 2000, it acquiesced in those demands – after all, both ECF and FSB have successful unions and NCC views union rules as efficient – but had difficulty in reaching an agreed-upon settlement. According to NCC, part of the problem might have been that expectations were too high on the part of the EVVNA and CAH. Despite these difficulties, however, NCC settled with the EVVNA union on March 14, 2002 and is currently in the process of negotiating with the CAH union. (Interview with NCC staff member 2002)

### **Collaboration with other NCC Divisions**

NCC Health Care enjoys a good working relationship with other NCC Divisions, especially the Social Service and Workforce Development sectors. NCC Health Care holds meetings with Social Service and Housing Management in order to determine the health needs of individuals, as well as the emerging health needs of the community. Social Service also monitors Health Care to ensure that residents and clients are satisfied with the health services received. The ECF kitchen facilities provide meals to the four NCC schools, and the Meals on Wheels program. Finally, NCC Health Care is one of the largest users of the Workforce Development Center, employing many of their home health aide, nursing assistant, and nursing graduates. (Interview with NCC staff member 2002) It is also a large supplier, providing many instructors to the Workforce Development Center for those same health career courses

Recently, NCC Health Care has implemented an innovative new Licensed Practicing Nurse (LPN) Program through the NCC Workforce Development Center. NCC encourages (and gives priority to) each of its nursing assistants, home health aides, and Home Friends to enter the 14 month program, which entails twenty hours of work in one's present health occupation, in addition to twenty hours of coursework, per week. Tuition is free and NCC pays the students for the time they are undertaking coursework each week in the form of a loan. A high school diploma, or a high-school equivalency certificate, is required to enter the program. If an individual is not so qualified, however, NCC has offered to provide GED coursework and test fees free of charge prior to that individual's entering the LPN program. Upon graduation, NCC will forgive one-third of the graduate's loan debt for each year that the graduate works for NCC; after an LPN works three years at NCC, NCC will forgive the full loan debt amount. Starting pay for an NCC LPN is \$21/hour, an almost two-fold increase from the typical home health aide/nursing assistant pay of \$8/hour. Despite the great benefits of this program, however, NCC is having trouble enrolling enough students for the program. (Interview with NCC staff member 2002)

### **Collaboration with area hospitals**

Although area hospitals compete with NCC Health Care for nurses and home health aides, the relationships between the two have become increasingly positive. NCC and area hospitals conduct joint health committees, and NCC and UMDNJ occasionally collaborate to provide health services. Such collaborations in the past have included blood drives, glaucoma screening and other cancer screenings. In addition to joint activities, area hospitals allow NCC to send representatives to tour area hospitals in search of those patients who may be in need of NCC services. (Interview with NCC staff member 2002) In most cases these patients are in the process of leaving the hospitals and in imminent need of ECF, MDC or Home Friends/Home Health Care.

### **SUCSESSES AND CHALLENGES**

A recent Rutgers University study reveals that there is a critical need for greater health care coverage in Newark. It cites a lack of primary care, OB/GYN services, pediatrics, eye and dental care, and a lack of immunization. Health issues in Newark include asthma, lead poisoning, hypertension, diabetes, cancer, HIV/AIDS, substance abuse, STDs, and mental illness. There is also a lack of education in “wellness services,” such as hygiene, nutrition, first aid, and the existence of environmental hazards, as well as high rates of low birth weight, infant mortality, premature births, and neo- and post- natal mortality. Finally, services for men are often overlooked. (Community Development Studio 2001)

Despite the existence of many health care facilities in Newark and the surrounding area – including at least six hospitals and university centers<sup>iv</sup> - there are still many barriers that prevent residents from accessing health care. One in six New Jersey residents lack health care insurance because an employer does not offer it. (League of Women Voters 1999) This leaves many working residents to fend for themselves in accessing health care, and is an especially acute problem in Newark, East Orange and Irvington where unemployment and poverty are high. Beyond a lack of health insurance, unemployment and poverty, other factors endemic to Newark and surrounding areas act as barriers to adequate health care. These factors include lower education levels, differences in culture or language, a lack of health education, a lack of health

education, a lack of transport, inconvenient hours offered by medical facilities, and the long waits at hospitals with uninviting medical settings. (Community Development Studio 2001)

NCC Health Care has attempted to address some of these health care needs and has in fact made tremendous improvements in the lives of those who receive its services. The fact remains, however, that NCC Health Care primarily addresses the health care needs of the area's elderly population. Despite its acquisition of the Family Service Bureau of Newark and the expansion of Home Health Care to include maternal and child care, NCC Health Care does not address major local health issues, such as pediatrics and primary care, as comprehensively as it addresses elder health care issues. Additionally, the health care needs of non-elderly, non-disabled men are almost entirely neglected.

Perhaps these shortfalls in service are the result of NCC Health Care's favoring community interaction over an analysis of community epidemiological statistics. One NCC staff member indicated that NCC Health Care has not effectively utilized such statistics in the past. (Interview with NCC staff member 2002) Even if this is the case, however, it does not indicate that the NCC community interaction model is ineffective or that NCC Health Care is an inadequate health care organization. To the contrary, the community interaction model has led to the creation of many effective and well-received programs as well as the revitalization of valuable, pre-existing health care organizations.<sup>v</sup> Further, existing NCC health programs address important health issues that are not otherwise addressed in the larger community – the Extended Care Facility, for instance, is the only nursing home for the elderly poor in the area. In fact, such shortfalls in services can reasonably be explained away by other factors: some family services are offered through the Human Development and Education sectors of NCC; NCC does not presently have the financial and/or infrastructure resources to provide such comprehensive health care services; and NCC is currently in the process of building a larger family and non-elderly health care program through the Family Service Bureau and Home Health Care. As one NCC staff member remarked, "NCC Health Care is still very much a work in progress." (Interview with NCC staff member 2002) Another factor to consider is time - the Family Service Bureau was only acquired a few years ago and NCC Health Care itself is only 16 years old.



## LESSONS LEARNED

Our examination of NCC Health Care reveals an extraordinary community health care organization that effectively provides valuable health care services to those clients and residents it serves. Specifically, we have derived four distinct lessons from the practices of NCC Health Care that provide insights into building an effective community health care organization:

- **NCC Health Care is a collaborative effort.** By sharing with and utilizing the services of other NCC sectors, as well as area hospitals and medical centers, NCC Health Care preserves its own human and financial resources and better serves the larger community.
- **NCC Health Care is flexible in its programming.** By changing existing programs such as Adult Medical Day Care to serve a new demographic, and by instituting new programs such as the Family Service Bureau to address emerging health care needs, NCC Health Care is able to deliver health care that is current and truly effective.
- **NCC Health Care staff is financially savvy.** NCC staff members have educated themselves with regard to Medicare and Medicaid financing, other private and public funding, and the efficient operation of health care facilities and management of staff. These efforts have led to fiscal successes for existing health care programs as well as acquired organizations.
- **NCC Health Care strives to provide dignified health services.** Despite its complex financing, management and operation decisions, NCC Health Care never forgets that it entered the health care business to serve people. Whether providing silverware or allowing residents to paint the halls the color they choose, NCC Health Care provides not just effective, but also dignified, health services.



## **EDUCATION**

### **EMPOWERING THE COMMUNITY**

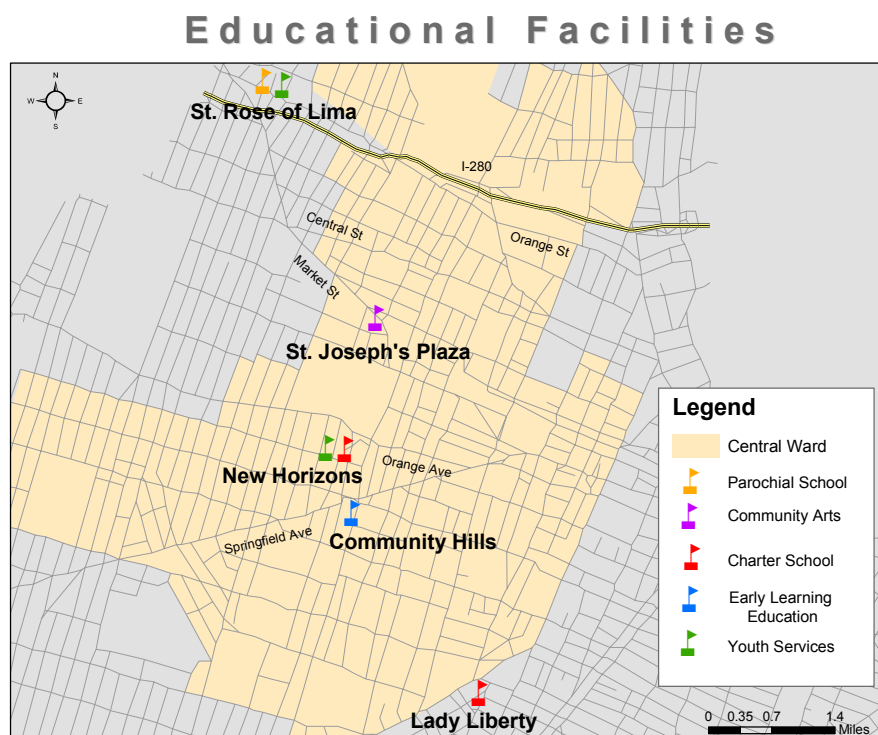
Empowerment is one of the crucial components of community development. You can give a community funding for housing, jobs, and youth programs, but a community cannot progress unless the citizens of that community possess power. Empowering the members of the community is the only way to effect change and to make change continuous.

How do you empower the members of the community? You educate them. Education gives people power over their present circumstances and over their future. This is why education is such a critical piece in community development. It is for this same reason why NCC is heavily involved in education. Monsignor Linder describes education as the biggest component of NCC within the upcoming years. To NCC, education is about giving disadvantaged families a choice. NCC views itself not as a competitor to the Newark School District but rather as a contributor and an essential component to improving school performance and student achievement in the school district citywide.

Within the past few years, NCC's involvement in education has accelerated at a fast pace. In January 1999, NCC received a charter commitment from the New Jersey Department of Education, allowing New Community to offer free, quality elementary education to 500 students in grades K-5. New Horizons Community Charter School opened at capacity, and the school currently has a waiting list of 200. In January 2000, NCC received its second charter, Lady Liberty Academy, which will serve 300 children in Newark, grades K-8. Lady Liberty Academy offers discovery-based learning, centered on science and technology. After a planning year, the school opened in Newark in September 2001.

With the opening of the two charter schools, New Horizons and Lady Liberty, and their new Pre-K facility, Community Hills Early Learning Center, NCC has been very ambitious in

changing school performance and student achievement in Newark. NCC's educational component also includes two parochial schools, St. Rose of Lima and St. Rocco's, which NCC calls their network partners in community development. Today, NCC is responsible for the elementary education of more than 2000 students. (Interview with NCC staff members 2002) But why have they been so ambitious and why is improving education in NCC so critical to the lives of families citywide? To understand why NCC's involvement in education is so critical, we must understand why there is such a need for educational improvement in the Newark School District.



## **NEWARK: A CHANGING URBAN CONTEXT**

The Newark Public School District is the oldest school system in New Jersey. With approximately 45,000 children enrolled, eighty-three school buildings including annexes, Newark is the largest school district in the state. This district is perhaps one of the most disadvantaged districts in New Jersey. It has a history of struggling to maintain a stable and healthy educational environment for students and parents. The necessity for alternative educational programs is acute and has heavily influenced the charter school movement. Newark

fails to meet minimum standards. Test scores and attendance rates remain low and dropout rates are significantly higher than the national rate. (Workforce Development Manual)

In 1995, the State of New Jersey took control of the school system, dissolving the elected Newark Board of Education and replaced the superintendent of schools. The Newark Public School system has been under state operation in a dynamic attempt to reform the Newark public schools. State control was implemented under the notion that once the school district was able to achieve and maintain higher standards and achievement in education, the state would turn the Newark public school system back over to local control. Now, into its seventh year under state control, Newark is showing successful gains and is moving back to local control. However, the present state of the Newark public school system means that there is still work to be done and that they are not completely ready to resume local control.

Newark, along with 29 other urban districts in New Jersey is cited as “tragically inadequate” and “severely inferior.” For this reason, these thirty school districts are given special monies from the state under the Abbott vs. Burke court decision to close the disparity of educational outcomes between New Jersey’s wealthiest and poorest districts. (Community Training And... 2000, 15) The suit was brought on behalf of children in the state’s “special needs districts,” which included Newark, in the early 1980s. The decision required schools and districts to develop specific structures and take specific actions. While school officials were all aware of the basic components of Abbott, the state did not release specific implementation guidelines until July 1998. These included requirements and funding related to:

- An approved Whole School Reform program in each elementary school
- An approved Whole School Reform program or required supplemental program in each middle and secondary school
- All-day kindergarten for all eligible five-year-olds in the community
- Half-day preschool for all eligible three- and four-year olds in the community.

(Community Training And... 2000, 26)

In July of 1999, four years after state intervention, the Committee of Advocates for Newark's Children was commissioned by the Community Training and Assistance Center to conduct a detailed analysis of the impact of state intervention on students and schools in the Newark Public School district. The report, which was released to the public in 2000 focused on three main areas: school and district operations, community engagement and student performance. The results revealed that Newark schools have made slow and gradual progress, but the school system still struggles in some areas, which prohibits them from making their progress continuous and steady. (Community Training And... 2000)

The report displayed that the Newark Public School district continued to struggle with improving their school-wide operations to meet the state average standards. The Newark Public School district in 1999 ranked twenty-nine in performance out of the thirty Abbott Special Needs School districts. Furthermore, Newark had the second highest per-pupil expenditure of all districts in New Jersey. This was 16 percent higher than the statewide average. Newark continues to exhibit inadequate performance compared to the state. This also proves that money alone will not solve the problem and that there are other areas in improving school performance that must be included. (Community Training And... 2000)

Holding schools, districts, educators, and students responsible for results has become a major issue in education. This is to insure that children are receiving the best education and tax dollars are not being wasted. A major component to children's education is parental involvement. A parent's support and interest can strongly encourage children in their academic pursuits. Often children need help from their parents with their homework and determining how to use their free time. Most importantly, children benefit from seeing a consistency between the values and lessons taught at school and those practiced at home.

Community Training and Assistance Center suggests that parent involvement is an integral component to strengthen organizational effectiveness and improve student achievement. (Community Training And... 2000) The district's goal is to involve parents to support their children's learning, and to become partners in making the critical determinations of what conditions prevail at the school and what improvements are needed. The Newark School district

requires the involvement of parents under the district's organizational assessment. With each year succeeding year, the district becomes more effective at involving parents in shaping school decisions.

The Newark School District currently offers a variety of services for parents and community members. These programs included a structured Parent Volunteer Academics and Parent Leadership Institutes, many of which were supported by grants. (NPS Website) The Parent Volunteer Academy program was designed to encourage and structure parent volunteer activity within their children's schools. The Parent Leadership Institutes were created to develop leadership skills so that parents could participate more effectively in shaping school activity. These and related programs reflect a significant commitment of time, energy and funding to increasing parent involvement in the schools on many levels. (CTAC 2000) Other programs and activities that assist parents are: Mega-Skills Workshops, Even Start Program, Parent Conferences, School-Community Network, Early Childhood Task Force, Parent Resource Services, and School Core Teams.

#### *Statewide Assessment Scores*

The statewide assessments, Elementary School Proficiency Assessment (administered to fourth grade students) and the Grade Eight Proficiency Assessment (administered to eighth grade students) show that some progress, although gradual, has been accomplished in Newark Public Schools. Even though the percentage change for the other categories of proficient and advanced proficient are small, this does mark improvement. (See Tables 9 and 10) It is important to remember that these changes in test scores will be gradual because the public school district is still working to undo years of inadequate performance and negative outcomes. Slow growth can be expected when these school districts are on an up-hill battle.

**Table 9. Elementary School Proficiency Assessment 1998-2001**

Test Score Levels	Newark School District 1998-1999	State Average 1998-1999	Newark School District 1999-2000	State Average 1999-2000	Newark School District 2000-2001	State Average 2000-2001	Percent Change of Newark School District	Percent Change in the State Average
<u>Language Arts</u>								
Advanced Proficient	0.3	2.6	0.6	3.4	2.1	9.1	1.8	6.5
Proficient	30.2	54.1	29.3	51.7	46.4	69.9	16.2	15.8
Partially Proficient	69.5	43.3	70.1	44.9	51.5	21	-18	-22.3
<u>Mathematics</u>								
Advanced Proficient	5.7	16.2	5.5	19.3	6.1	21.7	0.4	5.5
Proficient	23.2	44.3	27	46.5	24	44.2	0.8	-0.1
Partially Proficient	71.2	39.4	67.5	34.2	69.9	34.1	-1.3	-5.3
<u>Science</u>								
Advanced Proficient	6.3	34.1	7.2	29.2	9.2	37	2.9	2.9
Proficient	45.9	51.6	48	56.8	43.2	50	-2.7	-1.6
Partially Proficient	47.8	14.3	44.8	14	47.7	13	-0.1	-1.3

Source: New Jersey Department of Education

**Table 10. Grade Eight Proficiency Assessment 1998-2001**

Test Score Levels	Newark School District 1998-1999 (%)	State Average 1998-1999 (%)	Newark School District 1999-2000 (%)	State Average 1999-2000 (%)	Newark School District 2000-2001 (%)	State Average 2000-2001 (%)	Percent Change of Newark School District	Percent Change in the State Average
<u>Language Arts</u>								
Advanced Proficient	.9	7.1	.8	6.3	1.7	7.1	.8	0
Proficient	48.1	71.4	43.1	68.8	40.5	66.1	-7.6	-5.3
Partially Proficient	51	21.6	56.1	24.9	57.8	26.9	6.8	5.3
<u>Mathematics</u>								
Advanced Proficient	2.5	19.2	2.3	17	2.5	18.6	0	-.6
Proficient	20.5	43	18	42.7	21.6	43.2	1.1	.2
Partially Proficient	77	37.9	79.7	40.2	75.8	38.2	-1.2	.3
<u>Science</u>								
Advanced Proficient	NA	NA	1.3	19.2	1.6	19	NA	NA
Proficient	NA	NA	25.5	54.5	26.7	55.5	NA	NA
Partially Proficient	NA	NA	73.2	26.3	71.5	25.5	NA	NA

Source: New Jersey Department of Education



## **NCC'S EDUCATIONAL PROGRAMS**

### **Early Learning Education**

#### *Community Hills Early Learning Center*

In March of 2001, New Community Corporation opened a \$3 million state-of-the-art Early Learning Center. Affiliated with the Newark Board of Education Abbott Program, it was created to implement procedures to help children make a smooth transition from Pre-K to kindergarten. The center provides childcare for children ranging from two-and-one-half months to six years. Childcare, six hours of daily academic instruction and routines, and recreational services are provided to 164 children. The educational opportunities give children opportunities to practice routines that will be used in kindergarten. About 120 of those slots are reserved for three- and four- year olds from Newark whose families will not have to pay for childcare at the Early Learning Center. (*Clarion* March 2001) Community Hills Early Learning Center (CHELC) facility has ten large classrooms (eight are Abbott classrooms), playrooms and recreation areas, and an outside playground. Moreover, five of the townhouses at Community Hills are designated as family daycare facilities. These centers provide care for infants in a small setting-bringing the total number children at the Community Hills Early Learning Center to 184. In addition to the world-class curriculum, students receive meals, health, and social services. The majority of the staff is bilingual and a social worker is available at the facility to help children and their families with any special needs.

NCC has been working toward initiatives and programs to improve early childhood education. NCC uses the High Scope teaching method, a very active hands-on, open-ended curriculum model. According to a NCC staff member, NCC encourages the staff to take advantage of professional development opportunities to improve their understanding of childhood development theory and practice such as GED programs, Child Development Associate, and P-3 courses (P-3 courses are courses taken to receive certification to teach pre-school through third grade in the state of New Jersey). (Interview with NCC staff members 2002) Early Learning Center staff can access these professional development classes through the Newark Board of Education and the Bureau of Family Services.



NCC has been working to increase parental involvement in early childhood education by CHELC's establishment of an Open Door Policy. This NJ state law states that parents are welcome to come to the center anytime unannounced and this communicates that parents are welcomed at all times. Moreover, Parent Nights is a positive communication medium between parents and staff to improve program quality. And Family Literacy and Event Start Programs engage parents and other families in the learning process with the end goal of promoting literacy. (Interview with an NCC Staff member 2002)

NCC Early Learning Center Staff work collaboratively with other Newark educators and organizations such as the Newark Board of Education Office of Early Childhood Collaborative Abbott Program, The Newark Office of Children, Literacy Program, Even Start Program, St. Rose of Lima 8<sup>th</sup> Grade Project Serve, After School Youth Working Program, and the Foster Grandparents Program. (Interview with a NCC staff member 2002)

### **Charter Schools**

“Academic success is within reach for all students and they need to be challenged to perform at a higher level; a school community must work to build a culture that respects, promotes, and elaborates the gifts of a diverse and multicultural society.” (New Jersey Department of Education)

The charter schools of Lady Liberty and New Horizons work together to fulfill this mission. They are dedicated to providing a public education that gives the community the freedom of choice. The charters also give Newark residents a hopeful alternative to the inadequacies encountered by the Newark public school district. Walking through the halls of Lady Liberty and New Horizons, you can see children from all over the city taking a piece of what NCC has to offer. Separately, Lady Liberty and New Horizons offer distinctive educational packages that will address the needs of each student who attends the selected school of choice. (Clarion Feb 2001)

## **Charter Schools: A Brief Overview**

A charter school is a public school that is independent of the local board of education. Charter schools remain free of many regulations that apply to traditional public schools. They are established by acquiring an approval of a charter from the New Jersey's commissioner of education. Boards of trustees supervise charter schools. In return for autonomy, charter schools are held accountable for positive student achievement results to their sponsor, the parents of the students, and the public that provides funds for their daily operations. The goals of most charters, according to the US Charter Schools Organization are to:

- Increase opportunities for learning and access to quality education for all students
- Create choice for parents and students within the public school system
- Provide a system of accountability for results in public education
- Encourage innovative teaching practices
- Leverage improved public education broadly
- To encourage community and parent involvement in public education which will have a positive impact on the lives of our youth ([www.uscharterschools.org](http://www.uscharterschools.org))



*Lady Liberty Academy*

Located at 23 Pennsylvania Avenue, Lady Liberty is the newest component of NCC's educational initiative. Lady Liberty Charter School, which recently opened the day after Labor Day 2001, is leasing the school building from the Catholic Archdiocese of Newark. Under the management of the NCC administration, this three-story charter school currently houses 275 students, kindergarten through sixth grade. Each grade at Lady Liberty has two classes per grade (eighteen students for each class), except for the sixth grade, which has four classes per grade. This is because Lady Liberty integrated some of New Horizons' fifth graders into their school when the students graduated from New Horizons last spring. (Interview with NCC staff 2002)

### *Curriculum*

Lady Liberty's mission, as cited by the New Jersey Department of Education, is "to offer true equality of opportunity by providing every child with a first-rate elementary education that will develop his/her human potential by creating intellectual challenges." (New Jersey Department of Education) To live up to the full potential of their mission statement, Lady Liberty has a specialized curriculum in science, technology, and math that focuses on giving gifted students as well as challenged students in the math and sciences a chance to experience current scientific and technological concepts and learn to apply these concepts to everyday life. Each class integrates technology into the discipline by incorporating three computers into daily educational activities; one computer belonging to the teacher and two computers belonging to the class to give them hands on experience. (Interview with NCC staff 2002) There is also a computer class that allows each class in the school to learn about various computer programs that they can not only take back to the classrooms but take home with them as well.

Along with the regular instruction, students take art, music, and physical education. All together, the educational outlook of Lady Liberty rests on the principles of achieving academic success by reaching out to all of their students through the involvement and dedication of the staff, parents, and students. The school community as a whole is working to build an academic environment that enhances and promotes a diverse and multicultural society. (NJ Department of Education)

### *First Year Challenges*

Even though Lady Liberty is showing promise, it is not without its challenges. Being that Lady Liberty is still in its first academic school year it has come across its share of barriers along the way. Actually, Lady Liberty did not open with a smooth start. Lady Liberty opened up later than anticipated because of administrative complications. Because of that, administration at Lady Liberty had to make modifications in the school calendar, which forced it to remain open during some holidays in order to meet the required amount of schools days mandated by the state of New Jersey. As a result, Lady Liberty faced a lot of opposition from the parents who expressed concern when the school remained open on holidays, including Dr. Martin Luther King Junior's birthday. (Interview with NCC staff member 2002)

Lady Liberty went through a big adjustment process as it implemented its educational programs. Being a charter school means that there is more independence and more responsibility. This signifies the need for additional resources that are needed to start a charter school and keep it running in a progressive matter. Lady Liberty faced a difficult time filling staff slots at the beginning of the year. The school principal is currently taking on a dual role as school director and principal of the school. (Interview with NCC staff member 2002) As school director, he has to ensure that the school is functioning within the codes and regulations of the charter laws of New Jersey as well as oversee the school business.

It has also been difficult to obtain the necessary resources to run innovative programs in math and science to keep the children intrigued and excited to learn. This challenge is complicated by the fact that Lady Liberty is facing a shortage of qualified teachers. It has been difficult for the staff at Lady Liberty to get teachers to spearhead their technological based curriculum. A staff member at Lady Liberty explained the difficulty in getting teachers who are comfortable teaching subjects such as science and math, especially in such an innovative setting. (Interview with NCC staff member 2002) Lady Liberty has experienced a situation where not many teachers are interested or well experienced in the math and sciences.

Lady Liberty sees a lot of need for remediation. A staff member emphasizes this need when he says that "the students came in [into Lady Liberty] blind. We did not know much about them." Lady Liberty, like many charter schools in their first year, did not know about the students that were coming into the school. When students first come into a charter school, it is difficult to assess their strengths and their weaknesses. This could take time. The first step that Lady Liberty took in assessing the students' strengths and their weaknesses was the administering the Stanford 9 test to all students in the beginning of the academic year. (Interview with NCC staff member 2002)

The test results displayed that all grade levels at Lady Liberty were below the appropriate academic standards required for each of the grade levels. This is one of the common struggles facing many charter schools statewide in urban areas. The students that attend the charter schools are in most cases, the same students who attend struggling urban schools. Therefore,

many of the students who attend Lady Liberty are some of the same students who attended the Newark public schools during the last academic year. This means that the students bring the challenges and barriers with them in learning that they once had in the public school system that still faces inconsistent and unstable results.

As a result, this hurdle has posed other challenges as well at Lady Liberty. Lady Liberty is currently working to increase the number of students in the Study Team for remediation on behalf of the students. At the beginning of the school year, there were only eight students in the Study Team. Today, twenty to thirty students have been referred to the Study Team by teachers for evaluation. (Interview with NCC staff member 2002)

Lady Liberty was established under the focus that they would give their students a technology and science based curriculum. Many parents sent their children to Lady Liberty under the assumption that their school of choice would live up to their promise. However, in the aftermath of the Stanford 9 test, Lady Liberty faces difficulty today in providing a stable technology focus it intended to have. Lady Liberty's first year has been spent getting children caught up to their appropriate educational levels and getting classes stabilized before they can move on and incorporate their advanced technology plans into their daily activities. (Interview with NCC staff member 2002)

This has posed challenges for the teachers at Lady Liberty as well. A first grade teacher describes that her classroom exhibits some instability. She is working with a class with students who are at two different reading levels. Many students are on a third and fourth grade reading level-yet many of the children are still on a kindergarten reading level. Being that Lady Liberty has not yet incorporated teacher's aids into the classrooms, except for the kindergarten classes, teachers find it difficult to have enough time to work with students who are behind while keeping the advanced students engaged and intrigued every day. (Interview with NCC staff member 2002)

The challenge of integrating the technological based curriculum is further complicated by behavior problems. In its first year, the staff at Lady Liberty has been pre-occupied by many

disciplinary problems that they did not expect. To remedy this situation, Lady Liberty has made efforts to reach out to the parents of the children. For the most part they have had success in reaching parents who are concerned. A Lady Liberty staff member estimated that approximately sixty-five percent to seventy-five percent of the parents of Lady Liberty's students want their children to do better in school and are concerned of the consequences that their children's behavior will cause. However, there still remains the 35 percent of the parents who do not show a strong concern in addressing their children's behavior problems. Some of the parents do not show a strong interest in their children's education. They do not see how important their role is in the betterment of their children's education. The staff member further explains that this is the segment of Lady Liberty's parents who put their children into Lady Liberty just because it was, as he describes, "an opportunity that came down the pipeline." (Interview with NCC staff member 2002) Unfortunately, the attitudes of the parents, in many cases, have been contributing factors to their children's behavior problems inside the classroom.

#### *Lady Liberty Showing Promise*

Lady Liberty is facing their challenges head on. Despite the difficulty with implementing their math and science curriculum, Lady Liberty has incorporated a very innovative approach to education inside the classrooms. The teachers at Lady Liberty engage the children in educational models that involve hands on approaches to learning by integrating the arts into the curriculum. One teacher explained her curriculum as a collaboration of poetry, singing, and dancing. This form of curriculum, along with the Internet connection keeps the children motivated and engaged into the lesson material. The innovative approach of Lady Liberty's educational program enables the teachers to break away from the "strictly by the book" philosophy so they can be creators, as well as educators. (Interview with NCC staff member 2002)

**Table 9**  
**Elementary School Proficiency Assessment 2001**

<i>Opening year</i>		<i>% Partially Proficient</i>	<i>% Proficient</i>	<i>% Advanced Proficient</i>
	<b>Language Arts</b>			
	Newark School District	48	49.6	2.4
1999	New Horizons Charter School	62	38	0
1999	Discovery Charter School	25	75	0
1997	Robert Treat Academy	7.8	88.2	3.9
1999	Gray Charter School	47.1	52.9	0
	<b>Mathematics</b>			
	Newark School District	67.9	25.5	6.6
1999	New Horizons Charter School	86.3	13.7	0
1999	Discovery Charter School	50	50	0
1997	Robert Treat Academy	21.6	56.9	21.6
1999	Gray Charter School	76.5	23.5	0
	<b>Science</b>			
	Newark School District	44.9	45.2	10
1999	New Horizons Charter School	58.1	39.2	2.7
1999	Discovery Charter School	33.3	58.3	8.3
1997	Robert Treat Academy	11.8	64.7	23.5
1999	Gray Charter School	41.2	52.9	5.9

Source: New Jersey Department of Education

Parental involvement is another area that is progressing at NCC. Despite the portion of the parents that Lady Liberty has found to be difficult to reach, there are many parents who remain devoted and dedicated to their children and the school. Parents are involved and integrated into school operations on various levels. For the most part, Lady Liberty has a very interested group of parents who are actively involved in their children's education. There were approximately 300 parents who participated in Lady Liberty's back to school night in the fall of last year. Parents are still very concerned about staying informed of their children's progress. Many attend board meetings to express their concerns and grievances. (Interview with NCC staff member

2002) Furthermore, the Literacy Program brings families together to make education a part of family growth and development. (Interview with NCC staff member 2002)

Inside the classrooms, communication between the teacher and the parents is strong and continuous. Teachers reach out to parents on a regular basis to keep them up to date with their children's progress as well as challenges or difficulties they face with learning or behavior. Because of the difficulty that the teachers and the faculty have in enforcing disciplinary measures in the higher grades, the students in the sixth grade have daily discipline sheets that they are responsible for taking home and getting signed. This keeps parents informed of the behavior problems that their children are exhibiting inside the classroom. (Interview with NCC staff member 2002) Informing parents of behavior problems is a way of improving behavior problems inside the homes because the behavior inside the classroom is at many times, a reflection of the behavior inside the homes. Furthermore, the parents have taken an active role in the Parent-Teacher Association. The parents are very progressive in fundraising for school resources and supplies. Moreover, parents volunteer inside the classroom to work in small groups and tutor the students.

The school also has initiated a literacy program that works with, not only the children, but the families of the children as well. This program encourages parents to be active in their children's education by allowing them to play a role in their educational development. Moreover, the Literacy Program goes a step forward and works to help parents of the children to learn to read.

For the short time period that Lady Liberty has been in existence, they have made efforts to play an active role in the NCC Network as well as the surrounding community. Lady Liberty actively contributes to the *Clarion*. Lady Liberty students have worked on community beautification projects including creating a flower garden at a neighborhood playground. Furthermore of the holidays that the students were required to attend school the faculty and staff coordinated guest speakers and other in-school activities for the students and the surrounding community to come and participate in. For instance, on Dr. Martin Luther King Jr.'s birthday, a post civil rights activist, named Jim Debus visited Lady Liberty and talked to the students. This



was an event that was open to the public and drew in many community members. (Interview with NCC staff member 2002)

### *The Future Goals and Initiatives of Lady Liberty*

Lady Liberty is currently working on their plans for upcoming school years. First, Lady Liberty is working to develop strategies to improve their technology-based curriculum. Second, Lady Liberty is looking to develop a unique curriculum that incorporates the state core standard as well as technology and science on multiple levels that will help improve performance standards for students of different stages of their educational development. Third, Lady Liberty is currently looking to hire specialists for reading and basic skills, as well as, individual assistants for kindergarten and first grade.

Furthermore, Lady Liberty is planning to add grades to the school as each year passes. Ultimately, Lady Liberty will have grades kindergarten through eight. This is going to increase the need for staffing. To handle the large sixth grade class they already have, Lady Liberty will need an additional four teachers for the new seventh grade class that will be included in the school next. All together, this is going to require a need for an additional nine to ten staff members. Lady Liberty is expected to increase their student body by 370 in the fall of 2002. The following year in 2003, the population of the student body is expected to climb to 450 students when Lady Liberty adds the additional eighth grade class. (*Clarion* February 2002)



### **New Horizons Community Charter School**

New Horizons Charter School, at 45-59 Hayes Street, has been in operation since September 1999. Still in its infancy, New Horizons has challenges to overcome and strives to offer a remarkable curriculum that gives its students a structured and disciplined foundation for a head start in their community. New Horizons' dedication to teach each student and to give him or her a sense of accomplishment is stated in its mission statement.

The New Horizons Community Charter School was founded on the simple convictions that a first-rate education is the birthright of every individual, that all children can learn, and that every child should be challenged to reach his or her full potential. (*Clarion* February 2001)

The primary goals of New Horizons Community Charter School are:

- Demonstrate the heights of academic achievement that public school students can routinely attain when the advantages of charter school governance are coupled with ambitious new academic standards.
- Offer area families rich new choices in public education
- Create new professional settings for teachers that permit them to succeed, free from debilitating work rules, financial constraints, and excess regulation.

(*Clarion* February 2001)

In its short span of existence, New Horizons has made continuous effort to live up to the missions and goals on which it was established. The sense of academic achievement is evident not only in the classrooms, but the environment in your initial encounter of New Horizons.

When you walk into New Horizons you feel a sense of security after you sign in with the security guards. The security system is, as a staff member describes is “second to none.” With monitors mounted in the halls and outside the school, New Horizons works to ensure that students are protected. Almost ninety percent of the students said that they felt safe most of the time or all of the time. (*Clarion* February 2001) As you turn to walk down the hall way you can see how structure is part of everyday life at New Horizons. This environment is built from the philosophy that students need a safe and secure climate in order to learn.

### *The Academic Curriculum*

“At the heart of the New Horizons Community Charter School is a highly structured curriculum that sets high expectations and provides individualized monitoring to assist students in attaining ambitious goals for achievement. The New Horizons Community Charter School provides a strong academic foundation for students at the elementary level that will prepare them

for demanding academic studies in junior high school and college-level work in senior high school.” (NCC “2001-2002 Parent and Student Handbook...”)

The curriculum at New Horizons is much like their environment; very structured and stable. This is how the staff at New Horizons believes that they are nurturing the students who attend the charter school. A staff member at New Horizons describes this educational institution as an institution where children know what to expect. The hallway floors are designed with different colored lines to guide students down the halls as they walk in an orderly fashion. The lines aligning the hallway floors keep them together and in uniform, much like their behaviors are expected to be in uniform. Inside the classrooms is a setting that a staff member describes as a symphonic orchestra. The teacher is the conductor and the students are the instruments. Every instrument in the orchestra is expected to be in tune and in alignment with the conductor. As students they are expected to be good listeners and observers inside and outside the classroom. (Interview with NCC staff member 2002)

Attendance and promptness are priorities at New Horizons. Great attention is given to ensure that students attend school on a regular basis and are on time daily. If a student continuously misses school or is often tardy, the school sends letters to parents. This is important: a staff member at New Horizons told us that if a student misses the first 25 minutes each day because of lateness, that is twenty-five percent of the student’s educational time that is lost. Twenty-five percent can make a big difference in student achievement. Moreover, informing parents of absences and tardiness forces them to put a greater effort into seeing that their children are prompt and present for school each morning. It forces the parents to take an active role in their children’s education. (Interview with NCC staff member 2002)

The curriculum at New Horizons is rigorous. The curriculum is very researched-based with a lot of emphasis centered on reading with an aim to raised literacy standards. The curriculum is formatted to be in strict alignment with the Core Content Standards of the state of New Jersey. The classroom teacher is expected to administer and facilitate a daily agenda that is aligned with the teacher’s manual. This ensures that uniformity is achieved to its fullest inside the classrooms and across grade levels. Moreover, it keeps the priorities of each class in line

with the priorities set for the school at large. However, this curriculum does not allow for much creativity and innovation on behalf of the teachers. Teachers do not have much room to be flexible and to adjust the curriculum to suit the climate of the class. (Interview with NCC staff member 2002)

### *Parental Involvement*

Parental involvement at New Horizons is an on going integral part of education. Parents actively participate in classroom activities. A staff member at Lady Liberty describes parental involvement at the school as “incredible and dynamic.” They have taken on active roles in fundraising, going on field trips, and managing the school store. According to the staff member, they are “a built-in initiative at New Horizons.” For New Horizons, parental involvement is a very essential component because New Horizons focuses on discipline and structure. (Interview with NCC staff member 2002) It is critical for New Horizons to reach parents so that they can be actively involved in their children’s social and emotional, as well as, academic development. In this aspect, New Horizons has been very successful in bringing families together.

### *New Horizons Facing Challenges*

In its third year, New Horizons is still working to overcome challenges. An NCC staff member identified areas that New Horizons still struggles with and would like to improve. First, New Horizons wants to improve student achievement levels. Since New Horizons opened in 1999, performance levels have improved. However, New Horizons is still below state average. Moreover, New Horizons is still below the district average (see table 11). Also, New Horizons is not doing as well as some of Newark’s other charter schools; many charter schools face similar difficulties in their first years.

Improvement in achievement levels in the first few years of charter schools are gradual and slow to change. As displayed in table 11, Robert Treat Academy is doing exceptionally well. This is because Robert Treat Academy has been in existence since 1997 and has had significant time to show positive results in the state assessments. It takes time to erase the educational models that the children have learned in regular public schools that are failing. Education models from the school system of Newark are still embedded in the children of the

NCC charter schools. New educational models of charter schools are difficult to implement. New Horizons is still going through their building years. Therefore, improvement in student achievement scores is still an area that needs constant attention and effort.

Moreover, raising student achievement scores is complicated by the difficulty that the school has in obtaining resources to raise reading and critical thinking standards. A New Horizons staff member describes these topics as of major concern. Another challenge is New Horizons' after-school program. New Horizons' after-school program is currently very limited. After school, most parents come and pick up their children. New Horizons would like to expand their after-school program services to include extra curricular clubs in math, reading, and language as well as time for children to receive tutoring for subjects that they are having difficulty in. (Interview with NCC staff member 2002)

#### *Future Goals and Initiatives of New Horizons*

New Horizons is looking hopefully towards the future and is identifying many areas to improve. Creating motivators for the children of New Horizons is a big part of the curriculum in the upcoming years such as supporting the inclusion of music and the arts. By teaching children how to express themselves through these mediums, they hope to ensure social and mental development. New Horizons is also working to include more computers in classrooms increasing in the number of classroom computers from two to approximately five to seven. Staff members are interested in incorporating programs to get children excited about careers in engineering, the sciences, and aerospace. Furthermore, a staff member expressed that he would like to see the curriculum give more recognition to diversity and gender. The staff member cites how important it is to recognize diversity, gender, and race in the curriculum. In addition, the staff member emphasizes the importance of getting women excited about careers in aerospace, engineering, and the sciences. New Horizons is looking to incorporate a curriculum that teaches children of different ethnicities to give all students a chance to learn about their forefathers and foremothers and to learn about their own identity. In order to raise student expectation levels, all students should learn about the contribution their ancestors made to society so they can fulfill their own potential. This also enables children to seek their own individuality. This curriculum

will provide creative space for the students at New Horizons. (Interview with NCC staff member 2002)



### **NCC Network Partners: The Parochial Schools**

St. Rose of Lima and St. Rocco's are Christian-based schools that focus on providing the students of Newark with a well-balanced education that will ensure intellectual, moral, and spiritual growth and development. Under the direction of the Archdiocese of Newark, St. Rose, with 300 students and St. Rocco's with 200 students strive to create a safe and stable learning environment.

Over the years, St. Rose of Lima and St. Rocco's developed a relationship with NCC. This relationship is more community focused than educational focused. The parochial schools are what NCC describes as network partners. The parochial schools are totally independent of NCC's educational department. The educational initiative of NCC is focused more on the charters schools because NCC is responsible for the charters. On the other hand, St. Rose of Lima and St. Rocco's are private schools and remain under the leadership of the Archdiocese; therefore they do not need support from NCC. Both parochial schools and the NCC charters have different innovative approaches to education and combine to give the students of Newark a choice in education. (Interview with NCC staff member 2002)

Although, the parochial schools do not receive funding from NCC, there are funds provided by Monsignor Linder and the government to give financial support to disadvantaged youth to give them an opportunity to receive a parochial school education. The church of St. Rose of Lima is linked to Monsignor Linder and the principal of St. Rose is Arthur Wilson, head of the board of NCC. Being that Monsignor and Mr. Wilson are connected directly to St. Rose,

Monsignor Linder has established a scholarship fund called the Monsignor William J. Linder Fund to help with tuition fees for the students and government funds are also given to give financial support for transportation and their free and reduced lunch program. (Interview with NCC staff member 2002)

As network partners, Rose of Lima and St Rocco's collaborate with NCC on numerous projects and programs in the community for social, educational, and cultural development. The connection of the parochial schools with NCC allows this network to stay in touch with the parents and the community and increases the fluidity of resources and information. St. Rose has hosted a variety of community events such as social and cultural festivals, reading programs, and educational summer programs. In the summer of 2001, St. Rose of Lima hosted a summer program for community youth.

As network partners, the parochial and charter schools coordinated several programs to raise student achievement levels. Literacy is a major concern of both and they work together on tutorial and learning programs in reading, math, and technology. Most importantly, network partners make an effort to get parents actively involved in their children's education by inviting them to participate in literacy programs and other events and programs held at the schools. Moreover, a common issue that the schools share is the health status of the children. The schools have witnessed several cases of malnutrition and have seen many students come to school hungry. Many students also do not have health coverage. NCC and the parochial schools work together to promote children's health. (Interview with NCC staff member 2002)

### **Youth Services**

NCC places great emphasis on the educational lives of Newark kids. They hope to provide a sense of dignity and ambition. Currently, NCC serves more than 200 children in two after-school programs. (*Clarion* March 2002) NCC/Newton Street 21<sup>st</sup> Century Learning Center for grades 5-8 is an after-school program funded by a \$200,000 federal grant from the U. S. Department of Education to Newark Public Schools. The program operates from 3:00-6:00 pm and provides learning opportunities, activities, and trips. In addition, the children work with NCC Commons Seniors on a community garden.

The other after-school program is affiliated with New Horizons Community Charter School. The program provides academic enrichment and sponsored activities to New Horizons students. Parent fees and the Victoria Foundation fund it. The Family Friendly Center for grades 1-4 provides homework assistance and other after-school activities. The New Jersey Department of Human Services funds this program and the Victoria foundation funding helps support NCC staff and trips for both of these programs. (Interview with NCC staff member 2002)

NCC holds a Summer Camp at the Neighborhood Recreation Center on Hayes Street. It serves more than 100 children. The Sleep Away Camp Scholarship provides 15 scholarships to NCC residents to attend sleep away camps. The Department of Human Development funds this Program. The Newark Youth Leadership Program serves the young adults of Newark. This program provides paid summer employment opportunities, academic enrichment, coordinated trips and Saturday academic program. (Interview with NCC staff member 2002) The Lucent Technologies Foundation in collaboration with NCC, Catholic Community Services, the North Ward Center, Inc, and the Greater Newark Conservancy for Newark youth sponsor this program.

The United Way and the Tiger Foundation fund the Youth Employment and Training Program (YETP) This program is aimed at improving the academic and vocational future of Newark teenagers. Students receive GED tutoring, work experience, and tour college campuses. Teen Learn and Earn, funded by Prudential Foundation, enables children who live in NCC housing to work at NCC and go on field trips. (Interview with NCC staff member 2002)

The Dodge Foundation and the Victoria Foundation fund Living Classrooms, a partnership between NCC and the Paterson New Jersey School District that provides ninety-six at-risk students and their teachers with environmental studies, stewardship, and leadership development programming. The program takes place on boats in the Chesapeake Bay for several weeks during the summer. (Interview with NCC staff member 2002)





What is art? It was found that in the inner city anything that takes people away from drugs and crime can be considered art. NCC Community Arts Program uses the arts as an educational, motivational, and economic development tool, as well as an effective tool to promote cross-cultural communication and interaction. It engages children, youth and adults in arts and cultural activities responsive to the social needs and interests of the people of the greater Newark community through existing and new programs reflecting a multi-cultural perspective. Arts are employed as tools to promote cross-cultural communications and interaction by integrating them into the fabric of the organization.

The idea of community arts works with NCC's mission because it brings art out of the traditional gallery and museum and into the community. Some of the programs and opportunities offered by NCC's Community Arts program include: The Stars of Urban Life (SOUL), a teen performance troop; the Jazz Aficionados Listening Club; weekly jazz concerts at The Priory Restaurant; Vital Voices, a partnership with WBGO to broadcast nationally-recognized jazz artists live at the Priory Restaurant four times annually; and visual and cultural arts projects made available to the community throughout the year. ([www.newcommunity.org](http://www.newcommunity.org))

Stars of Urban Life is a non-profit, multi-cultural, teen performance troop utilizing theater and circus acts influenced by the urban experience to provide educational and cultural entertainment for the New Jersey community. This organization seeks to support, stimulate, train, and provide employment opportunities for emerging regional theater artists; educate and entertain audiences, both young and old, through issue-oriented theater developed by SOUL in collaboration with professional dramatists, directors, designers, and technicians; and to restore and enhance community pride and value through the life-changing power of the creative process. The troupe is responsible for research and development, marketing, booking, and all aspects of a performing arts group. Partners include: Bloomfield College, Rutgers University-Newark School of Management and the Negro Ensemble Theatre Company. ([www.newcommunity.org](http://www.newcommunity.org))

## **LESSONS LEARNED**

Reforming public education to revive urban cities is essential. The rebirth of inner-city neighborhoods will never occur if school systems continue to fail and show poor results. Results only will occur if the community possesses power. Empowering the community is the only way to effect change and to make change continuous. It is carried out by education and transferring power from a bureaucratic system to parents and the community. Education is critical to community development.

NCC is a major contributor and an essential organization to improving school performance and student achievement in the Newark School District. NCC serves more than 1,300 students attending its charter schools and the parochial schools affiliated with its Network. NCC educates more students than many small school systems in New Jersey and hundreds more Newark youth attend NCC's after-school and summer programs. (*Clarion* March 2002)

The charter school movement and education system that NCC incorporates can be used as a model to reform the larger public education bureaucracies and influence the effecting change in education policy. It can also increase prominence of education and youth services for other communities and groups. In addition, communities can learn from NCC's emphasis on parental and community involvement. Support by parents is crucial to children's education and can encourage children in their academic pursuits. NCC's Education Department has the full support of parents and they play an active role in their children's education. NCC's parents have been very vocal in making determinations of the education system and supporting activities of the schools. Again this gives parents power to change and improve the direction of their lives. Community involvement is an essential component to improving educational systems in communities. The social and cultural environment that students live in has a direct impact on their performance levels inside the classroom. Education must encompass participation and leadership of community members.

## **THE FUTURE**

The focus on education and NCC's role in education will be expanding. Planning and development is in process to steer the future education initiatives. Children are the future and

NCC has identified 'Education and Youth Services' as one of the most prominent components in the upcoming years. "One of our major areas is going to be education," Monsignor Linder has assured. "In three years, it may be our biggest area."

New Community is focusing on the development of more early childhood education centers and looking to use the Early Learning Center as a model. One of the senior executives recently exclaimed, "the state will float a \$2 million bond to be bought by Merrill Lynch to develop \$10 million to allow NCC to buy three new Abbott School Sites." (NCC Board Meeting February 7, 2002) The senior executive added that, additionally, NCC is working on program initiatives to serve more youth, particularly in the after-school and summer programs, and to incorporate more youth services in present programs. NCC owns a camp up town and they are looking to get plumbing in there to give children the real camping experience. This will help them to serve greater number of children. (Interview with NCC staff member 2002)

Also, NCC is looking to work with the Social Work Departments at higher education institutions. Their vision is to have social work students come as interns to receive hands on experience and give the kids more attention. The kids are in need of attention and some of them have mental or emotional problems. (Interview with NCC staff member 2002)

## LESSONS LEARNED

We have achieved two goals through our extensive research into NCC. First, we provide a sober analysis of NCC's workings – both its successes and failures. Second, through this work, we provide an instruction manual for building effective community development organizations. Nationwide, other groups can learn much from NCC's rich history. Each of the major divisions of NCC -- Housing, Development and Construction, Human Development, Health Care and Education -- provides "lessons" for understanding what enables a community development organization to grow and thrive for several decades (and counting) under the most adverse urban conditions.

### HOUSING

- ***Excellent infrastructure and management.*** NCC Housing employs up-to-date techniques adopted from the private sector to manage more than 3,000 housing units in Newark, Jersey City and Englewood. It uses these methods to organize tenants, to maintain the units, and make NCC's housing secure. These techniques include strategic planning, staff meetings, training seminars and the efficient dissemination of information.
- ***Helps residents build an important political base.*** NCC Housing recognizes that it has "strength in numbers" and has utilized its residents to illustrate the need for a Pathmark supermarket and to advertise its properties for rent and sale.
- ***Self-sufficiency.*** NCC Housing provides the majority of its services from within rather than outsourcing them to contractors. It also attempts to hire its employees from within the NCC organization.

## DEVELOPMENT AND CONSTRUCTION

- ***Flexible in its site selection process.*** By keeping abreast of the local real estate market, NCC can find new sites relatively quickly if a development falls through.
- ***Flexible in its funding sources.*** NCC maintains a diverse funding stream so that it can preserve its portfolio when a funding source is lost. It also constantly searches for new funding.
- ***Tenacious, committed and patient.*** NCC is not easily intimidated when trying to get a deal done, even when negotiating with uncooperative or reluctant parties. Inner-city development requires a tremendous amount of patience and commitment, which NCC has acquired.
- ***Business-savvy staff.*** NCC projects are financially sound and work from a business perspective.

## HUMAN DEVELOPMENT

- ***Highly competent staff.*** The NCC staff is dedicated and thoroughly researches funding sources, programs, and management strategies.
- ***Flexible in its programming.*** NCC changes its programs and methods to serve changing demographics and needs.
- ***Flexible with regard to its funding sources.*** NCC programs have multiple funding sources so that if one funding source is eliminated, the program remains funded. In addition, administrative costs are built into the programs to preserve the infrastructure in the event that some funding is eliminated.

- ***Clear and concise mission.*** NCC focuses on serving the needs of the community and is realistic about its abilities and possibilities when planning new programs.

## HEALTH CARE

- ***A collaborative effort.*** NCC preserves its human and financial resources and better serves the larger community by working with other NCC departments and area medical facilities.
- ***Flexible in its programming.*** By changing existing programs (such as Adult Medical Day Care) to serve growing demographic groups, and by instituting new programs such as the Family Service Bureau to address emerging health care needs, NCC can deliver health care effectively.
- ***Financially-savvy staff.*** NCC staff members have mastered the intricacies of Medicare and Medicaid financing and other private and public funding. It has created efficient health care facilities and mounted efficient management systems. These efforts have been profitable and NCC has absorbed other organizations.
- ***Dignified health services.*** Despite its complex financing, management and operation decisions, NCC never forgets that it entered the health care business to serve people. Whether providing silverware or allowing residents to paint the halls the color they choose, NCC provides not just effective, but also dignified, health services.

## EDUCATION

- ***Community empowerment through effective education.*** Effective education empowers the community by imparting valuable and unhindered knowledge and skills to children, the future of the community. Through its charter and parochial schools, NCC strives to

create that effective education through safe school environments, adequate school facilities, and qualified teachers.

- ***Parental involvement.*** Support by parents is crucial to the education of children and can encourage children in their academic pursuits. NCC has the full support of the parents whose children they teach, and these parents in turn play an active role in the education of their children. These parents have been very vocal in making determinations with regard to the educational system and in supporting school activities.
- ***Positive community involvement.*** Community involvement is an essential component to improving educational systems in communities. The social and cultural environment within which students live has a direct impact on their performance levels inside the classroom. To this effect, NCC seeks positive community involvement with its schools.

## **ORGANIZATIONAL CAPACITY AND COLLABORATION**

These lessons, of course, are but variations on several broad themes found in NCC's work (*see* Introduction section above). Lessons of flexibility in instituting programs, acquiring funding and selecting sites, as well as collaboration between NCC and outside parties speak to NCC's *Organizational Capacity and Collaboration*. Lessons of a clear and concise mission, strategic and efficient planning and management, tenacity, commitment, faith, and providing dignity are elements of NCC's *Mission and Philosophy*. Finally, lessons of parental, resident and community involvement, as well as community empowerment represent different forms of *Power*, i.e., the importance of building political power for NCC and for neighborhood people. Most important for the building and maintenance of a powerful community development organization, however, is the first theme -- *Organizational Capacity and Collaboration* -- discussed in greater detail below.

As our interviews of NCC staff and our research into the NCC organization have shown, there is a process of true collaboration on many levels, both within the organization and with external partners. A first and very basic partnership exists between community and community development leader. Without the effort, persistence, and hard work of the community, there

would be no NCC. Yet, without the leadership and organization, led by Monsignor Linder, there too would be no NCC. The interplay of a dynamic community development leader and a strong community is central to the organization's success. The leadership developed through NCC not only has helped the organization grow, but has helped individuals learn about their own power; some members of the community have become board members that direct NCC. A close relationship with the community has insured that NCC adequately understands the community's needs. These needs have changed and evolved and NCC has stayed abreast of the relevant issues.

An organization with the size and scope of NCC cannot work in isolation; it must utilize the resources that are available. These resources include state and federal government contributions through grants, tax incentives, and other policies. It includes private sector partnerships. Resources also include utilizing experts who can help identify NCC's latent potential. This spirit of collaboration shows itself as departments "turn the money around" to help aid the organization provide services. (Interview with NCC staff member 2002) Since the 1960s, NCC has been proving itself willing and able to work with partners. As one NCC staffer remarked, "During the 1960s, there was a real feeling of anti-top-level or anti-expertise from community development institutions. Monsignor Linder did not mistrust these people in the same way that many of the community groups did at the time. He realized that he needed to work with them." (Interview with NCC staff member 2002) From the beginning, there has been extensive collaboration with external partners.

Many of the staffers we interviewed spoke of the frequent collaboration that occurs among the departments. A successful grant writer working in NCC's human development may have a particularly lucrative year for gaining funding. However, the success and money that was acquired may not necessarily stay within that department; it may go to the sector that is in the greatest need. The NCC staff and executive board understand this. Rather than individual and departmental victories, successes and failures, there is a larger NCC community working together. The sharing of resources to maintain all of the NCC programs can be seen in the history of NCC health care. It was for years the least fiscally productive sector of the organization, yet the program continued because there was a critical human need. Today, health care is creating capital that helps support all of the NCC programs. Just as at one time the other



programs carried the health care venture, health care now supports some of the lesser successful programs.

This phenomenon can be seen at individual levels. There are intergenerational partnerships, as school children and NCC Commons Seniors work together at a community garden. Students from the work force development center practice their new skills by building barbeque pits and gazebos on the lawn of the Extended Care facility. NCC's lifetime literacy programs promote individual knowledge, but also uplift the entire community through education. Housing management and social services are closely related. There are Social Service workers, including nuns, who can help identify individuals in need and the emerging needs of the community as a whole through their work in NCC housing. They also serve as a double-check point to make sure that NCC is getting the results it strives for. A student in NCC culinary school learns a skill so that he or she may get a job to support themselves and their family. The dishes that the student practices preparing do not go to waste, they feed the NCC community. There is a large kitchen facility in the lower level of the NCC Extended Care facility that is staffed by employees and students. The kitchen department sends the food it prepares to the meals-on-wheels programs, the resident nursing care programs, and the NCC charter schools. Culinary students learn while helping out other NCC departments and the neighborhood.

These symbiotic relationships can be seen throughout the organization and illustrate the mutually beneficial spirit and work ethic of NCC. As the organization has grown and expanded to better aid in the lives of the Central Ward residents, a momentum for transforming lives has been created. This momentum gathers strength from the collaboration found within the organization and all from all of the other associations that exist. Collaboration brought the organization into existence and it is what will carry NCC into the future of Newark.

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<sup>i</sup> The levels of substandard housing were between 80% and 90% in Newark prior to the civil disturbances of 1967 (Interview with NCC staff member 2002).

<sup>ii</sup> NCC Health Care now makes approximately \$1 million a year (Interview with NCC staff member).

<sup>iii</sup> Many ECF residents come from area hospitals. NCC reports such hospitals if the problem is severe (Interview with NCC staff member 2002).

<sup>iv</sup> UMDNJ/University Hospital, Newark Beth Israel Hospital, St. James Hospital, Irvington General Hospital, St. Michael's Hospital, East Orange Hospital.

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<sup>v</sup> E.g., Family Service Bureau, Essex Valley Visiting Nurses Association and Care At Home.