

**MDRC Working Paper**

## **The Double Bind of Redevelopment: Camden During Receivership**

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**April 2009**



Funding for this paper came from the Ford Foundation.

Dissemination of MDRC publications is supported by the following funders that help finance MDRC's public policy outreach and expanding efforts to communicate the results and implications of our work to policymakers, practitioners, and others: The Ambrose Monell Foundation, The Annie E. Casey Foundation, Carnegie Corporation of New York, The Kresge Foundation, Sandler Foundation, and The Starr Foundation.

In addition, earnings from the MDRC Endowment help sustain our dissemination efforts. Contributors to the MDRC Endowment include Alcoa Foundation, The Ambrose Monell Foundation, Anheuser-Busch Foundation, Bristol-Myers Squibb Foundation, Charles Stewart Mott Foundation, Ford Foundation, The George Gund Foundation, The Grable Foundation, The Lizabeth and Frank Newman Charitable Foundation, The New York Times Company Foundation, Jan Nicholson, Paul H. O'Neill Charitable Foundation, John S. Reed, Sandler Foundation, and The Stupski Family Fund, as well as other individual contributors.

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## **Abstract**

Camden, New Jersey, is one of the nation's poorest cities. In 2002, state legislation allowed it to be placed into receivership. In the early years of receivership, the city proposed billion-dollar redevelopment efforts in several neighborhoods, hoping to encourage mixed-income development and a more sustainable fiscal future. The largest of these involved the potential displacement of thousands of people through use of eminent domain. These ambitious plans were met with protest and litigation, and have not yet advanced. During the same period, community organizations continued to build and rehabilitate affordable housing, the city's educational and medical facilities were able to expand, and some smaller neighborhood-wide redevelopment plans did, in fact, move forward. This paper finds that three factors were related to more successful redevelopment efforts. These efforts: (1) were able to build on groups' existing capacities and their past work in neighborhoods; (2) were marked by more effective participatory dynamics and the limited use of eminent domain; and (3) benefited from good relationships with the State of New Jersey and with private-sector partners. In summarizing these efforts and the potential for stalemate during redevelopment, the paper concludes by elaborating a metaphor for the challenges distressed cities sometimes face: the "double bind of redevelopment." A double bind is a situation where contradictory demands make it difficult to act. In Camden, public officials sometimes felt the pressure of demands to take strong action to "turn around" the city. However, their collective experiences also sometimes led them to practice redevelopment in a manner that made it difficult for them to realize this bold vision on their own. The paper's broadest suggestion is that attempts to build *public* capacity to revitalize cities may need to be complemented by efforts to build *civic* capacity, or the ability to solve problems in coordination with major partners.



# Contents

Abstract	iii
List of Tables, Figure, and Maps	v
Acknowledgments	vii
Redevelopment and Receivership	1
Camden, New Jersey — City of Contrasts	4
Overview of Camden’s Redevelopment Experiences	11
The Importance of Capacity, Participation, and Relationships	23
The Double Bind of Redevelopment	30
References	33

## List of Tables, Figure, and Maps

### Table

1	Demographic Composition and Labor Force Participation in Camden and the South Jersey Region, 1990, 2000, and 2006	7
2	Income and Poverty in Camden and the South Jersey Region, 1990, 2000, and 2006	8
3	Housing Characteristics in Camden and the South Jersey Region, 1990, 2000, and 2006	9
4	Key Events in Camden’s Redevelopment	11

### Figure

1	Population of the City of Camden, 1850-2006	6
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### Map

1	Planned Redevelopment Investment (Millions) and Vacancy and Poverty Rates in 2000	13
2	Total ERB-Related Redevelopment Investment (Millions) Closed and Approved by 2008, and Vacancy and Poverty Rates in 2000	22



## Acknowledgments

The Ford Foundation supported MDRC's engagement with Camden as part of its Regional Equity Demonstration Project, and we are grateful to our program officer, Carl Anthony, now at the University of California, Berkeley, and our current program officer, Donald Chen. Colleagues at Rutgers, Bob Lake and Kathe Newman, together with their graduate student team, played a critical role in interviewing and analyzing participatory dynamics during receivership. Many of their insights are echoed in this paper. Within MDRC, Linda Kato managed the field research upon which the paper's conclusions were based, Zawadi Rucks played multiple and important roles during the project, and Carmela Zakon acted as report coordinator. Craig Howard, now at the MacArthur Foundation, was the project director for Camden for many years, and brought his rich and deep experiences in community development, regional equity initiatives, and urban revitalization projects. All these contributions made the report possible. Most importantly, we are grateful to practitioners, public officials, and residents in Camden and the region. Any summary paper cannot do full justice to their work but we are indebted to their openness as we try to learn from them.



## **Redevelopment and Receivership**

In 2002, the State of New Jersey enacted legislation that allowed it to place the City of Camden into receivership. Under the Municipal Rehabilitation and Recovery Act (MRERA), the state appointed a chief operating officer to oversee the city, one of the poorest in the nation. It also provided \$175 million in revitalization funds for Camden, to be administered by a newly created State Economic Recovery Board (ERB). MRERA defined the conditions under which the state could place a city in receivership on several grounds, including a city's inability to meet local needs and maintain services through its own tax base. Summarizing the legislature's findings and justifying the radical step of receivership, MRERA declared:

In light of the dire needs faced by such municipalities and the lack of progress in addressing those needs either governmentally or through private sector initiative...it is incumbent upon the State to take exceptional measures, on an interim basis, to rectify certain governance issues faced by such municipalities and to strategically invest those sums of money necessary in order to assure the long-term financial viability of these municipalities.<sup>1</sup>

By bringing together “governance issues” with the need to “strategically invest,” MRERA tied receivership in Camden — an intervention to enhance public capacity — to broad revitalization and redevelopment goals. With the appointment of Camden’s chief operating officer as chair of the Camden Redevelopment Agency, the two issues of receivership and redevelopment became even more connected.

This paper gives a broad overview of redevelopment efforts under Camden’s first term of receivership.<sup>2</sup> It defines the term “redevelopment” to include actions taken under state redevelopment statute, as well as broader housing, commercial real estate, and other redevelopment projects undertaken by the public and the private sector.<sup>3</sup> This analysis draws on over 150 interviews and observations conducted by MDRC staff and consultants from 2005-2008. In describing these experiences, the paper discusses the redevelopment plans that came to fruition during this time and the factors that were associated with these accomplishments.

Camden’s recent experiences have been varied. Some redevelopment plans and activities did not move forward, while others did, despite challenges. Other types of efforts were able to gain broader consensus and faced fewer hurdles. The paper compares these experiences, with

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<sup>1</sup>State of New Jersey, 2002.

<sup>2</sup>An extension of MRERA was signed into law in 2007.

<sup>3</sup>Logan and Molotch, 1987.

the goal of understanding the factors that may have contributed to variation among them.<sup>4</sup> As is true of many redevelopment processes, those who were involved in and affected by redevelopment plans held different, and sometimes contending, visions for change. The research question does not attempt to understand the implications of redevelopment for individuals or neighborhoods but only to understand which efforts were able to move forward, and why.

While many hopes for the receivership period have yet to be realized, Camden is not unique in facing challenges to revitalization. Contention about redevelopment resulting in barriers to the completion of large projects is a central theme of urban planning and politics since the period of urban renewal.<sup>5</sup> However, contention may be even more intense in the current policy and economic environment. During the 1990s and the early part of this decade, many cities with relatively vibrant economies were able to achieve political compromises that attempted to balance goals of equity and growth. For example, New York City put Inclusionary Zoning policies into place in several neighborhoods,<sup>6</sup> and advocacy coalitions in Los Angeles were able to reach an agreement on community benefits related to the development of the Staples Center.<sup>7</sup> While these projects were not without their critics, and in many cases only mitigated the displacement of low-income people, they represented a way that economic development could occur while providing resources to lower-income communities.

In contrast, distressed cities have found it more difficult to attract investors while also inducing them to institute community benefits or other types of set-asides. During an economic downturn, this type of conflict may become even more exacerbated — the data collected on Camden largely predates the current economic crisis, and so may underestimate the extent to which compromise regarding new investment may become more difficult. As Paul Peterson has written, cities have limited legal authority to influence businesses and are vulnerable to industries' decisions to relocate.<sup>8</sup> In the coming years, cities that are concerned about their shrinking tax base may be even more likely to see their redevelopment agenda defined by companies seeking to invest, or who threaten to move elsewhere.

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<sup>4</sup>Although a single case study is not usually the vehicle for drawing multiple inferences (King, Keohane, and Verba, 1994), for an analytic strategy that emphasizes internal variation, see March, Sproull, and Tamuz, 2002.

<sup>5</sup>Mollenkopf, 1983. During the 1960s and 1970s, slum clearance and urban freeway construction programs resulted in the displacement of nearly 1 million households across the United States, as cited by Altshuler and Luberoff, 2003.

<sup>6</sup>Katz, 2005.

<sup>7</sup>Salkin and Lavine, 2008.

<sup>8</sup>Peterson, 1981.

Aligning exclusively with these companies' interests has its own risks, especially given the backlash against the Supreme Court's *Kelo v. New London* decision.<sup>9</sup> In the wake of that ruling, some localities saw heightened conflict about redevelopment, and state and federal legislation was proposed to prevent the use of eminent domain for economic development purposes. Distressed cities may also not have the political capacity required to broker and enforce compromises among different community and development interests.<sup>10</sup> In these places, political and legal challenges may make it impossible for different forms of redevelopment to proceed, even if there is broad interest in revitalization. For example, conflict and stalemate in New Orleans is a major case of how difficult it is to move forward with some form of equitable development.<sup>11</sup> Independent of the benefits of redevelopment, reviews of large projects suggest that it is much more difficult to complete them now, at a time when legal, political, and regulatory frameworks allow greater challenge, than it was during the period of urban renewal.<sup>12</sup> The post-*Kelo* political era promises even more tension related to the use of eminent domain in redevelopment efforts. And in the absence of coordination with regional actors — a major interest of the Ford Foundation, which both funded MDRC's research and invested in Camden's and New Jersey's regional equity efforts — cities' efforts to improve may be stymied or even counterproductive.<sup>13</sup>

Because local opposition may derail redevelopment efforts, the institution of receivership places into greater relief some of the challenges distressed cities may experience as they attempt to revitalize. Receivership allows more centralized authority and therefore greater opportunities for unimpeded action. However, because receivership grants power to an unelected public official, it may raise issues of accountability and participation. Receivership may also place strains on the office of the chief operating officer and associated agencies, which must oversee not only governance reform efforts, but also new initiatives. One central finding of the paper is that receivership in Camden was not able to "bypass" local dynamics of contention, or in itself overcome capacity challenges on the part of the public sector. In fact, in order for redevelopment efforts to advance during receivership, effective partnerships and healthy participatory dynamics were often required. The paper by no means assesses the effects of receivership in Camden but argues that some types of actions taken under receivership may *magnify* historic patterns of enmity and inaction rather than reverse them.

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<sup>9</sup>The *Kelo* decision affirmed the right to acquire private property through eminent domain even when it advances the interests of private actors, as in the case of economic development.

<sup>10</sup>Stone, 2001.

<sup>11</sup>Brand and Seidman, 2009.

<sup>12</sup>Altshuler and Luberof, 2003.

<sup>13</sup>Rusk, 1999.

In describing this potential for stalemate, the paper concludes by elaborating a metaphor for the challenges to redevelopment distressed cities face: the “double bind of redevelopment.” A double bind is a situation where contradictory demands make it difficult to act. In Camden, public officials sometimes felt the pressure of demands to take strong action to “turn around” the city. However, their collective experiences also sometimes led them to practice redevelopment in a manner that made it difficult for them to realize this bold vision on their own. The paper’s broadest suggestion is that attempts to build *public* capacity to revitalize cities may need to be complemented by efforts to build *civic* capacity, or the ability to solve problems in coordination with major partners. Analyzing Camden’s experiences may shed light on how interventions may, in fact, build civic capacity, open up opportunities for more equitable redevelopment approaches, and revitalize some of the country’s most neglected places.

The remainder of the paper (1) describes the context of Camden, (2) gives an overview of redevelopment activity during the first MRERA period, and (3) describes the factors associated with redevelopment efforts that were able to move forward more successfully.

## **Camden, New Jersey — City of Contrasts**

Camden, New Jersey, is a city with strong traditions and many assets. The adopted home of Walt Whitman, Camden played a role in the region’s postwar economic boom, with industries such as RCA-Victor and Campbell’s Soup contributing to growth. Currently, some of its economic development assets include its location at the nexus of three interstate highways; two major interstate bridges; multiple freight, passenger, and commuter rail lines; three regional airports; and three major river cargo ports.<sup>14</sup> Its business district shares waterfront with Center City, Philadelphia. For a city of fewer than 100,000 residents, Camden is also rich in educational and medical institutions, including Rutgers University, Camden Campus; Rowan University; Camden County College; the University of Medicine and Dentistry of New Jersey; Cooper University Hospital; and Our Lady of Lourdes Medical Center.

Camden has a long history of redevelopment and planning. The city was widely acclaimed for its public housing developments in the 1930s. Since the 1950s, Camden has also had strong traditions of civic engagement. In the 1960s, the city’s redevelopment plans aimed to allow Camden to compete more effectively with the suburbs for a new mix of residents through attractive waterfront homes and downtown retail development. Residents represented by Camden Regional Legal Services organized to stop the redevelopment “until the requirement of community participation [was] realized.”<sup>15</sup> Camden is home to one of the nation’s first commu-

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<sup>14</sup>Camden County Improvement Authority, 2007.

<sup>15</sup>Gillette, 2005, p. 83.

nity land trusts and a nationally recognized community development corporation. In recent years, it has also created new waterfront development — Campbell's Field, a minor league ballpark; Susquehanna Bank Center, a concert venue; Adventure Aquarium; and some luxury housing with views of Philadelphia.

Camden is also one of the starker examples of urban disinvestment and regional inequality in the United States. Following a trajectory familiar to many urban areas, Camden's population declined 41 percent between 1950 and 2006, as Figure 1 shows.

Suburbanization, deindustrialization, and federal and state transportation and housing policies all played roles in this decline. The U.S. Census Bureau's American Community Survey consistently describes Camden as one of the poorest cities in the country, with 36 percent of its residents in poverty. The median family income in Camden is \$29,125. In contrast, the South Jersey area that includes Camden has a median family income of \$75,305.<sup>16</sup> In 2007, Camden reported 45 homicides, a rate far higher than those of many larger cities.

In 2006, Camden's residents were relatively young, less prepared for and less engaged in the workforce, and more likely to be parenting alone than residents of the South Jersey region as a whole.<sup>17</sup> Nearly a third of Camden's residents were children, compared with about a quarter of South Jersey residents (Table 1). Over a fifth of Camden's adult residents lacked a high school diploma, compared with less than 10 percent of South Jersey residents. A total of 27.9 percent of Camden's households with children were headed by a single parent, compared with only 9.2 percent in the South Jersey region (Table 2).<sup>18</sup>

In 2006, the median construction date of Camden's housing was 1947, about a generation older than that of the region (Table 3). Camden's housing is also more affordable than that of the region. Median gross rent was 28 percent lower in Camden than in the region in 2006, and median owner costs for houses with a mortgage were less than half as expensive in Camden as in the region. While this provides a significant stock of affordable homeownership, in 2006 the vacancy rate was more than three times as high in Camden (21 percent) as in the region (6 percent).<sup>19</sup> While low-income homeowners are able to purchase houses in Camden, they sometimes struggle to continue to afford them, and abandoned or boarded-up buildings are a common sight in many Camden neighborhoods.

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<sup>16</sup>Seith and Rucks, 2009.

<sup>17</sup>The South Jersey region refers to the tri-county area of Burlington, Camden, and Gloucester counties. It includes both bedroom communities of Philadelphia, inner-ring suburbs of Camden City, and more rural and exurban areas.

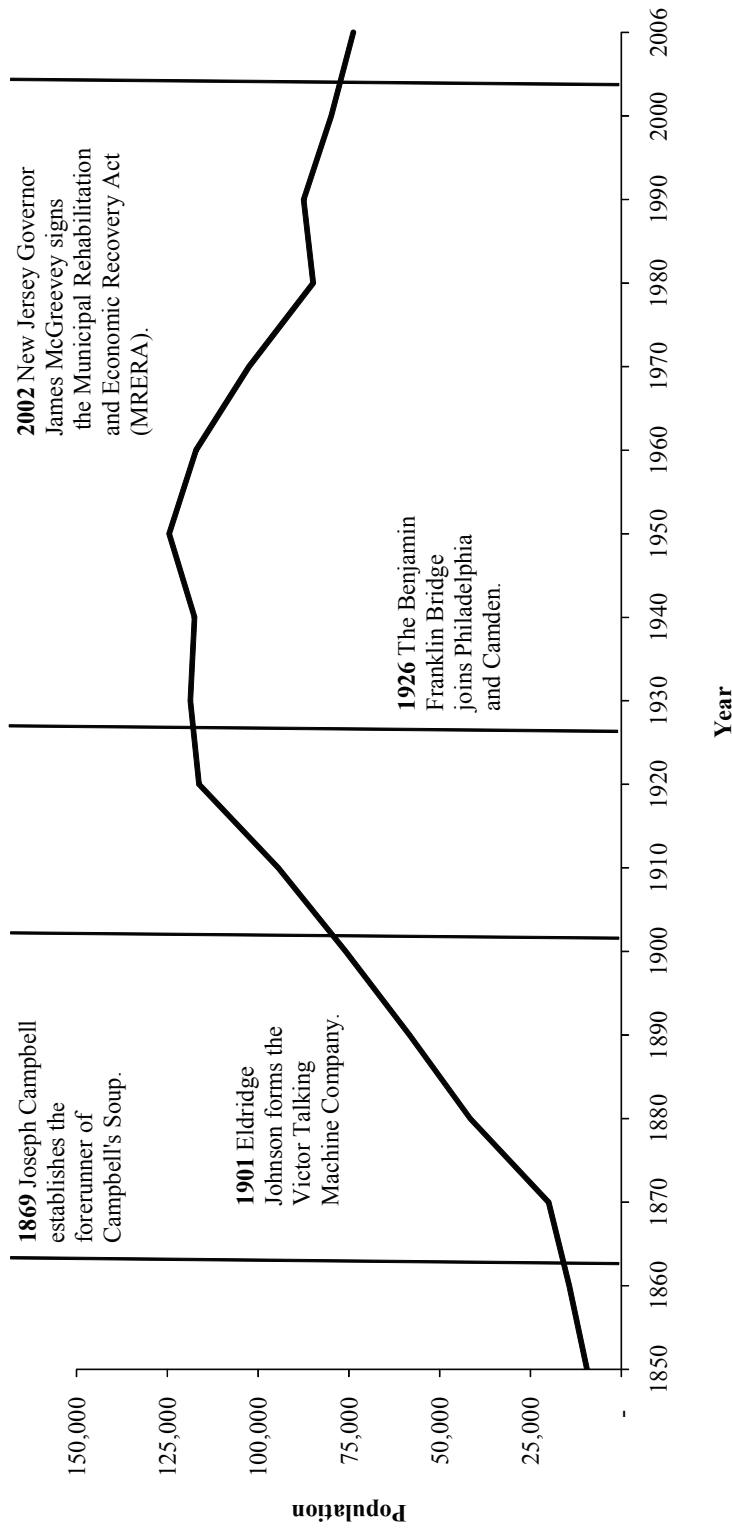
<sup>18</sup>Seith and Rucks, 2009.

<sup>19</sup>Seith and Rucks, 2009.

## The Camden Regional Equity Demonstration

Figure 1

Population of the City of Camden, 1850-2006



SOURCES: Gillette, 2005; Gibson, 1998; U.S. Census, 1960, 1970, 1980, 1990, and 2000.

## The Camden Regional Equity Demonstration

**Table 1**

### **Demographic Composition and Labor Force Participation in Camden and the South Jersey Region, 1990, 2000, and 2006**

Characteristic	South Jersey Region <sup>a</sup>			City of Camden		
	1990	2000	2006	1990	2000	2006
<b><u>Population</u></b>	1,127,972	1,186,999	1,249,659	87,492	79,904	73,838
<b><u>Age (%)</u></b>						
Children (ages 0-17)	25.9	26.1	23.9	35.5	34.5	32.0
Adults (ages 18-64)	62.7	61.6	63.9	56.0	58.0	59.9
Seniors (ages 65 and over)	11.3	12.3	12.2	8.4	7.5	8.1
<b><u>Race/ethnicity (%)</u></b>						
Hispanic/Latino	4.4	6.1	7.5	28.8	38.6	41.3
Black, non-Hispanic/Latino	13.7	14.4	15.5	54.2	49.3	48.9
White, non-Hispanic/Latino	79.7	74.7	71.2	15.2	7.5	4.4
Asian, non-Hispanic/Latino	1.9	2.9	3.9	1.3	2.9	3.1
<b><u>Country of birth (%)</u></b>						
Foreign born	4.3	5.9	8.3	3.9	8.9	12.6
<b><u>Education and labor force participation (%)</u></b>						
Percentage without a high school diploma <sup>b</sup>	14.0	10.8	8.8	26.4	26.2	21.9
Total labor force participation rate <sup>c</sup>	80.9	89.6	77.7	69.0	70.6	63.8
<b><u>Place of work (%)</u></b>						
Within county	44.7	53.0	52.0	43.8	71.1	63.1
Within state	67.2	81.9	84.2	53.1	89.2	89.7

SOURCES: MDRC calculations from 1990 and 2000 U.S. Census data. 2006 data from the U.S. Census Bureau American Community Survey.

NOTES: <sup>a</sup>South Jersey is defined as Camden, Burlington, and Gloucester Counties. All medians reported for South Jersey are calculated as the average of the medians from the 3 counties.

<sup>b</sup>This measure includes only people 25 years of age or older.

<sup>c</sup>This measure was calculated only for the noninstitutionalized, nondisabled population over the age of 16.

## The Camden Regional Equity Demonstration

**Table 2**

### Income and Poverty in Camden and the South Jersey Region, 1990, 2000, and 2006

Characteristic	South Jersey Region <sup>a</sup>			City of Camden		
	1990	2000	2006	1990	2000	2006
<b><u>Household composition (%)</u></b>						
Households with children	36.5	35.6	38.0	42.5	43.7	47.4
Single-parent mothers with children	6.1	6.8	9.2	24.9	25.3	27.9
<b><u>Family income and poverty</u></b>						
Number of families	296,161	310,492	318,381	19,269	17,655	16,397
Median family income (\$) <sup>b</sup>	68,803	73,129	75,305	29,112	28,814	29,125
Families with annual income (%) <sup>c</sup>						
Less than \$10,000	5.4	3.6	3.7	30.1	22.2	19.4
\$10,000 - \$29,000	22.3	14.1	11.0	38.8	36.6	31.2
\$30,000 - \$49,000	30.3	19.6	14.9	21.2	22.5	21.7
\$50,000 - \$59,000	12.4	10.3	8.2	4.5	7.0	9.6
\$60,000-\$99,999	22.8	31.4	29.6	4.7	9.3	14.7
\$100,000 or more	6.8	21.0	32.6	0.6	2.5	3.4
Family poverty rate (%)	5.6	5.5	6.3	34.1	32.8	32.3
<b><u>Individual income and poverty (%)</u></b>						
Individuals with income						
Below 50% of poverty	3.7	7.8	4.1	25.1	18.6	18.6
Below 100% of poverty	7.6	16.3	8.2	45.7	35.5	35.6
Below 150% of poverty	12.8	27.4	13.4	61.4	50.7	49.2
Below 200% of poverty	19.5	40.4	19.8	75.9	62.4	60.5
Per capita income (\$) <sup>b</sup>	25,196	27,924	28,563	11,223	11,491	12,739
<b><u>Provider ratio</u></b>						
Ratio of working adults to children	1.9	1.8	1.9	0.9	0.8	1.0

SOURCES: MDRC calculations from 1990 and 2000 U.S. census data. 2006 data from the U.S. Census Bureau American Community Survey.

NOTES: <sup>a</sup>South Jersey is defined as Camden, Burlington, and Gloucester counties. All medians reported for South Jersey are calculated as the average of the medians from the 3 counties.

<sup>b</sup>All dollar values have been normalized to 2006 dollars.

<sup>c</sup>Dollar thresholds for family income are in nominal dollars, not real, inflation-adjusted dollars.

### The Camden Regional Equity Demonstration

**Table 3**

#### **Housing Characteristics in Camden and the South Jersey Region, 1990, 2000, and 2006**

Characteristic	South Jersey Region <sup>a</sup>			City of Camden		
	1990	2000	2006	1990	2000	2006
<b>Total number of residential units</b>	415,840	456,044	482,450	30,138	29,769	30,775
<b>Tenure and mobility (%)</b>						
Homeownership	73.5	74.7	76.0	48.5	45.9	44.6
Five-year household mobility	39.4	37.5	7.9	40.6	44.3	4.7
One-year household mobility	5.9	2.4	11.4	7.0	1.2	11.0
<b>Housing costs and affordability (\$)<sup>b</sup></b>						
Median gross rent	836	795	877	639	611	636
Median owner costs with mortgage	1,381	1,529	1,758	780	814	853
without mortgage	505	578	699	372	392	438
<b>Housing characteristics</b>						
Vacant (%)	5.2	5.5	6.3	11.7	18.8	21.1
Median year built	1965	1968	1971	1945	1948	1947
Age (%) <sup>c</sup>						
Brand new construction	2.2	1.6	1.4	0.5	0.6	1.8
Other new construction	7.9	5.1	7.0	1.2	1.3	6.3
Other first generation	26.5	20.5	24.7	9.8	5.0	10.2
Second generation	19.2	34.8	31.7	13.7	19.8	13.0
Other postwar	17.1	15.3	14.4	15.9	18.9	12.0
Pre-1950	27.1	22.7	20.9	58.9	54.3	56.7
Size (%)						
Number of bedrooms						
1	12.6	12.5	11.4	17.9	18.3	15.7
2-3	63.1	60.6	61.5	71.4	70.6	77.7
4 or more	23.3	25.4	26.7	6.9	6.6	6.2
Crowded <sup>d</sup>						
Owner-occupied units	1.0	1.2	0.5	4.8	5.6	2.2
Renter-occupied units	1.5	1.8	0.8	9.5	10.8	3.7
Group quarters	2.4	2.5	2.3	4.1	5.4	4.1

(continued)

### Table 3 (continued)

SOURCES: MDRC calculations from 1990 and 2000 U.S. census data. 2006 data from the U.S. Census Bureau American Community Survey.

NOTES: <sup>a</sup>South Jersey is defined as Camden, Burlington, and Gloucester counties. All medians reported for South Jersey are calculated as the average of the medians from the 3 counties.

<sup>b</sup>All dollar values have been normalized to 2006 dollars.

<sup>c</sup>Age categories of housing are defined as follows for the year 2000: brand new construction, 1999-March 2000; new construction, 1995-1998; other first generation, 1980-1994; second generation, 1960-1979; and other postwar, 1950-1959. For 1990 data, the housing categories are defined as follows: brand new construction, 1989-1990; new construction, 1985-1988; other first generation, 1970-1984; second generation, 1960-1969; and other postwar, 1950-1959. For 2006 data, the housing categories are defined as follows: brand new construction, 2005-2006; new construction, 2000-2004; other first generation, 1980-1999; second generation, 1960-1979; and other postwar, 1950-1959.

<sup>d</sup>Crowding is defined by the U.S. Department of Housing and Urban Development as more than one person per room.

Like many cities that have experienced severe economic decline, Camden's public capacity has also been challenged. Camden's population declines were sharpest between 1960 and 1980. The city's share of the overall county vote declined from one third to 16 percent, and with that decline, the mayoral administration lost significant influence and resources from the county and state.<sup>20</sup> Federal retrenchment of the 1980s compounded these difficulties. In this setting, Camden's mayors were faced with the increasingly impossible task of reconciling rising service demands with declining revenues. Governing in this context offered the city some hard choices, and some of the decisions it made may have had the effect of limiting Camden's longer-term growth. For example, the city sold valuable waterfront land for a prison, a sewage treatment facility, and an incinerator. Finally, as is sometimes the case in distressed cities that face governing challenges, corruption became a serious problem. Three of the five mayors who served Camden between 1973 and 2000 were convicted on corruption charges.

Responding to the crisis in public capacity, in 1983, Camden neighborhood leaders called on the Pacific Institute for Community Organizations to help form a faith-based advocacy organization, which became known as Camden Churches Organized for People (CCOP). Over time, CCOP, Concerned Black Clergy of Camden, and other community-based organizations advocated for reform legislation. Camden had been under a specially appointed state financial review board of the New Jersey Department of Community Affairs since 1997, and was dependent on special state revenue for up to 70 percent of its annual operating budget. Convening regular civic forums of over 1,000 residents, CCOP and Concerned Black Clergy of Camden kept the pressure on politicians from both parties and multiple levels of government to develop reform legislation for Camden.

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<sup>20</sup>Gillette, 2005, p. 93.

Ultimately, over the course of five years, three gubernatorial administrations, and two mayoral administrations, MRERA was passed and signed into law by Governor James McGreevey in July 2002. MRERA appointed a chief operating officer and invested him with substantial statutory powers to hire and fire city officials and, along with the ERB, to supervise the allocation of \$175 million in state redevelopment funds. The chief operating officer's role in revitalizing Camden was also formalized by his role as chair of the Camden Redevelopment Agency, whose activities, combined with the powers of MRERA, might move the city toward a more sustainable future.

## **Overview of Camden's Redevelopment Experiences**

Camden experienced several types of redevelopment processes during the first MRERA period. Table 4 charts some key events in Camden's redevelopment. Some of these activities were similar to work done before receivership, while others were made more possible by the consolidation of political power into the Camden Redevelopment Agency or by ERB funding.

**The Camden Regional Equity Demonstration**

**Table 4  
Key Events in Camden's Redevelopment**

Key Event	2002	2003	2004	2005	2006	2007
Municipal Rehabilitation and Economic Recovery Act (MRERA) in effect, Chief Operating Officer Randy Primas appointed	*					
Many major redevelopment efforts announced, protest follows Broadway, Centerville, and Parkside	*					
Cramer Hill and Whitman Park		*				
Bergen Square, Lanning Square, Central Waterfront, Cooper Plaza, and Downtown			*			
Superior Court overturns Bergen, Lanning, Cramer Hill plans Primas announces "we have heard" protest			*			
Change in state gubernatorial administration		*				
Change in state gubernatorial administration			*			
COO Primas resigns, Judge Theodore Davis appointed			*			
John Kromer becomes interim head of Camden Redevelopment Agency			*			
MRERA is extended, without new state investments			*			

SOURCES: Guenther, 2006; State of New Jersey, 2002; MDRC interviews.

While the agency proposed extraordinarily ambitious plans in several areas of the city, the most ambitious of these neighborhood redevelopment efforts did not advance. Smaller-scale redevelopment processes, many of them facilitated by the agency but often led and managed by community development corporations, private developers, and major local institutions, were able to move forward more successfully, although not without some challenges. The cases below describe the dynamics of these different types of efforts, including neighborhood-wide redevelopment plans, community development activities, and actions undertaken by Camden's major institutions.

### **Comprehensive Neighborhood Redevelopment Plans**

Citing a need to jump-start radical change in Camden, address the city's structural fiscal deficit, and take advantage of the tight timeframe of MRERA, the Camden Redevelopment Agency proposed a series of redevelopment projects throughout the city. These plans were seen as a significant departure for the agency, as they involved large projects and aimed, in some cases, to transform entire neighborhoods at a time. Although the 1990s saw development activity along or near Camden's waterfront, including expansion of Rutgers, the University of Dentistry and Medicine of New Jersey, and Cooper University Hospital, and the construction of an aquarium and a minor-league baseball stadium, during MRERA the agency decided to target investments toward Camden's neighborhoods. A public official described the strategy shift in the following terms:

One of the things that the city has done is to make a significant departure from its previous position of limited fix-up, spot development, for the lack of a better term. Now we're trying to be comprehensive. We're looking at the needs of an entire neighborhood...As you stitch these together like a patchwork quilt, you get a very different picture of where the city is going.<sup>21</sup>

As Map 1 shows, these redevelopment plans varied in size. Some of the most significant plans and also those that occupied much of the agency's energies and media attention included those in Cramer Hill and in Bergen and Lanning Squares. While not every plan called for massive levels of private investment, some would radically transform neighborhoods and represented a departure from Camden's recent history of redevelopment practice.

The scale and ambition of these larger projects was intentional. Officials at the Camden Redevelopment Agency believed that smaller efforts would not lead to the type of change Camden needed — improving its tax base and attracting investment to create mixed-income neighborhoods, thereby leading to longer-term fiscal solvency. For example, at a public meeting

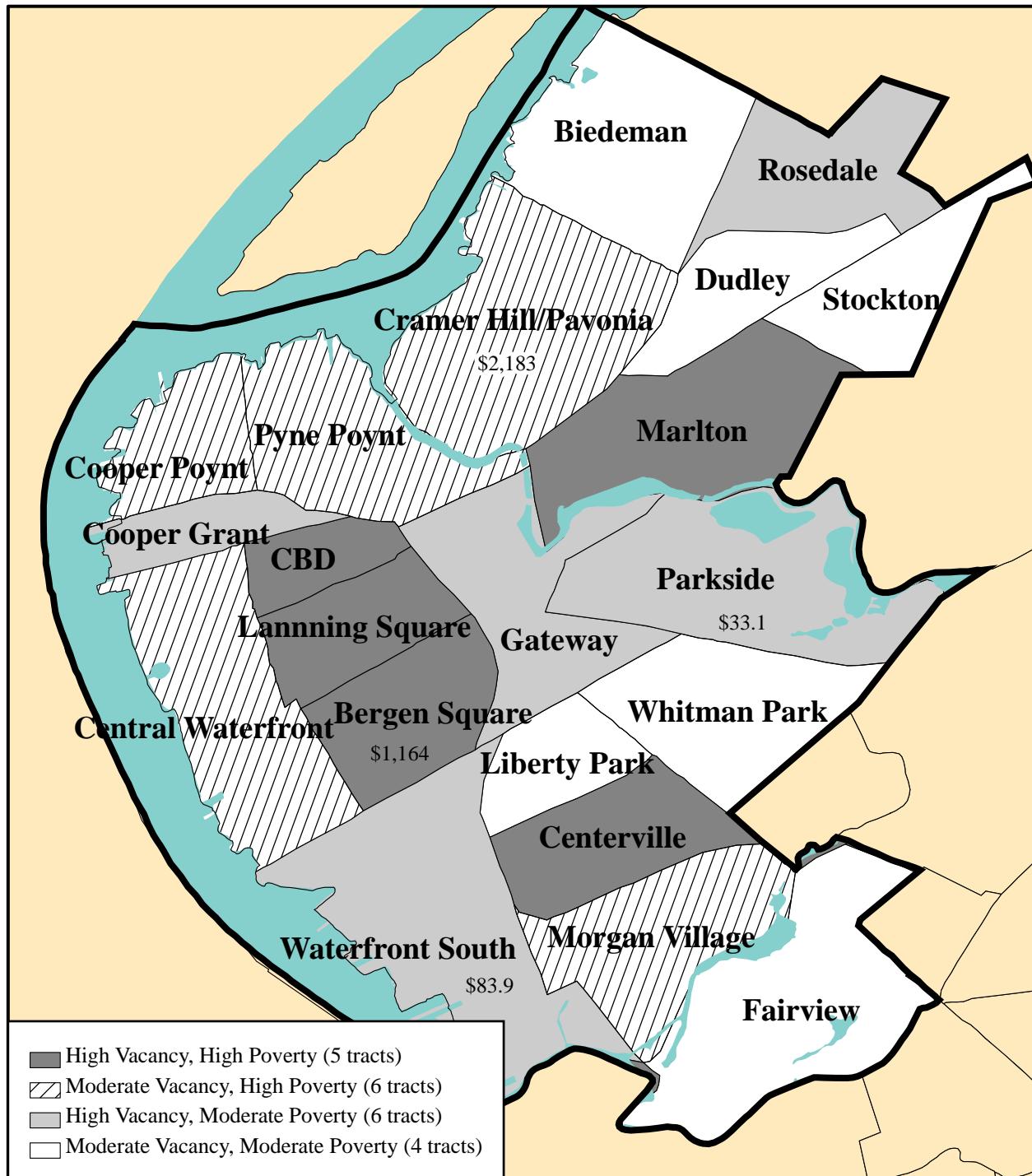
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<sup>21</sup>MDRC interview.

## The Camden Regional Equity Demonstration

**Map 1**

### Planned Redevelopment Investment (Millions) and Vacancy and Poverty Rates in 2000



SOURCE: MDRC analysis based on select Neighborhood Redevelopment Plans.

NOTES: High vacancy rates are defined as 20 percent or greater. High poverty rates are defined as 35 percent or greater.

in 2005 held to attract investors to Camden, Randy Primas, Camden's chief operating officer, described the agency's goal as capturing investments in its neighborhoods:

There are cycles that happen in the business world, and Camden has missed many of those business cycles. Think about cities that have revitalized, we've quite frankly missed that. We don't intend to miss the cycle now. We are poised for the development with a structure that we can work with developers to provide what government needs to provide for them — access to property, working with the community and ultimately coming up with the plan that is acceptable to private sector.<sup>22</sup>

This approach to redevelopment can be observed in two neighborhoods: Cramer Hill and Lanning Square.<sup>23</sup>

Cramer Hill is a neighborhood in northeast Camden, stretching along a bend in the Delaware. In many ways, it is less distressed than other parts of the city. It has higher than average homeownership rates and a lower residential vacancy rate than Camden as a whole. In 2003, the Camden Redevelopment Agency announced that a large master redeveloper had been conditionally identified for the neighborhood — a firm with a history of conducting brownfield remediation and development.<sup>24</sup> It also released the outlines of a plan that included a golf course, a marina, and thousands of units of housing. The announcement prompted concerns among residents who believed that such luxury development would result in their direct or indirect displacement. During MDRC's field research in Cramer Hill, interviewers spoke to residents who were proud of the advances their neighborhood had made in the past decade, felt in the dark about decisions made by the agency, and were skeptical about the direction embodied by its announcements. As one resident said, "They don't care about our feelings and opinions."<sup>25</sup>

In 2004, the redevelopment plan for Cramer Hill took shape. Two census tracts were designated as areas in need of redevelopment. The project included planned unit developments;<sup>26</sup> rehabilitation and replacement housing; a light industrial park for relocated businesses; and green space, including the 18-hole golf course. The agency's estimate was that these investments would represent \$1.2 billion. Over 5,000 units of market-rate and affordable housing would be built, involving the replacement of 1,200 units of housing and the displacement of 5,000 people. The agency did not advance a specific plan for replacement housing and did not guarantee that housing would become available for every relocated family.

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<sup>22</sup>MDRC field notes.

<sup>23</sup>The following discussion draws heavily from MDRC's baseline civic engagement report, Lake et al., 2007.

<sup>24</sup>Brownfield remediation takes environmentally hazardous properties and makes them fit for development.

<sup>25</sup>MDRC field notes.

<sup>26</sup>Planned unit developments (PDUs) are generally large, mixed-use developments that have special status within land use regulations.

Although the Camden Redevelopment Agency's staff believed that they had been open to stakeholder input and had communicated their intentions throughout the planning process, they significantly underestimated both the extent and the power of opposition to the redevelopment plan. While there was not unanimity in Cramer Hill about how to respond to the agency's efforts, local stakeholders interviewed all felt excluded from major planning decisions and were especially opposed to the extent of properties to be acquired. Several different parties organized protests, including the clergy-based organizing group that had advocated for Camden to be placed in receivership, a local community development corporation, and business and resident associations. One of the largest of these protests was reported to have brought together 800 residents in opposition to the plan. Finally, South Jersey Legal Services filed a lawsuit against the plan on behalf of residents who would have been displaced.

Lanning Square was another area in which there was considerable contention about redevelopment. Lanning Square is a neighborhood of nearly 4,000 residents south of City Hall and the central business district and located between Camden's waterfront and Cooper Hospital. Lanning Square is predominantly African-American, with increasing numbers of Latino families and a non-Latino white population of only around 2 percent. Its poverty rate in 2000 was 42 percent. Although it was a distressed neighborhood, with a substantial residential vacancy rate, it also had a homeownership rate of more than 50 percent and a five-year mobility rate significantly lower than that of Camden as a whole. From 2003 to 2004, the Camden Redevelopment Agency developed a plan that proposed acquiring over 200 occupied properties in Lanning out of a total of just over 700 properties in the neighborhood. The agency designated as conditional master redevelopers two large for-profit developers of middle-income and affordable housing and a local community development corporation.

Opposition to the plan and to the extent of property acquisitions was also significant. In 2004, as approximately 400 residents attended the planning board meeting where the needs designation and plan were to be approved, the agency pulled the plan from consideration. It subsequently engaged The Reinvestment Fund, or TRF, a well-regarded organization that provides financing for affordable housing and technical assistance to public agencies, to bring together residents, community organizations, and clergy to develop a plan for Lanning Square. That effort minimized the use of eminent domain to acquire occupied properties and focused on voluntary acquisition to reduce residential relocation to fewer than 50 households. The plan also proposed that homes be made available to current neighborhood residents. However, shortly before a public meeting scheduled for 2005 to vote on a needs study and redevelopment plan, the Camden Redevelopment Agency reverted to its original plan — the one that proposed acquisition of over 200 occupied properties. Litigation and protest followed the announcement.

Litigation was particularly significant in determining the fate of both of these redevelopment plans. In 2006, a Superior Court ruling invalidated the plans for Cramer Hill,

Lanning Square, and also Bergen Square, adjacent to Lanning. Although the suit raised several claims, the judge determined that witnesses at the redevelopment hearings had not been properly sworn. The Camden Redevelopment Agency saw this decision as a major blow to its efforts, especially in view of the political challenges it faced. Instead of appealing the decision, the agency decided to create new plans for these areas. In a 2006 article in the *Courier-Post*, Chief Operating Officer Primas acknowledged that the plan would need to “go back to the beginning” and that the agency would hold neighborhood meetings to ask residents what they wanted and would take as few homes as possible. Primas was quoted as saying: “We are not deaf. We have listened to our residents.”<sup>27</sup>

In both Cramer Hill and Lanning Square, these efforts took on a different character than during the first round. Many stakeholders continued to be mistrustful of the agency and criticized its decision-making process. However, there was greater receptiveness to the agency’s approach to planning, even if projects had still not yet advanced from the planning stage. For example, in Lanning Square, a St. Louis-based firm that engaged communities in creating social service plans started to work with the agency and local stakeholders. Community leaders especially valued this approach, as they felt that Lanning required not only physical redevelopment, but also efforts to improve the lives and prospects of current neighborhood residents. The Camden Redevelopment Agency also signaled to residents that a new plan would reduce greatly the list of properties to be acquired. As one worker described it:

Really, for me, it’s connecting the people to the planning, basically, and so there is a component of civic engagement; get people connected to what’s happening with the physical changes, and new people maybe coming in if a mixed-income community is going to be created....We can have a laundry list of wants and needs, desperate needs in Camden, for things to change....It might be jobs and workforce development, and somehow connect that to the development that’s happening in the community.<sup>28</sup>

The plan that was ultimately approved by the City Council in 2008 provided for the construction or rehabilitation of 480 homes and the acquisition of 350 properties, most of them vacant.

Finally, not every redevelopment process was stalled by litigation and protest. For example, Fairview, a neighborhood in the south of Camden, saw a redevelopment plan move forward during MRERA. Fairview was initially a “model town” built for shipyard workers during and after World War I, including colonial-style single and multifamily housing.<sup>29</sup> Separated from the rest of Camden by Newton Creek, Fairview had been historically more

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<sup>27</sup>Guenther, 2006.

<sup>28</sup>MDRC interview.

<sup>29</sup>Gillette, 2005.

affluent than the rest of the city; many municipal workers and some elected officials made their homes there even after the city's decline. In Fairview, a private, for-profit agency with experience working throughout New Jersey became the master redeveloper in 2001, just prior to MRERA, in a process initiated by both the state and the City of Camden. The three-phase plan involved renovation and new construction of 73 units, rehabilitation and disposition of foreclosed housing, and construction of new rental housing in the neighborhood's historic center.

In contrast with the Lanning and Cramer Hill plans, the scope of eminent domain was designed to be more limited in Fairview. Some uses of eminent domain were avoided by working with the U.S. Department of Housing and Urban Development (HUD) to designate parts of the neighborhood an Asset Control Area (ACA).<sup>30</sup> Also in this neighborhood, the effort had the broad support of a clergy association and a historical society and targeted a building for redevelopment that many in the community wanted to see in different use. As one participant reported:

There's always been, I think, a dialogue between the groups, and the Fairview Historic Society, and so forth. So if something happens, I think that there are a lot of people here who are working in an organization, including the developer, that care about Fairview and are thinking sort of in a united way about the neighborhood.<sup>31</sup>

In Fairview, the designated master redeveloper also had the support of funding from the state, which helped initiate the plan and supported directly some of its affordable housing projects. Even when many Camden-controlled resources for development were directed toward Cramer Hill and other high-impact development areas, financing for these projects continued. By the end of the first term of MRERA, several multifamily rental and homeownership units had been completed, a legal challenge to the use of eminent domain had failed, and the developer had been able to manage both rehabilitation and disposition of foreclosed single-family properties.

### **Community Development Efforts**

The Camden Redevelopment Agency's vision for transformative redevelopment was not the only one in play in Camden during MRERA. Many community development corporations and their allies within Camden's advocacy community hoped that targeted efforts to rehabilitate distressed housing, provide support to struggling homeowners, and build new

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<sup>30</sup>An ACA allows groups to develop strategies to renovate and sell homes that previously had HUD-backed mortgages, which had fallen into foreclosure.

<sup>31</sup>MDRC interview.

housing on vacant lots could help revitalize Camden. As one proponent of community development activities said:

We feel you can revitalize these neighborhoods through rehabbing vacant homes or demolishing them if they're beyond repair, helping owner-occupants to rehab their homes. And there's a tremendous amount of vacant land in Camden you could build on...you don't have to relocate thousands of families to do these massive upper — higher income housing projects, which I still personally don't believe there's any real demand for....I think they have to do it incrementally over time.<sup>32</sup>

Camden has several strong community development corporations that have used innovative mechanisms for development. For example, leaders at Grace Lutheran Church and other religious organizations formed Concerned Citizens of North Camden (CCNC) in 1978 to board up abandoned properties and lobby for the titles to vacant homes. CCNC, in turn, formed the North Camden Land Trust in 1984 to ensure that low-income properties could be retained for low-income buyers. Father Michael Doyle of Sacred Heart Roman Catholic parish in Waterfront South became an outspoken activist for Camden's redevelopment and, with assistance from Sister Margaret Hynes, formed the Heart of Camden Community Development Corporation (HoC) in 1984. Across town in East Camden at St. Joseph's Pro-Cathedral, Monsignor Robert McDermott established the St. Joseph's Carpenter Society in 1985, which soon became one of the most well-respected community development corporations in Camden.

In contrast with the most controversial redevelopment plans of the Camden Redevelopment Agency, community development corporations focused on a series of more modest, incremental, rehabilitation projects. Working block by block over the course of decades, they identified priority rehabilitation projects in close communication with residents. Since its establishment in the mid-1980s, St. Joseph's Carpenter Society has built or rehabilitated more than 800 homes, and HoC more than 200.<sup>33</sup> These types of activities continued during MRERA, and some were supported by ERB funding, supplemented by additional monies. For example, Parkside Business and Communities in Partnership received close to \$1.5 million in ERB funds and added \$2.7 million, some from the state Home Mortgage Finance Agency, for a three-phase Park Boulevard Project, resulting in the acquisition, "gut" rehabilitation, and sale of 33 vacant homes for a range of low-, moderate-, and middle-income people.

Another example of community development activities during MRERA is the Cramer Hill Community Development Corporation's Nueva Vida homes, which received over \$800,000 in ERB funds and added an additional \$1.2 million to build replacement

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<sup>32</sup>MDRC interview.

<sup>33</sup>[http://www.sjescamden.org/About\\_SJCS.htm](http://www.sjescamden.org/About_SJCS.htm)

homeownership units for residents who might be displaced by the Camden Redevelopment Agency's Cramer Hill plan. All 14 units were completed and sold by the first quarter of 2009. Similarly, HoC received \$1.2 million in ERB funds and added \$1.4 million in additional funds to implement a comprehensive Environmental Mitigation and Landscape Master Plan, which entailed the installation of buffers between neighborhood industries and residences, streetscape improvements along key routes, and landscaping of open space within the neighborhood. In addition, HoC received \$789,000 in ERB funds and added \$2.9 million in additional funds to rehabilitate and sell 14 market-rate and two affordable homeownership units. Neighborhood Housing Services of Camden, in partnership with Shalom Development Corporation, received \$100,000 in ERB resources and added \$162,000 in additional resources to construct a 25,000 square-foot preschool and community learning center.

Although community development activities progressed during MRERA, some other redevelopment efforts spearheaded by community partners operated on a larger scale. One of these involved a HOPE VI project known as Baldwin's Run, which was initiated before the passage of MRERA but progressed and was completed during receivership.<sup>34</sup> The project began on the site of Westfield Acres, a 512-unit East Camden public housing development. By the late 1990s, Westfield Acres was described as distressed, with high levels of poverty and public safety problems. According to developers, residents felt isolated from the surrounding community by the wide-open courtyards and threatened in the private walkways.

Baldwin's Run was executed through a strong public-private partnership. The Housing Authority of the City of Camden received a HOPE VI grant to demolish Westfield Acres in 1998. Between 2003 and 2006, St. Joseph's Carpenter Society, working with Pennrose, a national affordable housing developer, designed and built a mixed-income, multigenerational community with 297 rental apartments, 219 condominiums, and a 74-unit affordable senior complex.<sup>35</sup> Its amenities include a new community center, an improved neighborhood park, and provisions for a Boys & Girls Club and a new school. The Housing Authority provides employment services and youth programs to some 300 former residents of Westfield Acres, including the services of a job developer, a registered nurse, and transportation of last resort.<sup>36</sup>

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<sup>34</sup>HOPE VI is a federal housing program that replaces physically deteriorating, architecturally isolated, site-based public housing of the 1930s with new construction housing designed to foster a sense of ownership, social control, and integration into the surrounding neighborhood. Applicants for the new housing units must pass drug, credit, and employability screening, and the housing authority typically provides employment and social services to the new residents.

<sup>35</sup>Pennrose, 2009.

<sup>36</sup>Housing Authority of the City of Camden, 2005.

HOPE VI projects often displace more families during the demolition phase than are admitted back to the new development,<sup>37</sup> and in Camden, Housing Authority administrators estimated that only about 75 of 350 displaced families would return to Baldwin's Run.<sup>38</sup> Nonetheless, efforts to provide social services for those who were displaced, attract residents of adjacent neighborhoods into the new development, provide additional funding to support community development in surrounding neighborhoods, and integrate the project into the neighborhood architecturally and in street design helped promote acceptance of the project. The development has attracted considerable attention and has received awards from HUD and from the National Association of Housing and Redevelopment Officials.<sup>39</sup> The Executive Director of St. Joseph's Carpenter Society was appointed director of the New Jersey Home Mortgage and Finance Agency.<sup>40</sup>

### **Efforts by Other Institutional Actors**

As described above, for its size, Camden is exceptionally rich in educational and medical institutions, with three major colleges and three major hospitals. One recent redevelopment report estimates that these institutions “employ 6,727 workers within the City of Camden, 843 of whom live in the City,” and that their “combined capital investment totaled over \$22 million in 2001-2002.”<sup>41</sup> These institutions have powerful political connections, and the final MRERA legislation set aside \$41 million in state Economic Development Authority dollars for new buildings for Camden’s six large educational and medical institutions, which they would match with their own contributions of \$45.3 million.<sup>42</sup>

Projects by large institutions were among the first to secure funding and reported more than \$300 million in completed investments.<sup>43</sup> Some involved institutional expansion or renovation. For example, in April 2004, Our Lady of Lourdes Medical Center in Camden’s Parkside neighborhood secured \$4.5 million in ERB financing and added \$49.5 million in other funds to replace its 14,579-square-foot School of Nursing and expand its Emergency Department, a project that the ERB estimated created 34 new full-time jobs and 1,590 construction jobs. Later that month, Rutgers secured \$11 million in ERB funds and added \$26 million more to expand its School of Law, part of a Master Plan to increase the number of people living in the University District of Cooper Grant. Also in April 2004, CAMCare Health Corporation re-

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<sup>37</sup>Popkin et al., 2004

<sup>38</sup>Cappuzzo, 2002.

<sup>39</sup>See [http://www.nahro.org/awards/2006\\_Winners.pdf](http://www.nahro.org/awards/2006_Winners.pdf)

<sup>40</sup>Gillette, 2005.

<sup>41</sup>Hammer Siler George Associates, 2003.

<sup>42</sup>Gillette, 2005.

<sup>43</sup>This paragraph relies on the ERB Assisted Projects report for February 2009.

ceived \$1 million in ERB funds and added \$10 million in additional funding to construct a 38,000-square-foot site in the Gateway neighborhood to offer dental, specialty, and referral services. The ERB estimates that the CAMCare project will create 34 new full-time professional medical positions.

In addition to institutional expansion, other economic and commercial development activities have taken place under the auspices of ERB-funded, research-associated institutions. For example, the Waterfront Technology Center used \$1 million in ERB funding and added \$16.5 million in additional funding to build a 100,000-square foot, five-story building to provide 80,000 square feet of office space and 20,000 square feet of laboratory space to bring “flexible, high technology” industries to Camden’s “Center City, High-Tech” district. Since its completion, the Waterfront Technology Center has secured leases from Drexel University’s Applied Communications and Information Networking Program, Rutgers-Camden Technology Campus, Cooper Health System’s Pathology Laboratory, and three private businesses. As described above, Cooper was also involved in planning efforts that led to the passage of the revised Lanning Square plan. Given the transition in leadership within city government, some valued the capacity and the continuity embodied in these major institutions; one interviewee praised educational and medical institutions as having “people who can ride out changes. And because [they] are longstanding anchor institutions...they had both resources, capacity, and big ‘P’ and little ‘p’ — political will — to...say, this is an important project, that we think it will stay course.”<sup>44</sup> <sup>45</sup>

In summary, by 2008, Camden’s major neighborhood redevelopment plans had not yet come to fruition. However, smaller-scale community development and redevelopment efforts did proceed, as did other ERB-supported projects related to housing, social services, infrastructure, and the expansion of medical and educational institutions. For example, as shown on Map 2, ERB-supported projects were completed in many neighborhoods.<sup>46</sup> Most of these ERB-related investments were downtown, closer to the waterfront, and were associated with the expansion or renovation of hospitals and universities, such as those in the Cooper Grant neighborhood, which encompasses both Cooper Hospital and Rutgers-Camden. In general, however, compared with Map 1, with billions in public and private investments projected for different neighborhoods, these efforts, while significant, were considerably smaller in scope.

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<sup>44</sup>MDRC interview.

<sup>45</sup>For a broader discussion of the role of educational and medical institutions in urban development, see Adams, 2003.

<sup>46</sup>These figures include only projects supported by ERB funds, and so are not inclusive of all projects.



## **The Importance of Capacity, Participation, and Relationships**

As described above, contention about redevelopment during MRERA derailed some of Camden's most ambitious efforts. However, conflict did not stop every redevelopment effort, and others sparked less protest and proceeded more smoothly. Even in the case of some of the most controversial neighborhood redevelopment plans, later attempts by the Camden Redevelopment Agency to engage stakeholders eased some tensions, even though fundamental disagreements remained and major plans have yet to be enacted. As noted above, the research does not attempt to provide a definitive analysis of Camden's redevelopment efforts, or their applicability to other settings. However, in comparing Camden's varied experiences during MRERA, some common elements of the redevelopment attempts that achieved some measure of success can be identified.

In Camden, more successful redevelopment efforts appeared to be associated with three dynamics. These efforts: (1) were able to build on groups' capacities and their past work in neighborhoods, especially in managing the legal and technical requirements of redevelopment; (2) were marked by more effective participatory dynamics and limited use of eminent domain; and (3) developed good relationships with the State of New Jersey and with private-sector partners. Although these factors have been drawn from a single case study, they resonate within the arguments in the urban policy literature about redevelopment dynamics and may provide insights about strategies for more effective practice in similar settings. For example, findings about the importance of capacity among redevelopment actors are echoed in much of the practitioner-oriented literature,<sup>47</sup> as well as in accounts of the key role of policy entrepreneurs in redevelopment.<sup>48</sup> The theme of community participation in Camden resonates with discussions in the planning literature of meaningful and effective mechanisms for participation in process,<sup>49</sup> advocacy for underrepresented groups,<sup>50</sup> and modes of communicative action in complex, pluralistic settings.<sup>51</sup> Finally, the theme of managing relationships in Camden resonates with those who emphasize networks in economic development and, especially, the importance of more equal partnerships.<sup>52</sup>

### **Building on Existing Technical Capacities and Processes**

The scope of the Camden Redevelopment Agency's early work during MRERA, in which it conducted comprehensive neighborhood planning efforts across the city, many of them

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<sup>47</sup>See Glickman and Servon, 2003.

<sup>48</sup>Doig and Hargrove, 1990.

<sup>49</sup>Forester, 1999.

<sup>50</sup>Davidoff, 1996.

<sup>51</sup>Healey, 1997.

<sup>52</sup>Keyes, 2001.

involving billions of dollars in public and private investments and requiring the acquisition of hundreds of homes, marked a significant departure in practice for the agency. Tasks related to these efforts strained its capacities, as they might for any small- to mid-sized city agency. For example, although managing multiple plans became a critical part of the chief operating officer's vision for revitalizing Camden, many observers described staffing for these plans as modest. As one interviewee reflected, echoing the views of others, "If you look at how many planners, there are only two. So if planning is important, and redevelopment planning is super important, shouldn't you have more planners?"<sup>53</sup>" Even the hiring of a part-time outreach specialist in 2005, with support from the Ford Foundation, permitted the agency to field a community liaison.<sup>54</sup>

From the perspective of residents, the agency's ability to take their homes was an extraordinary power, and one that made them uneasy and sparked opposition. However, the agency's opponents found many successful ways to contest it. Legal challenges to redevelopment plans were successful because the agency made technical mistakes. In the area of media relations, it was often unable to control public messages regarding its plans and had a public affairs officer only intermittently. During one evocative incident in 2006, a citizens' group in Cramer Hill took the microphone away from Camden's chief operating officer during a press conference. Although the agency's intention was to announce a new and more open way of working in that neighborhood, local opponents seized the opportunity to accuse it of acting in bad faith.

In contrast, redevelopment advanced more successfully during MRERA when it built on organizations' existing capacities — when the scope and scale of redevelopment were within the experience of those carrying it out and when their technical abilities were commensurate with the requisite tasks.<sup>55</sup> For example, community development activity in North and East Camden, which relied on well-established revenue streams and experienced groups, was able to move forward. Although the award-winning HOPE VI redevelopment project, Baldwin's Run, was a new project for St. Joseph's Carpenter Society, as a community development corporation it had experience with state-administered Low-Income Housing Tax Credits, Community Development Block Grant funds, and other funding streams that were deployed during the project. It also had as a partner a nationally recognized, for-profit development company with experience in mixed-income housing. Before Baldwin's Run, the society had 17 years of

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<sup>53</sup>MDRC interview.

<sup>54</sup>The very context for MDRC's field research with the Camden Redevelopment Agency suggests some of these resource constraints; interviewers visiting the agency were told of recent ceiling collapses, break-ins, a lack of administrative and secretarial support, and other challenges suggestive of working for a public agency in a distressed city.

<sup>55</sup>This more practice-oriented definition of capacity is to be contrasted with later discussion of civic capacity, or the ability to come together to solve problems.

credible experience working in East Camden; its executive director was a former Wall Street executive who was awarded a President's Service Award on behalf of the organization at the White House in 2000.<sup>56</sup> Similarly, another private developer with substantial experience throughout New Jersey managed and conducted the redevelopment in Fairview, and the major institutions that carried out expansion projects built on their experiences in the 1990s.

It also appeared that redevelopment processes that relied upon or could create a connection with previous planning efforts were also held in higher regard. For example, many local groups had positive views of a Master Plan finalized in 2002, and wished that redevelopment efforts could be linked more explicitly to it. After the Camden Redevelopment Agency's plan for Lanning Square was thrown out in court, the agency's strategy was to connect redevelopment planning with the former, TRF plan, in a way that local stakeholders viewed more positively. As one observer noted:

[I]n Lanning Square the waters got very muddy because there were two sort of planning processes — one involving [consultants] and the other involving the city, and for reasons that I don't fully understand the appropriate people weren't talking with each other. But that ended in a sort of a review page-by-page of each plan and an integration.<sup>57</sup>

Neighborhood groups saw the agency in a more positive light, as was the case under the interim leadership of John Kromer, a former director of the Philadelphia Department of Housing, when it took a more incrementalist approach to redevelopment, attempting to support efforts by community development corporations and other local groups,<sup>58</sup> as well as trying to coordinate development that was occurring downtown and around the hospital. In an interview, Kromer called this the "build-from-strength principle." Echoing other stakeholders' views about the agency's leadership under Kromer, one person described this new approach in positive terms:

I want to say [there is] maybe less of a focus on big, huge ideas and more on just get something done, and that leading to there being more specifics and focus on this action, and then this action is next, and this action is next, and that's where we're going. In my opinion, that's what I have noticed.<sup>59</sup>

Especially with regard to complicated processes involving eminent domain or property acquisition, groups with successful histories of development were often at an advantage. In contrast, meeting the legal requirements of redevelopment statute was an area in which the city did not proceed successfully. As one activist reported:

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<sup>56</sup>Gillette, 2005.

<sup>57</sup>MDRC interview.

<sup>58</sup>MDRC interview.

<sup>59</sup>MDRC interview.

One of the things that helps us, City Hall is so inept. In every case, they give us different technical things....they always do something — conflict voting on something, don't make public records available...every one of the cases has some procedural twist.<sup>60</sup>

In contrast, those organizations with more experience managing the redevelopment process were able to proceed more smoothly. For example, in Fairview, an owner contested the acquisition of his property to create affordable housing. However, unlike cases in Cramer Hill or Lanning, because redevelopment in Fairview had proceeded according to statute, the court did not view the challenge favorably. Speaking about the organization's track record, one observer noted:

[Staff person] has been doing this stuff for 20 years...he's probably I think maybe hands down in terms of doing urban redevelopment the most capable person in the state, and he has an architect who's been alongside him for most of that time who understands how to do the work. He has legal expertise he can tap. He's also got support at the state and a very good relationship with the state, and the state can bring resources when they're required. So I really attribute it to that experience and ability.<sup>61</sup>

In the same way, Camden's universities and medical facilities drew on their experience to carry out their institutional expansion.

### **Effective Participation Processes and Limited Use of Eminent Domain**

In major redevelopment efforts, such as in Cramer Hill and Lanning, both community residents and other stakeholders believed that they were excluded from major decisions. While the Camden Redevelopment Agency believed that it had effectively communicated its intentions during four public meetings, its idea of participation involved primarily communicating its vision and providing a forum to hear neighborhood concerns without promising to act upon them. This view of participation did not meet the expectations of many in the community, who wanted to be able to influence decisions about redevelopment. As one person said, "I don't think that they really truly know how to do civic engagement. I think that their idea of civic engagement is we'll come out to your meeting and listen to you and there's your civic engagement. That's not our idea of it."<sup>62</sup>

This view — that stakeholders had not been adequately brought into the agency's decision-making process — was shared not only by local community groups and residents in each

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<sup>60</sup>MDRC field notes.

<sup>61</sup>MDRC interview.

<sup>62</sup>MDRC interview.

of these neighborhoods — but also by outside observers. Not treating resident organizations, community groups, and others as decision-making stakeholders (as opposed to just informing them about decisions) was seen as a strategic mistake. As one outside observer reflected:

Now government has surfaced as a player but rather than being a partner they've become a partner that tells everyone how and when and how to do it. But they should remember that these communities can mobilize. When they choose, they can't be the quarter back of a venture. They've got to be a partner. They are too much a quarterback when and how things get done rather than partner and make decisions.<sup>63</sup>

In Cramer Hill and in Lanning during the first attempts at passing redevelopment plans, the perception that the agency had excluded stakeholders was a galvanizing force, as people involved in both cases contrasted the agency's approach with previous planning efforts that they believed were more inclusive — in Cramer Hill, the Cramer Hill Tomorrow Plan, and in Lanning Square, the plan proposed by TRF. Especially as MRERA had placed Camden in receivership and thereby limited the power of the electorate to affect its decisions, the specter of an unelected official making sweeping neighborhood changes proved to be powerful for mobilizing resistance.

In both Cramer Hill and Lanning, the city changed its relationship with community organizations after lawsuits invalidated the initial plans. Those interviewed cited an appreciation for the more transparent approach to outside groups, even though many were often distressed by a perceived lack of clarity about processes, felt frustrated about the timetables for creating a new plan, or continued to be suspicious of the agency.<sup>64</sup> In Cramer Hill, an effort by the Cramer Hill Community Development Corporation to link redevelopment with the creation of a Community Benefits Agreement provided a way for some to mobilize for a consensus plan involving large-scale investment but also funding for community-identified projects. Both efforts resulted in more substantial community support for redevelopment planning in these neighborhoods, although lawsuits were filed in Lanning after the plan was passed, and Cramer Hill has yet to see a new plan put forward.

Very closely related to the issue of participation were tensions regarding the use of eminent domain. People who were interviewed often mentioned claims about lack of transparency regarding planning decisions, along with concerns about the extent of properties to be acquired through eminent domain. The Camden Redevelopment Agency's staff acknowledged that this was a critical dynamic in the growth of opposition to its plans, although they also believed that it was “dishonest” not to divulge the potential acquisition needs up front or not to

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<sup>63</sup>MDRC interview

<sup>64</sup>MDRC interview.

use a tool they felt was needed to move projects forward. In both Cramer Hill and Lanning Square, the agency shared with the public many overall goals for redevelopment — but not the extent of properties to be acquired. As a public official acknowledged:

If there was a plan that wasn't going to displace or relocate anybody, I don't think anyone would care. What they don't understand is, "why do I have to move...?" If no one was moving, no one would care that they weren't involved in the redevelopment planning process or that the process didn't last long enough for them to chew on it. They wouldn't care. But the fact that it calls for relocation...then it's "whoa, hold the phone."<sup>65</sup>

Because acquiring properties through eminent domain required overcoming legal and political obstacles, it is not surprising that redevelopment projects that were able to rely on alternative means of acquisition — through an Asset Control Area, in the case of Fairview, or by redeveloping a former public housing development, in the case of Baldwin's Run — had an easier path to achieving their goals.

### **Effective Partnerships with the State and with the Private Sector**

In addition to the political, participatory, and technical capacities that helped advance redevelopment during MRERA, public and private organizations that were able to capitalize on good relationships with the State of New Jersey and with the private sector were better able to move forward. Receivership itself was a state intervention. While the chief operating officer had a great deal of independence, MRERA was initially conceived as a five-year, time-limited intervention that would set Camden on a path toward physical sustainability, and the chief operating officer had to report to the commissioner of the New Jersey Department of Community Affairs. The state had a strong institutional presence in the location of Rutgers and the University of Medicine and Dentistry of New Jersey. Furthermore, the state was also involved in many decisions relating to the disposition of property for development, such as collection of tax liens on distressed or sometimes abandoned properties, and controlled a substantial portion of the waterfront, having bought land from the city to create a state prison. Finally, the state provided \$175 million in ERB funds.

Because large-scale investment was needed in Camden, and the resources the state appeared willing to provide through MRERA were limited, private investment became even more important. A public official reflected upon the need to clean up a landfill in Cramer Hill using private funds:

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<sup>65</sup>MDRC interview

[T]he landfill won't be cleaned. You can't underestimate what a deterrent to any kind of development having that landfill is because, imagine that [investor] goes away, and it's the neighborhood people trying to do what they've been trying to do all these years? It's going to cost more than \$50 million to clean up that landfill. That's not something that the state is going to give us in a lump sum. It would take *years* to do it. It can't happen without a private investor.<sup>66</sup>

For all these reasons, both the state and private investment interests were very important to the Camden Redevelopment Agency and Camden's chief operating officer. However, the form of the city's partnerships with the state and investment interests may not have been the most productive in early years of MRERA, as many observers felt that the agency's relationship was too beholden to these interests. For example, some observers speculated that the timing and the substance of the announcement of the ambitious Cramer Hill plan was related to a desire to generate positive publicity for then-Governor McGreevy, who might otherwise have been subject to criticism that the state was endlessly supporting Camden. However, this announcement, made without consulting neighborhood stakeholders, was one of the events that set off opposition to the Cramer Hill plan.

This relationship of dependency on outside groups was also embodied in the agency's admission to the *Courier-Post* that much of its planning processes had been paid for by the designated master redeveloper in Cramer Hill; this further inflamed local sentiment against the project. As Paul Peterson writes regarding the relationship between local government and business groups, it is sometimes in the interests of potential investors to have strong and independent government that is aligned with their interests — and not be so reactive that they become politically vulnerable to charges that they have conspired with economic interests against the public good.<sup>67</sup>

In contrast, the efforts of organizations that were better able to create equitable partnerships with the state and the private sector moved forward more successfully. Redevelopment in Fairview was in part initiated by the state and supported by it throughout. Another example of state and private sector partnerships occurred in Baldwin's Run. In addition to helping the Camden Redevelopment Agency write the successful second HOPE VI application in 2000, St. Joseph's Carpenter Society secured funding from Campbell's Soup, TRF, and several successive state grants. With regard to the state's involvement, the society's director was quoted as saying, "The State realized that they were better off making a substantial investment

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<sup>66</sup>MDRC interview.

<sup>67</sup>Peterson, 1981.

and being a partner with the federal government than putting a more modest investment in and going it alone.”<sup>68</sup>

## The Double Bind of Redevelopment

Many small cities in largely suburban states face severe challenges: concentrated poverty, racial and economic segregation, a limited tax base, and diminished public capacity.<sup>69</sup> In these places, redevelopment interests may attempt to “turn around” the city through clearance, mixed-income housing construction, commercial development, or the location of new amenities, such as sports stadiums. For example, the controversial Kelo decision originated in New London, Connecticut, another relatively low-income city in a wealthy state. However, these efforts to transform distressed cities may encounter resistance. During the early years of receivership, the Camden Redevelopment Agency attempted to transform Camden by establishing mixed-income communities that it hoped would lead to better outcomes for residents and a more sustainable future for city finances. However, its ability to carry out these plans was severely hampered by historic mistrust of its urban renewal plans and its lack of direct experience in managing such ambitious efforts.

Camden’s receivership embodied the hope that that a radical intervention would allow the city to make a break with its capacity-challenged past and that an alternative structure for governance in the office of the chief operating officer would lead the city to achieve revitalization and fiscal solvency. Although there have been many efforts in Camden that may contribute to this revitalization over time, a theme of Camden’s redevelopment during this period has been that historic patterns of enmity and inaction may become magnified under receivership. In some cases, Camden’s redevelopment efforts, in fact, came up against the same local dynamics that receivership had attempted to bypass — mistrust and capacity challenges.

Many cities such as Camden may experience a type of “double bind” as they attempt to improve their economic fortunes. In psychology, the term “double bind” refers to a situation where contradictory demands make it difficult or impossible to act.<sup>70</sup> For those who are trying to effect radical change in distressed cities like Camden, the demand is to make a dramatic break with history, when history has not provided the experiences that lay the foundation for such change. Instead, Camden’s capacity-challenged history prepared residents and other stakeholders to be suspicious of bold and transformative claims, especially in neighborhood redevelopment. Camden’s history also led the Camden Redevelopment Agency, at least initially, to view efforts to consult with neighborhood groups as fruitless, given what it saw to be inevitable

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<sup>68</sup>Cappuzzo, 2002.

<sup>69</sup>Seith and Rucks, 2009.

<sup>70</sup>Bateson, Jackson, Haley, and Weakland, 1956.

opposition — hence its desire to be “honest” about property acquisitions up front. In such a situation, stalemate is more likely to occur.

Overall, this dynamic may contribute to an often observed pattern of urban growth — that resources tend to flow toward more developed areas and over time contribute to concentrations of wealth and disparities with underdeveloped areas.<sup>71</sup> It also relates to the critical issue of what Stone (2001) defines as “civic capacity,” or a place’s ability to align diverse interests to create major changes. Camden is not without civic capacity, despite the shortfalls of some redevelopment efforts. Even though there were challenges, MRERA saw the successful implementation of many redevelopment projects. As described above, redevelopment efforts that successfully built on capacities, involved effective modes of participation, and had strong partnerships with the state and the private sector were also more likely to advance. However, revitalization efforts that attempted to bypass the formation of these partnerships were less likely to come to fruition.

In Camden, not all interventions that aimed at revitalizing the city were met with this “double bind.” Some efforts that worked to build civic capacity in its broadest sense — aligning the interest of important stakeholders — were seen as successful processes, although their results have yet to be realized. For example, in Lanning Square, TRF and, later, Urban Strategies attempted to bring together residents, the local hospital, and businesses to effect redevelop-ment. Similarly, John Kromer’s term at the Camden Redevelopment Agency was characterized by efforts to create partnerships between city, private, and nonprofit interests. Both of these redevelopment approaches attempted to build consensus among local groups. In other words, those redevelopment efforts that also attempt to build civic capacity — that both promise resources and encourage the creation of partnerships — may be better positioned to revitalize distressed cities. As one interviewee said of the city’s efforts downtown, “It has been the case in almost everything — [Adventure] Aquarium, Tweeter Center, Battleship [New Jersey Museum and Memorial] — the city came together to do amazing things. It’s not impossible to do these things.”<sup>72</sup>

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<sup>71</sup>Myrdal, 1957.

<sup>72</sup>MDRC interview.



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## About MDRC

MDRC is a nonprofit, nonpartisan social policy research organization dedicated to learning what works to improve the well-being of low-income people. Through its research and the active communication of its findings, MDRC seeks to enhance the effectiveness of social and education policies and programs.

Founded in 1974 and located in New York City and Oakland, California, MDRC is best known for mounting rigorous, large-scale, real-world tests of new and existing policies and programs. Its projects are a mix of demonstrations (field tests of promising new program approaches) and evaluations of ongoing government and community initiatives. MDRC's staff bring an unusual combination of research and organizational experience to their work, providing expertise on the latest in qualitative and quantitative methods and on program design, development, implementation, and management. MDRC seeks to learn not just whether a program is effective but also how and why the program's effects occur. In addition, it tries to place each project's findings in the broader context of related research — in order to build knowledge about what works across the social and education policy fields. MDRC's findings, lessons, and best practices are proactively shared with a broad audience in the policy and practitioner community as well as with the general public and the media.

Over the years, MDRC has brought its unique approach to an ever-growing range of policy areas and target populations. Once known primarily for evaluations of state welfare-to-work programs, today MDRC is also studying public school reforms, employment programs for ex-offenders and people with disabilities, and programs to help low-income students succeed in college. MDRC's projects are organized into five areas:

- Promoting Family Well-Being and Child Development
- Improving Public Education
- Promoting Successful Transitions to Adulthood
- Supporting Low-Wage Workers and Communities
- Overcoming Barriers to Employment

Working in almost every state, all of the nation's largest cities, and Canada and the United Kingdom, MDRC conducts its projects in partnership with national, state, and local governments, public school systems, community organizations, and numerous private philanthropies.