



Comptroller of the Currency
Administrator of National Banks

Community Developments

Summer 2001

Community Affairs OnLine News Articles

New Community Corporation: *Diversity in Action*

by Monsignor William J. Linder, *Founder, New Community Corp., Newark NJ*



NCC Tech plant, that is providing the building materials for Community Hills, also conducts training and employment for the next generation of Central Ward homebuyers.

The \$35 million development of town homes known as Community Hills spans both sides of a wide boulevard bisecting Newark's Central Ward. On the east side are the finished products: 98 attractive and affordable town homes built by New Community Corporation in a gated and landscaped development. On the west side, another 108 town homes are rising where one of the nation's most notorious high-rise public housing projects once stood.

The wall panels and floor and roof trusses for the new homes come from New Community's NCC Technologies factory, located about a mile across town, where local residents create and assemble housing components. When the building materials arrive at the construction site, employees of New Community's Chelsea Construction Company — most of them local residents trained by NCC C do the work of turning them into homes.

If community development is about diversity — of people, projects, purposes and partners — New Community Corporation's work in and beyond the Central Ward is a good example of the diversity of efforts needed to help bring communities back to life.

Rising from the ashes

Founded in the aftermath of the violent and ruinous summer of 1967, NCC has been laboring for nearly 35 years to revitalize the Central Ward, and has become the nation's largest and most comprehensive community development corporation. Today NCC is a premier nonprofit provider of housing, job training, health care, education, retailing, social services, arts, recreation and community investment. NCC employs some 2,300 people; our annual cash flow exceeds \$250 million; and our services touch the lives of more than 50,000 people each day.

NCC has pioneered an effective model of inner-city development that embodies diversity while encompassing a broad range of partners in the private, non-profit and public sectors. It is a model that offers powerful proof of the changes that can occur when financial institutions and government agencies get behind neighborhood-based community development.

Community Hills, which will consist of 206 two- and three-bedroom town homes on 13 acres when completed, is a homeownership initiative that fulfills many goals. The development was financed with a \$25 million HOPE I grant from the Department of Housing and Urban Development, but has involved an array of private and public partners. While the average selling price of a

Community Hills home is about \$50,000, the actual sale price is based on the buyer's income, with the goal of keeping total housing-related costs — including mortgage payments, real estate taxes, insurance and utilities — within 25-35 percent of a family's annual income.

“New Community Corporation has been a stepping-stone for me,” says Anna Sing King, who moved into a Community Hills town home last fall. “I once was homeless. Owning my own home means so much to me and my family.” Ms. Sing King, who works in NCC's Human Resources Department, saved the down payment for her home through the Individual Development Account program, with NCC matching her own contributions on a two-to-one basis.

Partnering for the long term

Behind NCC's Community Hills initiative is a financial partnership that includes Fleet, Chase Manhattan Mortgage Corporation, Commerce Bank, Fannie Mae, the New Jersey Housing and Mortgage Finance Agency, the City of Newark and the Newark Housing Authority. Our banking partners are providing up to 100 percent financing for the purchase of the town homes and even some grants to cover closing costs.

Potential homebuyers receive financial counseling and training in financial management. Those who do not immediately meet credit requirements can participate in an 18-month lease-purchase program that includes financial counseling and other support services they may need in order to qualify for a mortgage. Individualized purchase plans help to ensure a mix of homebuyers. Reflecting our community mission, 40 homes have been set aside for families or individuals raising foster children.

Each home has been “smart-wired” by NCC-trained workers so residents can bridge the technological divide and take advantage of information technology. Community Hills is also home to a \$3-million childcare and community center, financed in part by a \$2.5 million loan from the New Jersey Casino Redevelopment Authority. The Department of Health and Human Services Office of Community Services provided a \$250,000 grant.

The NCC Tech plant that is providing the building materials for Community Hills is also training and employing the next generation of Central Ward homebuyers. About 25 local residents are currently employed at the 34,000-square-foot facility, which is helping NCC to become self-sufficient as a homebuilder, provide local residents with new career opportunities, and market building components to developers and projects in other cities.

NCC Tech has already built some 600 homes, and currently has \$2.5 million in outside contracts. With new projects and an increasingly diversified product line, NCC Tech hopes to employ as many as 100 workers.

Addressing diverse needs

Training for NCC Tech is conducted jointly with our state-of-the-art \$4.5 million Workforce Development Center, itself the result of a broad partnership with financial institutions, public agencies and private foundations. Skilled employees of the plant can move on to apprenticeship programs with trade unions where they can earn \$70,000 a year or more.

“I've developed a lot of skills,” says Donald Moore, a veteran NCC Tech worker who was struggling with alcoholism and living in a welfare hotel when a counselor at the training center helped him get a job at the plant and arranged counseling for his substance abuse problem. “I can build panels, do roofing and read blueprints,” Mr. Moore adds. “These are all things that will help me in the future.”

Every project NCC undertakes — whether it's our New Horizons Community Charter School, built with \$4.5 million in discounted financing from our long-term partner Prudential Insurance Company of America and a \$4.5-million construction loan from Fleet, or our \$17-million K-mart shopping plaza for which ground will be broken this summer — is designed to address multiple community needs from jobs and economic growth to community-building and human development.

NCC's work in Newark's Central Ward offers clear evidence that community-based groups working with a broad set of local and national partners can revitalize communities in myriad ways that promote and celebrate diversity — of initiatives, financing, and outreach to people in need.

*For more information, contact NCC: <info@newcommunity.org>, or visit NCC's website:
www.newcommunity.org*