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**BUILDING BOUNDARIES: THE POLITICS OF URBAN RENEWAL IN
MANHATTAN'S LOWER EAST SIDE**

City University of New York

PH.D. 1984

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**BUILDING BOUNDARIES: THE POLITICS OF URBAN RENEWAL IN
MANHATTAN'S LOWER EAST SIDE**

by

Joan A. Turner

A dissertation submitted to the Graduate
Faculty in Anthropology in partial
fulfillment of the requirements for the
degree of Doctor of Philosophy, the City
University of New York.

1984

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This manuscript has been read and accepted for the Graduate Faculty in Anthropology in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy.

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ABSTRACT

BUILDING BOUNDARIES: THE POLITICS OF URBAN RENEWAL IN MANHATTAN'S LOWER EAST SIDE

by

Joan A. Turner

Adviser: Delmos J. Jones

This thesis is a study of an urban renewal conflict in Manhattan's Lower East Side. Plans to develop the Seward Park Extension Urban Renewal Area in the late 1960s triggered a competitive struggle among three local groups: Chinese, Hispanics (primarily Puerto Ricans), and Orthodox Jews. This study deals with the relations between local ethnic and racial groups and the overarching institutions and agencies of the state. The unfolding or development of this urban renewal conflict occurred at the intersection of two sets of forces: those that emanated from national and city-wide sources, and those that arose from local conditions and responses. In recent years, federal policies and funding have had a catalytic impact on urban politics. With the post-World War II expansion of state activity, powerful new forces emerged that directly affected the relations among New York City's diverse class, ethnic, and

racial groups. I attempt to show, through the use of the extended case study method, how the state regulates interethnic conflict in order to maintain social order, while at the same time continuing to serve the interests of capital. The central thesis of this study is that racial and ethnic conflict is shaped by class and power forces operating at both national and local levels.

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CONTENTS

ABSTRACT	iv
ACKNOWLEDGEMENTS	vi

<u>Chapter</u>	<u>page</u>
----------------	-------------

I. INTRODUCTION	1
The Problem	2
Urban Renewal As A Political Phenomenon	6
State/Local Relations	13
Methods of Study	21
The Extended Case Study Method	23
Data Collection Techniques	27
Plan of the Thesis	31
II. THE POLITICAL ECONOMY OF CLASS, ETHNICITY, AND RACE: CONCEPTUAL AND THEORETICAL APPROACHES	34
The Concept of Class	36
Class Formation and Maintenance	40
Housing and Residential Patterns	46
Ethnicity	49
Race	58
III. THE LOWER EAST SIDE	71
Background: Setting and History	71
Recent Population Trends	76
Housing on the Lower East Side	93
Housing Abandonment	106
Housing Policy and Class Processes	111
Neighborhoods on the Lower East Side	117
Neighborhood Organizations	139
The Lower East Side Joint Planning Council	145
United Jewish Council of the East Side,	
Inc.	150
Chinatown Planning Council	153
Conclusion	155

IV.	URBAN RENEWAL: AN OVERVIEW	159
	Urban Renewal: Policy and Planning	160
	The New Deal: Early Antecedents	161
	The Housing Act of 1949	165
	The Housing Act of 1954: Urban Renewal	170
	Urban Renewal in New York City	175
	Government Agencies in the Urban Renewal Process	177
	Political Considerations	183
	Robert Moses and the New Ycrk Method	186
	The United Housing Foundation	188
	New York City's 1975 Fiscal Crisis	190
	Conclusion	193
V.	URBAN BATTLEFIELDS: THE SEWARD PARK EXTENSION PROJECT	197
	Planned Displacement: The Seward Park Extension Project	202
	The Legal Challenge	218
	Summary	245
VI.	WINNERS AND LOSERS: THE REDISTRIBUTION OF URBAN RESOURCES	249
	New Developments	249
	The Compromise Plan	267
	THE ULURP PUBLIC HEARINGS	282
	Community Board #3--ULURP Hearing	289
	The City Planning Commission ULURP Hearings The Board of Estimate ULURP Hearing	298
	An Administrative Maneuver	301
	Epilogue	313
	Conclusion: The Apt Illustration	314
	Conclusion: The Apt Illustration	317
VII.	THE POLITICS OF PLANNING	323
	The Local Democratic Party Organization	324
	Section A	328
	Section B	329
	Section C	331
	Community Board #3	341
	Area Policy Board #3	349
	The Local School Board: District #1	359
	The Institutionalization of Planned Shrinkage	362
	The Role of Local Organizations	364
	The Dual Role of Local Organizations	385
VIII.	CONCLUSION: URBAN RENEWAL AND ALIENATED POLITICS	388
	Summary of Research Findings	391
	State/Local Relations	406

LIST OF TABLES

<u>Table</u>	<u>Page</u>
1. POPULATION AND ETHNICITY: 1950, 1960, and 1970*	. . . 77
2. POPULATION AND ETHNICITY: 1970, 1975, and 1980 . . .	82
3. 1970 POPULATION BY CENSUS TRACTS: LOWER EAST SIDE . . .	84
4. 1980 POPULATION BY CENSUS TRACTS: LOWER EAST SIDE . . .	85
5. 1970: ETHNIC AND RACIAL DISTRIBUTION BY CENSUS TRACT	86
6. 1980: ETHNIC AND RACIAL DISTRIBUTION BY CENSUS TRACT	87
7. ESTIMATED HOUSING INVENTORY BY BUILDING TYPE: 1970*	96
8. PUBLIC AND PUBLICLY AIDED HOUSES IN THE LOWER EAST SIDE	100
9. PUBLIC AND PUBLICLY AIDED HOUSING COSTS: 1969 . . .	104
10. CHANGES IN THE HOUSING INVENTORY: 1960-70*	105
11. NEIGHBORHOODS BY CENSUS TRACTS: 1973	119
12. NEIGHBORHOODS BY CENSUS TRACTS: 1978	122
13. COMMUNITY BOARD #3 NEIGHBORHOODS: 1980	124
14. GOVERNMENT AGENCIES IN THE URBAN RENEWAL PROCESS . . .	178
15. COMMUNITY BOARD #3 MEMBERSHIP	346

LIST OF FIGURES

<u>Figure</u>	<u>Page</u>
1. COMMUNITY DISTRICT #3	73
2. CENSUS TRACTS	83
3. 1980 CENSUS TRACTS WITH 50% WHITE	88
4. 1980 CENSUS TRACTS WITH 50% HISPANIC	89
5. 1980 CENSUS TRACTS WITH 50% ASIAN	90
6. URBAN RENEWAL AREAS	102
7. PUBLIC AND PUBLICLY AIDED HOUSING	103
8. CITY PLANNING COMMISSION NEIGHBORHOODS	121
9. LCISAIDA	125
10. SEWARD PARK EXTENSION PROJECT	204
11. SEWARD PARK EXTENSION PROJECT	205
12. SEWARD PARK EXTENSION PROJECT: THE COMPROMISE PLAN	278
13. STATE ASSEMBLY DISTRICTS	326
14. DISTRIBUTION OF COMMUNITY BOARD #3 MEMBERS	347

Chapter I

INTRODUCTION

The contradictions inherent in capitalist development are experienced in the United States in myriad ways. American cities have been dramatically affected by macro-shifts in capital investment patterns and their concomitant social upheavals. Government intervention, through policy and planning, attempted to address the worst effects of these structural inconsistencies. Some of the most dramatic undertakings were evidenced in federal urban renewal programs, designed to help cities rebuild their centers devastated by the suburbanization process and other re-investment patterns. However, the post-World War II redevelopment of many older American cities was a mixed blessing. The renewed vitality of many urban areas was realized with great social costs. The lives of hundreds of thousands of people were disrupted as homes and businesses were destroyed. The all too visible hand of government reached into the very fabric of neighborhood life, reweaving a new social pattern which frequently excluded those who lived there and those less fortunately situated either to direct the process or benefit from it.

This study is an anthropological analysis of a conflict precipitated by an urban renewal project on Manhattan's Lower East Side. The Lower East Side has been characterized, throughout its history, by its mixture of diverse racial and ethnic groups, and by its different class composition. This has been especially so since the introduction of moderate- and middle-income housing after World War II. Since the 1840s housing has been a major problem as a result of the massive immigration of people from Europe, the Orient, the Caribbean, and the rural southern states. The need and competitive pressures for adequate housing has continued with the same century-old intensity.

1.1 THE PROBLEM

This study deals with the relations between local ethnic/racial groups and the overarching institutions and agencies of the state. Both topics have been a central research concern for anthropologists studying complex societies, particularly within an urban context. In this research I attempt to show how the state regulates interethnic conflict in order to maintain social order while at the same time continuing to serve the interest of capital.

The central thesis of this study is that ethnic and racial conflict is shaped by class and power forces, operating at both national and local levels. Specifically, this study illustrates, through the use of an extended case study, the influence of the state on the social organization of urban populations and the ways in which shifts in federal and city policies are connected to patterns of ethnic/race relations and ethnic group organization. Additionally, this research focuses on how state-linked forces influence the political behavior of urban populations by generating conflict situations that place local groups in competitive and antagonistic relations with each other as they struggle over the allocation and use of scarce public resources.

During the 1950s and the 1960s New York City undertook to redevelop its central city slums through extensive urban renewal planning. Manhattan's Lower East Side was a prime target for several urban renewal programs. The housing stock in the area, hastily built and poorly constructed for the newly arriving immigrants, was substandard even in its time. One hundred years later these tenements were in a severe state of dilapidation and deterioration. City officials and planners, in conjunction with private developers, designated the worst of these "slum" neighborhoods as urban renewal areas.

In 1965 plans to develop the Seward Park Extension Urban Renewal Area triggered a major ethnic and racial conflict among residents represented by three local organizations. By this time the social implications of the housing policy of urban renewal legislation were a primary concern of local groups and city-wide officials. The significant changes in the type and nature of newly available housing created by the proposed renewal project fostered a competitive struggle among three major groups, Chinese, Hispanics (primarily Puerto Ricans), and Orthodox Jews, a conflict marked by ethnic and racial hostility. Although this conflict was exacerbated by class processes whose contradictions arose at a macro-societal level, they were expressed locally as ethnic conflict. After a ten-year struggle a compromise plan was formulated by city agencies and local community organizations in an attempt to resolve the dispute. The plan allocated the undeveloped sites within the urban renewal area among the three competing groups. Yet in the final outcome only two of the groups benefited from the plan, the Chinese and the Orthodox Jews; the third did not. The disenfranchised group represented the low-income, primarily Hispanic, population.

Since a paucity of data exists about the interrelationships among class, ethnicity, and race, and their relationship to political structures and the decision-making process, this study focuses on a number of

interrelated factors that influenced the final outcome of the compromise plan. The central thesis---the relationship of class processes to ethnicity and race---will be developed through three kinds of analyses. First, an analysis of the contextual setting for the study focuses on the urban locality in which diverse groups are engaged in a competitive struggle over scarce public resources, that is, urban renewal funding and its uses. During the course of this struggle New York City experienced a severe fiscal crisis. This situation led to a secondary concern of this study, the ways in which changing economic and political forces patterned the local events and the political behavior of the groups involved in the conflict.

Second, the organizational differences among the Chinese, Hispanics, and Orthodox Jews are analyzed, in terms of their spatial distribution and type of housing, their material and political resources, and organizational and network strength. Here the concentration is on the relations of power among the various groups which is emphasized by studying the political and economic context in which the ethnic groups are embedded. In this study power relations among the groups find their expression through local organization that represent segments of the population, elected and appointed officials, and agencies of the state.

Third, the linkages among local organizations and residents, local power structures, and city and federal officials and institutions are examined, as well as the strategies local groups use to gain access to these people and the resources they control. Many of the important characteristics of the three ethnic organizations are the result of the groups' integration or lack of integration into larger socio-political systems. Frequently, the very cultural or ethnic identities of a local group are created or maintained by the interdependence of the group in more extensive economic and political institutions and are further crystallized by conflict situations. In sum, this study of an urban renewal project and the responses to it reveals the political dimensions and the social implications of federal policy on a specific urban locality and the ways in which class, ethnic, and racial groups are related to the decision-making processes that allocate public resources.

1.2 URBAN RENEWAL AS A POLITICAL PHENOMENON

Urban renewal in the United States during the past twenty-five years is based on the redevelopment section of the Federal Housing Act of 1949. Since its inception, it has been an intrinsically political phenomenon. Over the years proponents of urban renewal have hailed it as a major weapon in the attack on central-city decay and, as Mollenkopf (1978) noted, many have simplistically viewed

renewal policy as a way of improving land use by replacing one class of users and beneficiaries by another. Public discontent with urban renewal developed almost as soon as it got under way. A major source of friction concerned the use of federal urban renewal aids: should they be used for the development of low-income housing, a socially necessary priority, or should they be directed to the betterment of cities and urban life in general. In this latter view, economic considerations would predominate, that is, real estate and developers' interests would be served by promoting upper-income housing and commercial development. The disagreement over the goals of urban renewal planning has continued to be a central factor in the controversy that has marked the implementation of federally-assisted renewal programs.

Urban renewal is the joint responsibility of government---federal, state, and city. Each has a role in the implementation of urban renewal programs. Because of this, urban renewal policy presents a striking example of public (state) intervention in local-level affairs, thereby providing a focal point for research on state/local relations. Frequently the implementation of urban renewal programs has precipitated serious conflicts in residential areas. The dislocation of people and the disruption of urban neighborhoods have caused the political organization and mobilization of various groups as they tried to change,

modify or stop specific renewal projects. Local political behavior is thus frequently a response to the intrusion of federal and city policy changes.

Urban neighborhoods experience these forces because they are linked in many ways to more encompassing national processes. It is in the course of local conflict over particular types of state intrusion, such as urban renewal, that these linkages are highlighted. Urban renewal conflicts illustrate, in particular, the political processes through which specific groups are tied to local, city, and federal institutions. Urban renewal, and housing policy in general, are related to politics for a variety of reasons. In a federal system of government, such as the United States, urban development is political in what Greer and Minar have called a "double sense: it redistributes wealth by public action, and it is legitimate only when it is politically supported" (1967:157). Additionally, a commitment to the ideology of the free market inhibits the degree of governmental action, especially when private interests are at stake. For these reasons the role of government in dealing with America's housing problem is, at best, ambivalent. In part, this attitude stems from the inherent contradiction between the social planning necessary to ameliorate the pressing need for housing and urban redevelopment, and the means by which to do so. Hence there exists a tension between the private and public sectors.

Thus the state operates with constraints, since it must confine its economic activities to those areas that do not compete with private enterprise; to do otherwise would undermine the accumulation process of capitalist development upon which the state is dependent.

Viewed from another perspective, urban renewal is also a political process because it links planning policies with the allocation of resources. Decisions about who gets what and how have always been the business of politics. Decision-making in a federalist structure of government takes place within a tradition of "localism," that is, municipal governments and bureaucracies are connected to specific urban neighborhoods through political and legally mandated mechanisms that encourage citizen participation. At the same time municipalities are legally bound to federal and state agencies and institutions which are created to insure the proper and judicious implementation of federal guidelines for spending and planning. Within this overarching structure, city officials, local leaders, organizations and groups interact in the decision-making process necessary for the planning and execution of urban renewal projects.

Urban renewal planning is additionally influenced by the nature of the urban locality---its physical infrastructure, population and their needs. The clash of interests between

private developers, city planners and officials, and local representatives necessitates a political arena for negotiations and discussions. For interests to be realized, political organization and action encompasses the urban neighborhood or locality, its diverse groups of residents, and government institutions and agencies.

The magnitude and scale of urban renewal and its dramatic impact on urban neighborhoods and their residents have prompted a number of scholars to address the social, political, and economic consequences of Title I legislation (Bellush and Hausknecht 1967, Gans 1968, Wilson 1966). Political scientists, in particular the "pluralists," have approached the subject from the point of view of community power and policy formation (Dahl 1961), citizen participation (Wilson 1966), and the political strategies necessary for the approval of large-scale renewal projects (Kaplan 1963).

Davies (1966) undertook an analysis of three case studies in New York City in order to determine the role neighborhood groups (as political interest groups) have played in urban renewal planning. The focus of this study was on group rather than individual activity, and he traditionally placed his study within the formal political framework (the set of rules) through which groups gained access to government officials, with the aim to influence their actions. Davies'

study, however, fails to deal with class as a structuring principle in interest group formation. Nor, for that matter, does he take into account that the formal system, taken as a given, is subject to influences that emanate from local systems of political power, and is also frequently modified or adapted to changing economic and political conditions.

Stone's recent study (1976) is an analysis of Atlanta's urban renewal policy over the past twenty years, approached from the perspective of group influence as it bears on the process of choosing between competing policy alternatives. In his case study of the interplay between lower-strata mobilization and system bias, he moves beyond the pluralists' theoretical position which views community power and influence as dispersed and specialized among many local interest groups, none of which occupies a dominant position. Stone develops an alternative "revisionist" framework that stresses the concept of "system bias." System bias, for Stone, operates consistently so that a city's governmental machinery may favor some interests at the expense of others--even if the other interests are a sizeable and active political force. System bias, as Stone demonstrates, comes about through positional advantage and disadvantage. Like many social scientists, Stone skirts the issue of class power, preferring instead to mask this reality by developing the concept of system bias. A more comprehensive

understanding of the nature of the capitalist state and the fundamental contradictions between its economic and social functions would explain the necessary institutional bias that develops in advanced industrial societies. My study attempts to move beyond these limitations by working with a class perspective that joins national and local systems of power relations. (Chapter 2 discusses this theoretical position.) In other words, the effort is made in this study to relate urban renewal policy to the inherent structural contradictions found in the capitalist development of the United States and then move to integrate this with an analysis of local political processes.

Despite the voluminous literature on urban renewal, serious questions about the political process and about the community and its interrelationship with wider socio-political institutions remained unanswered. For example, few of these studies concern themselves with questions related to the forces that pattern local interests, the social organization of neighborhoods, or the differential distribution of political and material resources among segments of urban populations. What is essentially missing from such studies is a contextualized frame of reference. Piven, for one, addressed this point when she wrote,

The political actor, whether an individual or an organized group, is treated virtually as Man-in-Space, uninfluenced by a social environment, and discrepancies between what he does and what he is able to do, between his actual and potential influence, tend to be regarded only as

qualifications which follow in a less than perfect world (1974:77).

It is precisely these questions that anthropological research illuminates when it focuses on systems of social relationships and the structural constraints operating on them. An attempt is made in this research to analyze the local environment in order to determine what effects its organization has on the political behavior of residents. Following this line of inquiry, and by using a relational perspective, the range of political analysis can be expanded beyond individual choice-making. Such issues as the relationship between government policies and local populations, politics and power, and the nature of intergroup conflict can be more usefully studied by the techniques of ethnographic description and interpretation, as Richard Thompson (1979:323) noted in his study of ethnic and class relations among Canadian Chinese.

1.3 STATE/LOCAL RELATIONS

Anthropological interest in the locality and its interrelationships with the state and other large scale organizations of modern complex nations arises from a number of diverse sources. This study follows a line of inquiry which has been particularly concerned with integrating local events and behavior with institutional or structural levels of analysis. But, in addition, this study is also concerned

with the anthropological study of local-level politics. An attempt is made here to combine these two major research interests by superimposing a class perspective on both. The literature on state/local relations and local-level politics is enormous; for this reason I will single out a few key works that I found especially useful in defining the general framework of this study.

In brief, state/local relations for American anthropologists have been much influenced by the work of Julian Steward. Writing in the early 1950s, Steward pointed out that,

although the national patterns of institutions and the subcultural segments are distinguishable and must be treated separately, the two are so interdependent functionally that neither can be understood properly unless related to the other... The local manifestations of any national pattern can be comprehended only with reference to the distinctive context of the sociocultural segment and the community (1955:67-68).

However, one of the weaknesses of Steward's approach stemmed from his lack of a conceptual framework that would show how national institutions impinge on local subcultural segments, or, for that matter, how they are articulated with on-going social processes, as contingent parts of a larger systematic whole. In short, what was missing was a dynamic and relational view of structure and process.

Elaborating on Steward's insights, and moving beyond, Wolf's work (1956, 1966) made an important contribution by

bridging the conceptual gap between the formal structure or institutional framework of society and local patterns of community relations. In contrast to Steward, who believed these two dimensions of social reality should be treated separately, Wolf joined them in a single frame of reference. He wrote,

We can achieve greater synthesis in the study of complex societies by focusing our attention on the relationship between different groups operating on different levels of the society, rather than on any one of its isolated segments (1956:1074).

The key breakthrough here for anthropological research was to focus attention on systems of group relationships which link and, thereby, integrate various levels of society. From this perspective it was no longer necessary to look for units of analysis which were well defined, bounded social entities: rather the social system and its component parts could be investigated as one totality--as one unit. It was also but a short logical step away to join Wolf's notion of systems of group relations with the class perspective discussed in Chapter 2 of this study.

Specifically, Wolf strove to understand communities "in terms of the forces impinging on it from outside," and in an attempt to join the overarching institutions to local settings and behavior he conceptualized this linkage as "a web of group relationships which connect localities and national-level institutions." In his view institutions are "ultimately patterns for group relationships," while

communities could be seen as "the local termini of a web of group relations" (1956:1065-1066). Communities or localities could be conceptualized not only as spatially defined territories within which enduring face-to-face relationships unfold amidst local patterns of traditions and customs, but also as the termini of larger national political, economic, and sociocultural patterns and relationships. The intersection of these local and national forces and the dynamic social responses that result thus provide the grist for the anthropologist's mill.

Noteworthy here, too, is Wolf's notion that the formal institutions of society---legal, political, or economic systems---are permeable, that is, subject to and influenced by shifting group relationships and interests. Nor did Wolf ignore the power aspects of social life. In complex societies, he noted, the exercise of power by some people over others enters into group relationships on all levels of integration and interaction. At some point all interpersonal and intergroup relationships must conform to the dictates of economic and political power. These dictates of power are aspects of group relationships, mediated through the forms of an economic and political apparatus (1956:1066). Later, Wolf (1966) went on to suggest that research attention be paid to these supplementary, interpersonal sets of relations that lubricate the state apparatus and adjust it to local

exigencies, thus revealing yet another dimension of the institutional reality of complex societies.

Anthony Leeds, in his article "Locality Power in Relation to Supralocal Power Institutions" (1973), has also developed some theoretical considerations by which the complex interrelationships between communities or localities and state-wide or supralocal institutions may be studied. The relations between local-level power structures and the power centers of the state were addressed by Leeds as an important topic of research. He questioned the validity of such fundamental concepts as "community" which imply, among other things, some notion of isolation and self-regulation. Departing from this traditional view, Leeds treated, as Southall (1973:4) points out, a locality within an urban area heuristically as an arena of action and interests, and the types of relationships found there should be a matter of empirical investigation rather than taken as a priori assumptions. From this perspective the characteristics of localities, their structure and resources of power and their connections to higher level institutions and agencies of the state are seen as highly variable sets of relationships which require a great deal of research.

Unfortunately, Leeds has presented his model of supralocal structures and localities in such a way that a dichotomous totality emerges, perhaps due to his research on

pre-industrial and dependent capitalist states. At one extreme stands the state; its organizational form and command of and access to resources stands in sharp contrast to the localities with which it interacts. At the other extreme lies the locality, characterized by its diversity, flexibility, and looseness of organization (unrationalized and unbureaucratized). Despite their differences, each domain exercises, in Leeds' formulation, a degree of coherence and consistency in their modes of interactions that suggest a social totality organized along two quite distinct sets of principles, rather than an integrated one. Localities, with their diverse populations, do not respond to supralocal institutions as unified cohesive entities. Local diversity, especially if it is patterned by racial and ethnic factors, may be divisive and may be manipulated by the state for a number of different reasons. Indeed, one of the more significant developments in advanced capitalist states has been the organizational (rationalized and bureaucratized) control of local differences. Diversity still exists. However, it is now linked to the state apparatus through an expanded network of local organizations of all kinds which come to provide new forms of intermediary linkages. The proliferation of community-based organizations corresponds to the expanding role of state activity since the 1950s, especially in the provisioning of a wide variety of social services. This process, which may

be viewed as a mechanism of social control, is ignored in Leeds' model. Local demands on the state, representing the interests and needs of segments of the population, are increasingly channelled by bureaucratic forms and procedures---the formal "rules of the game," thus imposing a new mechanism of social control. State/local relations, as is argued in this thesis, condition each other; it is not a case of here, action---there, reaction, or a linear view of cause and effect.

For these reasons, localities can be conceptualized as arenas of actions and interests and they may be seen as part of an integrative political process. The study of local political behavior thus can be linked to the study of a wider political economy which, in itself, is necessary in order to understand the forms that local-level politics take (Vincent 1978:177). Within this larger framework, the study of politics, for anthropologists, is also grounded in "the study of the processes involved in determining and implementing public goals and in the differential achievement and use of power by the members of the group concerned with those goals" (Swartz, Turner, and Tuden 1966:7).

In the field of political anthropology one of the more predominant modes of analysis has been action theory. According to Vincent,

Action theory in anthropology begins by locating the individual within the framework of both formal and interstitial social organization and then proceeds to the analysis of political action and interaction. Within political anthropology itself, the approach differs from evolutionary and structural anthropology by virtue of its attention to processes, to political formations other than categories and corporate groups and, above all, by its underpinnings in a particular form of finely grained political ethnography (1978:175).

Among the many ideas that have contributed to this growing field of study, Vincent notes the following: the study of processes, contradictions, choices, and above all, the purposive goal-oriented actions of individuals and groups (1978:180).

Within this broad political approach, my study is concerned with the political action and interaction of three local groups and their articulation with federal and city formal political structures (institutions, agencies, and policies). The purposive, goal-oriented aspect of action theory is of special importance because it is a crucial dimension in interest group formation. Interests can be defined objectively and individuals and groups organize around these commonly shared perceptions in order to attain goals. But interests are also determined by class forces---position, material and social resources, and so on. Thus, I have tried to link political action and mobilization to interest group formation and class processes. The theoretical basis for this position is developed in Chapter 2. Conflict situations lend themselves

to class analysis because the fissure lines reveal the specific interests of the antagonists. Conflicts also illuminate the role of government in mediating or resolving these disputes. The range of political behavior, for these reasons, is grounded in local systems of social relations (demography, residential distribution, ethnic and class groupings). These factors comprise the social environment of political studies and are, in turn, conditioned by higher level economic and political institutions that are also continuously changing or adjusting to new contingencies. The intersection of these two sets of factors (local and supralocal) forms the focal point for the political analysis of this study. In other words, I could see the unfolding of this conflict situation occurring within the intersection of two sets of forces--- on the one hand, those that emanated from national and city-wide sources, and on the other, those that arose from local conditions and responses. A methodological discussion of how I did this follows.

1.4 METHODS OF STUDY

Ethnographic fieldwork places the anthropologist within a specific locality or setting. My choice of methods was influenced by my conceptual framework and the subject of study. The local-level conflict and the political organization of the individuals and groups involved in this

study were centered around the specific event (issue) of the Seward Park Extension Urban Renewal Project. The in-depth study of this project involved a multi-approach method for collecting and evaluating information from different sources. This case material forms the backbone of this thesis.

The initial impetus for the study of this urban renewal conflict grew out of a research project to study the effectiveness of New York City's 1975 Decentralization plan of government. Local Community Boards were established in 59 districts in the city as advisory decision-making forums for planning and other land-use issues. During the time I was studying a local Community Board on Manhattan's Lower East Side, the issue of the Seward Park Extension Urban Renewal Plan came up for review. Local residents, community leaders, representatives of local organizations, and city agencies became involved in the controversial proposal and came before the Board to present their views on the subject, as was legally mandated. The position of each of the local spokesmen represented the interests and needs of segments of the population. The issue was divisive and it clearly revealed the competing interests of different class, ethnic, and racial groups.

It was at this point that my research for this study began. Here was a problem which I felt encompassed a number

of theoretically significant and policy-relevant issues--the relationship of class, ethnic, and racial groups to the political and decision-making process, and the role of federal, state and city government in local conflict situations. The issue of the Seward Park Extension Urban Renewal Proposal thus linked a number of diverse topics of research interest for anthropologists studying urban processes in advanced capitalist societies.

My fieldwork and data collection were carried out from June, 1979 to March, 1981. Community Board #3, located in Manhattan's Lower East Side, was my initial and primary research setting. The local Board was an intermediary administrative structure that linked city agencies, politicians, and local community residents to the city's overall system of government. It was from this vantage point that I began to collect the data for this study.

1.4.1 The Extended Case Study Method

The use of case material in anthropological studies has a long history and, in its various uses, has been referred to as the apt illustration, situational analysis, and the extended case study (Epstein 1967, Frankenberg 1966, van Velsen 1967). British social anthropologists, in particular, have developed this methodological approach, which gained its momentum from the earlier distinctions

noted by Firth (1954) between "structure" and "process." The case study method has been employed both as a field technique and as a tool of analysis and serves to illuminate the inherent problems in the use of a purely structural analyses that tend to over-emphasize consistency and the ideal or formal norm (van Velsen 1967:137). The British studies have used the extended case study method in the study of conflicting norms and to demonstrate how these situations are resolved. The use of a complex series of events or "social situations" and the placement of individuals and groups within these situations is done in such a way that the nature of the normative social structure is revealed. However, rather than looking at a social situation, or an event, in which norms are in conflict, the extended case method may also be used to examine a situation in which the underlying political and economic structures are in conflict, particularly the contradictions associated with the functioning of the capitalist state. These contradictions, themselves, are often the catalyst of social conflicts, and it is in this sense that I used the extended case study method in this study. Essentially what I do with this method is to take a series of specific incidents (the urban renewal plan) affecting the same individuals and groups and show how these incidents or events are related to on-the-ground social relations (political action and behavior) and to the economic and political framework in

which they are embedded. In this conflict situation I demonstrate how the relations of power between the various groups is revealed by analyzing the on-going decision-making process. At the same time, I show how conflict situations reveal the structure of local interests and how these interests are articulated by groups in an attempt to gain their political objectives (goals). Invariably, an analysis of social conflict also yields insights into the mechanisms or processes of social control since no society can tolerate unchecked conflict.

Specifically, this research was designed as an anthropological analysis of urban political processes. This urban renewal conflict joined different class, ethnic and racial groups in a competitive struggle in which the unit of analysis expanded beyond the urban neighborhood or locality. As I mentioned previously, urban renewal policy was a federally initiated program designed by urban planners and politicians to remedy a national problem---the deterioration of many older American cities. The implementation of urban renewal programs joined federal, state, and city government agencies and personnel. At the same time, local response to specific redevelopment plans was mixed and engaged a wide variety of individuals and groups in the planning process. Therefore, it was necessary to use a research method that integrated these different social levels and would be consistent with my theoretical approach. In order to deal

with the complexity of multiple "levels" of interaction, I used the extended case study method because it incorporates, simultaneously, the range of behavior under study and the diverse sets of actors and organizations that are affected by the specific urban renewal plan, as well as the different arenas in which the action takes place. Thus, by following the trajectory of the urban renewal process, I could trace the flow of events from the national level to the city, and to the specific locality.

An event is a temporally and spatially bounded series of acts and actors. Its boundaries are defined by the issue or problem that stimulated individuals and groups to act in accordance with their interests. An event begins at a certain time with the entry into a specific place by certain individuals or organizations representing local constituencies affected by the issue, and their engagement there in action and interactions. An event may be triggered, as it was in this case, by an externally initiated plan or proposal. The event does not necessarily end when the person or groups involved in the action depart from the setting. Generally, a time sequence is involved and different acts of an event involve different settings and overlapping sets of actors. The end of an event is signaled or defined as the point when the issue is resolved. The case material describes the series of events, or social situation, and is integrated into the analysis in order to

facilitate the description of social processes. The Seward Park Extension conflict is analyzed through this approach. Because this method allows for flexible time and space boundaries, it increased my ability to draw connections between urban localities and the political processes that bind them to wider socio-economic institutions.

1.4.2 Data Collection Techniques

Participant Observation.

Participant observation was the primary data collection technique used in this study. The key to participant observation as a data collection procedure is personal involvement in a social situation or with a group over a long period of time. The situation must be one where the same set of important or revealing social action takes place, and one where the same set of individuals comes together in the same setting over a period of time. Thus Board meetings, public hearings, committee meetings, and various political meetings provided one of the major sources of information for my study. Over a period of two years these settings also provided the continuity that I needed for participant observation. Additionally, the key actors in the events under investigation were revealed to me by their participation and involvement therein.

In the first phase of my research I was mainly an observer at public meetings and events. I attended meetings that convened locally and city-wide during the period of my study. I recorded the contents of the meetings and noted the participants. As a result I was able to discern the major figures involved in the urban renewal conflict. I was also able to determine what segments of the population local organizations represented and what expressed interests and needs were raised publicly.

During the second part of the study, I joined the Lower East Side Joint Planning Council, the organization representing the minority, primarily Hispanic, population in the Lower East Side. I was actively involved with this group for approximately one year and helped in whatever capacity I could. In this sense I became a participant and mixed informally with organizational members and local residents in a wide variety of organizational and social activities.

Interviews.

Interviews provided the in-depth detail that augmented and fleshed-out the information I gained through participant observation.

During the course of my research, in particular at the public meetings and hearings, I identified key participants

by their interest and involvement in the urban renewal case under study. For the most part these were "political" leaders because of their positions, either as organizational leaders and members, Community Board appcintees, or as elected officials and agency personnel. They tended to be more informed about the local area and the Seward Park Extension Project than the average resident. These individuals were approached and interviewed. In the course of this selection process a few individuals (members of the local organization I joined) became interested in my study and made themselves more available to me. I established a close rapport with a few people and talked to them regularly. They served as key informants, providing me with extensive background information and allowing me entry into the decision-making process while it was actually underway. For this reason a great deal of information gained for this study is from the perspective of the Lower East Side Joint Planning Council. While it may be argued that there could be a skewing of data collected in this way, it should also be noted that I had access to certain key people involved in the issue under study, and the information I obtained was very detailed. It also served as a check for verifying other sources and material.

In this study I conducted open-ended interviews, as well as more issue-specific interviews which followed a prepared guideline. The interviews ranged in length from one to four

hours. In part, the interviewed leaders were asked open-ended questions related to the following topics: (1) the local organizations they served and the constituency it represented, (2) the Seward Park Extension Project and the organization's role in it, (3) biographical information, and (4) the Lower East Side. In many cases follow-up interviews were arranged. In the case of key informants constant communication and the exchange of information continued for the length of the study. Once I became familiar to many of the major figures involved in the issue under study, unsolicited information was supplied in impromptu settings. One of the major advantages I derived from the use of participant observation as a data collection technique was that over a period of time I was viewed as part of the ongoing event, and, at times, as a possible resource or ally.

Since the collection of data, for this study revolved around an "event," in this case the urban renewal project, a number of different types of individuals were interviewed, representing several different levels of organization---community, city, state, and national. At the local level the following people were interviewed: community residents, community and organization leaders and members, local Community Board members, politicians, and religious leaders. Representatives from city and state agencies and a former Congressman were additionally interviewed at various stages in the research.

Documentary Analysis.

The following records were analyzed during the course of the study: (1) the minutes of the Joint Planning Council's organizational meetings, letters, memcranda, and their pertinent file materials, (2) Community Board #3 minutes and files and City Planning Commission files and records, (3) newspapers and magazine articles, and newsletters, (4) census material, including demographic and electoral district profiles, and (5) information gathered from a questionnaire given to local Community Board members, and profiles of individual Board members taken from their application forms.

1.5 PLAN OF THE THESIS

The central thesis of this study is that ethnic and racial conflicts are shaped by class and power forces, operating at both national and local levels. Chapter 2 discusses the political economy approach that provides the major theoretical ideas I used in my analysis. A fundamental problem addressed in this research was to show how class processes influence or determine local ethnic and race relations. In order to do this I tried to combine two levels of analysis: the role of the state and its interventionist policies, and the social and political organization of an urban locality. The concepts and

approaches that guide my analysis of class, ethnicity, and race and their relationship to political processes are reviewed.

Chapter 3 provides the contextualized background for the study---the ethnographic setting, the Lower East Side. Special attention is given to recent population trends, the ethnic and racial distribution of the area's population, housing characteristics, and the residential patterns of neighborhoods. Neighborhood organizations are discussed, especially the three organizations involved in the Seward Park Extension conflict.

Chapter 4 reviews the development of urban renewal policy and its subsequent modifications. The manner in which urban renewal programs are implemented in New York City and the government agencies involved in the process are outlined.

Chapters 5 and 6 present the case study of the Seward Park Extension Urban Renewal Project. Chapter 5 reconstructs the early history of the plan and the controversial aspects of its implementation. Chapter 6 is based primarily on data derived from my fieldwork experience and follows the urban renewal plan to its final outcome.

Chapter 7 examines the local political context in which the Seward Park Extension Project was embedded. The political infrastructure of the Lower East Side is analyzed

by focusing on four key institutions. An analysis of two of the three local organizations involved in the controversy is presented. The relationship of politics to planning is emphasized.

Chapter 8 concludes the study and summarizes my research findings. A brief discussion of state/local relations addresses a number of important issues, particularly the importance that state policies and funding have on shaping ethnic and race relations in the United States today.

Chapter II

THE POLITICAL ECONOMY OF CLASS, ETHNICITY, AND RACE: CONCEPTUAL AND THEORETICAL APPROACHES

In recent years, federal policies and funding have had a catalytic impact on urban politics. With the expansion of state activity, powerful new forces emerged that directly affected the relationship among New York City's diverse class, ethnic, and racial groups. This study of an urban renewal conflict deals directly with these issues; it seeks explanation from within the framework of political economy, a theoretical approach that directs attention to the interrelationship of political and economic processes and their bearing on social life.

In his discussion of the nineteenth-century discipline of political economy and its historic relation to today's social sciences, Wolf writes,

That discipline strove to lay bare the laws or regularities surrounding the production of wealth. It entailed a concern with how wealth was generated in production, with the role of classes in the genesis of wealth, and with the role of the state in relation to the different classes (1982:19-20).

The re-emergence of these century-old ideas is, perhaps, due to today's need to once again address those crucial questions abandoned by the nascent social sciences.

According to Welf, these questions were concerned about the nature of production, class, and power, as well as the role of class divisions in the allocation of resources (1982:20).

Starting from this general orientation, I have incorporated in this study a number of concepts from several neo-Marxists who recognize that the most salient features of American society are its class structure and the dual nature of its capitalist state (Castells 1975, 1977, O'Connor 1973, Offe, 1975). The state has two, frequently contradictory, functions to fulfill---accumulation and legitimization. State intervention springs from the need for the state to make expenditures that are directly related to these functions. State budgetary expenses are allocated accordingly, and specifically this study is concerned with the social consumption expenditures of the state, those necessary for the reproduction of labor power. These expenditures provide for schools, health services, housing, and commuter facilities; expenses that the private sector is unable or unwilling to provide because they limit private profit. Urban renewal, one of the more dramatic and extensive examples of state intervention in the United States, is directly tied to these socially necessary state expenses and stems from the need for the state to ameliorate the negative side effects resulting from the contradictions inherent in capitalist development (see O'Connor 1973: 6-7, 124).

The expansion of state activity since the 1950s has led to the increased politicization of race and ethnic relations. The intervention of the state, through urban renewal and investment reached into specific localities within the city, triggering forces that created new social cleavages, as well as exacerbating existing class, ethnic, and racial differences. The central problem addressed in this research concerns the class nature of interethnic conflict and its relationship to state functions. In the following sections I will discuss class, race, and ethnicity from this perspective.

2.1 THE CONCEPT OF CLASS

Class as a social category has been defined by social scientists using a number of different criteria. On the one hand, students of social stratification, following Weber, use income, prestige, or status to rank and group individuals in hierarchically arranged strata. Followers of Marx, on the other hand, have categorized groups on the basis of their relation to the means of production, that is, the social relationships upon which the material production and reproduction of society are based. It is within this latter orientation that the concept of class is used in this study.

However, class as a process is the primary way I am using this concept. It is derived from the hypothesis that the forces which structure or pattern the social relationships that comprise class are determined by the material or economic (in its broadest context) conditions of human life, and the necessity for that life to sustain itself. Simultaneously, class as a process, in its formation and maintenance, is shaped or determined by forces found not only within the system of production and distribution---the workplace---but also in residential communities, and in the functioning of the state, as well. A view of the state that is compatible with concepts used in this study has been developed by Eckstein (1977). She writes,

By state I mean "public" as distinct from "private" organizations, institutions, and relations. Political institutions which form part of the state apparatus include government bureaucracies, the military, the judiciary, and legislature. By defining it as a specifically political set of institutions the relationship between the state, on the one hand, and society and economy, on the other hand, and the relationship between state and class power, can be treated as problematic and variant under specific historical conditions (1977:3).

Class, as an historical-cultural category, and as a process which can be seen as a dynamic confluence between economic, social, and political exigencies, owes much to the English historian, E. P. Thompson (1963, 1965, 1978a, 1978b). His theoretical insights are useful for this study of an urban renewal conflict because they allow for the

investigation of sets of interrelationships that structural formulations leave unexamined. Unlike the Neo-Marxists' studies of class that rigorously locate its determinant mainspring in the relations of production (see, among others, Anderson 1974, Poulantzas 1973, Wright 1979), this study examines the pressures arising from state policies and the social conditions of residential communities on class and its manifestation in political action. Class as a structure, as a static category, cannot account for the diversity of class experience, felt need, and its articulation. Certainly it cannot account for the different ways class is experienced and lived in residential neighborhoods, a point which Katznelson (1981) makes in his recent work. For as anthropologists have discovered in their ethnographic study of localized social behavior, economic and non-economic factors intersect at this level. Nor can purely structural concepts of class, predicated on exclusively productive relations, reveal the state's relation to different classes. Precisely because class is, as Thompson notes, a "junction-term," lying at the point of intersection between structure and process, class as an entity, a thing, cannot presuppose class as "self-activity," as a "happening," and "the handling of this in conscious ways" (1978b:106-110). Nor, as Thompson cautions, "can we deduce class from a static "section" (since it is becoming over time), nor as a function of a mode of production, since

class formations and class consciousness (while subject to determinate pressures) eventuate in an open-ended process of relationships---of struggle with other classes---over time ... Class struggle is the prior concept to class, class does not precede but arises out of struggle" (1978b:106).

Following Thompson's example and using, as he does, class as a "field-of-force" (1978a:151), anthropologists can employ class as an analytical tool that "allows for a set of expectations rather than rules," and further realizing, that in order to understand process, one must also have some knowledge of structure, but a structure that has a generality and elasticity to it (see Thompson's discussion on the relationship between the two, 1978b:57). It is the recognition of this dynamic interchange between structure and process that is, perhaps, one of the most distinguishing aspects of Thompson's work. He has stated, "Class formations (I have argued) arise at the intersection of determination and self-activity" (1978b:106). It is this perspective which holds potential promise for anthropological research and explanation and has guided this ethnographic study.

The long struggle by local groups over an urban renewal project that forms the basis of this research was overlain with class, ethnic, and racial themes. By looking at class as a process I ask the following questions: 1) how is urban

renewal policy and its implementation influenced by class processes at the level of the state in its accumulation and legitimization functions, and at the level of a structure of local interests, both within the city and the locality (the Lower East Side); 2) how do local groups perceive and articulate their interests and on what basis do they organize politically; and 3) what are the political and/or class implications of housing and residential patterns?

2.2 CLASS FORMATION AND MAINTENANCE

Capitalist societies are structured by class, that is, the requirements of production generate a specific type of occupational structure. The ways in which people come to fill these positions (roles and functions) are dimensions of class formation. How the class system remains the same, or is reinforced, may be defined as an aspect of class maintenance and social control. This study is concerned with the processes of class formation and class maintenance, particularly as these are linked to state activity in residential neighborhoods. This linkage frequently expresses itself through political action, by which I mean the organization of group interest in purposive, goal-directed behavior. Frequently, within urban localities, the political organization of collective or shared interests is related to ethnicity and race and their spatial organization. This has been particularly so with increasing

federal intervention in local-level affairs and in the distribution of public resources, that is, the state's social consumption expenditures. The competitive struggles over these scarce and valuable resources exacerbates the ethnic/racial differences found at this level. Through the allocation of public resources, class processes become intertwined with local systems of ethnic and racial relationships. Moreover, the role of the state, through its elected government and bureaucratic agencies, is highlighted in the resolution or mediation of these conflicts.

The case study of an urban renewal project presented in this thesis is concerned with a conflict situation in which three local groups organized their different and competing interests along racial, ethnic, and class lines. For this reason Thompson's theoretical insights concerning conflict and its relationship to interests adds to our understanding of local events and urban political organization. According to Thompson (1965), it is not this interest or that interest, but the "friction of interests" which provides the movement in class dynamics. Elsewhere, he states,

that class, in its heuristic usage, is inseparable from the notion of 'class struggle'---class struggle, the prior as well as the more universal concept. To put it bluntly, classes do not exist as separate entities, look around, find an enemy class, and then start to struggle. On the contrary, people find themselves in a society structured in determined ways (crucially, but not exclusively in productive relations), they experience exploitation (or the need to maintain power over those whom they exploit), they identify points of antagonistic interest, they commence to

struggle around these issues and in the process of struggling they discover themselves as classes, they come to know this discovery as class-consciousness. Class and class-consciousness are always the last, not the first stage in the real historical process (1978:149).

In this study, class interests and relationships in the community are expressed through local organizations and institutions, that is, through the political organization of residents through representative institutions. The recent urban struggles over urban renewal, community control, and neighborhood self-government are examples of the concern and subsequent political mobilization of people striving to improve or maintain their valued life-styles and life-chances in their own communities. Thus as groups of people join together in cooperative or competitive action around issues and interests which they perceive to be relevant to their lives, they can enter into class struggles (to the extent that these struggles are directed against another class), class relationships and the political process. Political action, when viewed in this way simultaneously links the urban neighborhood or locality, its diverse groups of residents and the overarching institutions of the state that impinge upon them.

Particularly relevant for anthropological analysis is Thompson's emphasis on human agency, that is the development of class consciousness through political action. The dynamic transformation of what Marx referred to as a "class-

in-itself" to a "class-for-itself" is captured by Thompson's insistence on examining the processual dimensions of class. The relationship between structure (as objectively determined positions in the economy, as a set of expectations rather than rules) and process (as the conditions and developments which require men and women to act on behalf of their shared interests, and the ways in which that response is shaped) necessarily requires political organization. In this study of an urban renewal conflict the locus of that action is the residential area. Hence an analysis of the organization of that locality, the political resources of its residents and the organizations and institutions to which they are linked are essential for a broader understanding of political action and its consequences.

One of the major problems in class analysis, according to Giddens (1973), centers around how economic classes (the formation of groups based on market capacities) are transformed into social classes. In part, this problem can be addressed by focusing on the overall connecting mechanisms between the economy (the system of production and distribution) on the one hand, and "localized" factors which shape and pattern class formation and relationships on the other. Localized factors are related to a number of conditions that shape the urban neighborhood or community, its physical infrastructure, social and political

institutions, and residential and commercial characteristics. The direct and dramatic impact of urban renewal programs that transform local environments, physically and socially is noteworthy. Furthermore, it is within these residential neighborhoods that class differences in the type and nature of housing and related social services are most obviously expressed. Residential neighborhoods thus become conflict arenas as various groups compete for federal urban renewal funds to improve their physical surroundings and enhance the quality of their lives.

These local conflicts are rooted in the structural contradictions of capitalist development, particularly within a domain Castells (1975) has called "social consumption." Castells finds that "new social cleavages are related to the accessibility and use of certain collective services from housing conditions, through type and level of health, education, or cultural facilities to working hours" (1975:175). In addition, he notes a new state of inequality is "inherent in the very use of these collective goods which have become a fundamental part of the daily consumption pattern" (1975:175). In general, economists and social scientists have viewed consumption as individual activity, focusing on the firm or the actor as the unit of analysis. However, as Castells notes, "the state apparatus intervenes in a massive, systematic, permanent, and structurally

necessary way in the process of consumption, and in different forms..." (1977:459). Castells' theoretical distinction between individual consumption and collective consumption (that is, consumption which takes place not through the market but through the state apparatus) is relevant to this study. Thus, the distribution and use of public resources such as housing and related subsidies, falls into the domain of collective consumption to the extent that the state is involved in their production and regulation.

In this study I have linked Castells' notion of collective consumption with Giddens' concept of "distributive groupings." In particular, Giddens has singled out the influence of distributive groupings in the process of class formation. He writes:

In terms of the processes which structure class, distributive groupings are important in so far as they interrelate with other sets of factors distinguished above in such a way as to reinforce the typical separations between forms of market capacity. The most significant distributive groupings in this respect are those formed through the tendency towards community or neighborhood segregation. Such a tendency is not normally based only upon differentials in income, but also upon such factors as access to housing, mortgages, etc. (1973:109).

Federal housing subsidies have facilitated neighborhood segregation, and the formation of distributive groupings. For example, in New York City most of the public low-income housing projects are located in deteriorated areas. It was

not until the late 1960s that an attempt was made to break the projects out of the ghettos, only to meet the fierce resistance of middle-class white residents. Public housing has become synonymous with low-income black and Hispanic tenants, while moderate- and middle-income housing subsidies have been usurped by the white middle class. Residentially segregated neighborhoods are varied in their political and economic resources, but nonetheless, their homogeneity has contributed to the development of distributive groupings with their consciousness-of-kind and to the development of a politics of protectionism and resistance.

2.3 HOUSING AND RESIDENTIAL PATTERNS

The spatial distribution of classes is most obviously manifested in residential patterns, and in access to housing. Housing is one of the essential elements in the reproduction of social classes. According to Castells,

housing, over and above its general scarcity, is a differentiated commodity, presenting a whole gamut of characteristics, in terms of quality (amenities, comfort, type of construction, life-span, etc.), its form (individual, collective, as architectural object, integration in the housing context as a whole and in the region) and its institutional status (without title-deeds, rented, owned, owned in common, etc.) which determines the roles, the levels, and the symbolic loyalties of its occupants (1977: 146-147).

The issue of how the class structure determines residential patterning is related to the occupational structure, because, as Munchnik points out, "the occupational structure

is still the overwhelming determinant of life-chances, of how a given socio-economic system places people with regard to fundamental scarce resources, such as housing" (1976:70). In addition to the occupational structure, the government, since the 1930s, has also played an increasingly active role in the distribution of and access to housing resources, particularly through policies and funding.

However, the scarcity of housing forms the basis for local-level struggles over access to this basic commodity. Rex argues that

what is common to all urban situations is that housing, and especially certain kinds of desirable housing, is a scarce resource and that different groups are differentially placed with regard to access to the available housing stock (1968:216).

Access to housing is determined not only by the income necessary to procure an adequate residence, but also by other non-economic factors that are influential. Such factors as ethnic and racial discrimination operate to segregate and/or isolate different groups, both within the same class or between classes. These distinctions create local sub-groupings with differential access to residence and with different patterns of social and political organization. Thus the struggles around housing have been intense, and in Stone's opinion,

second only to workplace and job-related conflicts as a focus for organization and mass action by working class people in most capitalist countries. At the local-level and within the sphere of consumption--or more properly, 'reproduction of labor power'--there has been no more active arena" (1980:65).

It is in the area of housing and in the creation and maintenance of specific types of residential areas that the operation of "distributive groupings" plays an important role in class formation. The formation of identifiable social groups is promoted by the common interests generated among individuals who share similar life-styles and who share common social experiences in a residential setting.

Moreover, the struggles over housing are linked to local political systems, and this is particularly so when government policies mandate local citizen participation in land-use and development issues. Additionally, local political leaders are acutely sensitive to their constituencies and act in their interests, which frequently fosters the continuation of conflict as different groups compete for the available housing stock. As a result government policies are subject to manipulation or circumvention locally which acts to deny Blacks and other minority groups access to housing, and, at an extreme level, promotes ghettoization.

In sum, housing and residential patterning are linked to the class structure through economic and political processes. Income and occupation are directly related to the type and nature of housing to which individuals and groups have access. Less directly perceived are the political machinations and the racial discrimination and

steering which act to facilitate or constrain the differential access various groups have to housing and to specific residential areas.

Governmental planning and policies have also favored one class over another. Subsidies to middle- and upper-income level groups (the dominant majority in the United States) have been the predominant feature of housing reform legislation since the 1930s (Federal Housing Administration, Veterans Administration, and urban renewal). Public housing, designed for the lowest income groups in the country, has consistently been stymied by middle-class political opposition and inadequate funding (see, for example, Friedman 1980 and Hartman 1980).

2.4 ETHNICITY

The question of how and under what conditions ethnicity is aligned with class processes is a major concern of this study. These questions direct attention to the interconnections between the political and economic organization of urban localities and the ethnic/racial populations that reside there, the organization of ethnic categories into politically conscious groups, and the strategies ethnic groups use to maximize their interests within a given residential area.

Ethnicity has been analytically viewed as a cultural phenomenon, having both a subjective and objective dimension (Isajiw 1974). From the former perspective, individuals and groups are marked off from other social groups by a self-identity characterized by common ancestry, language, customs, values, or religion. Accordingly, behavior is structured by these individually or commonly held beliefs. In the latter case, ethnic identity is ascribed to individuals and groups by others in society on the basis of the above-mentioned cultural features which serve to distinguish one ethnic group from another. Ethnicity is seen as something "out there," a bounded concrete entity. Problems with a cultural approach to ethnicity persist, since as Cohen has observed:

Its central theme is descriptive and its argument is essentially circular. What it says is that people act as the members of ethnic categories because they identify themselves, and are sometimes identified by others, with these ethnic categories (1974:xii-xiii).

All too often research attention has been directed toward the study of ethnic groups as isolated entities, while the macro-environments in which they are embedded are taken for granted. For the most part, studies of ethnic groups have emphasized the shared ethnic identity of its members and have focused attention on the unity of the group and its isolation from others.

Recently, scholars have shifted their attention away from this cultural-descriptive approach to ethnic groups as fixed categories and have begun to look at the external processes that affect ethnic group formation (Barth 1969, Bennett 1975, Cohen 1974, Despres 1975, and Silverman 1976). There is a growing tendency to view ethnicity, particularly in urban situations, as a dynamic variable, interrelated in complex ways, with government institutions, labor markets, the occupational structure and local residential patterns.

When ethnicity is viewed as a variable (Cohen 1974, Vincent 1974) rather than as a structure, several lines of inquiry are opened which are relevant for this study. The notion that ethnicity is a dynamic process and, as Vincent points out, "something which happens and can be shown to have happened in human relationships" (1974:376), moves the study of ethnicity toward more relational and interactive modes of analyses. A relational perspective leads to further questions that address issues concerning 1) the situations under which ethnicity is articulated, 2) the conditions that promote ethnic groups to mobilize on the basis of their shared identity, and 3) the types of conflict or resource competition that foster ethnic distinctions.

Essentially, the common theme that joins these issues is the belief that ethnicity is a political phenomenon. Cohen recognized the importance of analyzing ethnicity in terms of

the interconnections with economic and political relationships, both of which he described as political. He states,

One need not be a Marxist in order to recognize the fact that the earning of livelihood, the struggle for a larger share of income from the economic system, including the struggle for housing, for higher education, and for other benefits, and similar issues constitute an important variable significantly related to ethnicity (1974:xv).

We/they distinctions, the sine qua non of ethnicity, are forged within a political context. As is frequently the case, the formation of ethnic groups as politically organized action groups results from contests over the allocation of public resources. Recent studies on the politicization of ethnicity have drawn on the early insights of Max Weber, who considered the belief in ethnic identity important only in so far as it facilitated group formation, particularly in the political sphere. Reciprocally, he also noted that it was the political community, no matter how artificially organized, that inspired the belief in common ethnicity (1968:389).

Ethnic group formation deals directly with the capacities of ethnic members to organize their shared interest so that, collectively, common goals may be achieved. This process itself is a variable. Not all ethnics are groups, an important distinction that Herbstein (1978) makes in her recent study of Puerto Ricans in New York City. She argues

that the transformation of an ethnic category (ascriptions based on specific criteria) into an ethnic group (a purposive body) is an organizational response to an existing power structure. Part of that power structure involves the competition for scarce resources which leads to greater ethnic mobilization. From this perspective, Cohen's comments are pertinent:

In this regard, it is important to note that ethnic group formation is a continuing and often innovative cultural process of boundary maintenance and reconstruction. Once the ethnic identities and categories are triggered into being salient, cultural rationalizations for the legitimacy of the mobilized groupings are actively sought for and created by those involved (1978:397).

The recognition of the political dimensions of ethnicity has led some scholars to view ethnic groups as interest groups (Cohen 1969, Glazer and Moynihan 1963, Hannerz 1974). Cohen asserts in his study of the Hausa community of Ibadan that "an ethnic political grouping in contemporary society is thus an informal interest group which from the very beginning of its formation, has the advantage of possessing some of the most essential requirements for the development and expression of its political organization" (1969:3). However, a major problem with this line of research is that the issues of ethnic group conflict and competition for resources are implicitly joined to the pluralist model of political behavior. While a critique of this school is outside the scope of this study, it can be simply stated

that the pluralists assume that power at the local level is fragmented and dispersed among a number of contending special-interest groups, none of which occupy a dominant position. When ethnicity is treated as if it were a political interest group, it becomes only one of a number of interests which can be strategically advanced. Its major value, albeit a limited one, would seem to lie in its ability to promote group mobilization and solidarity. The conditions, both internal and external, that lead to the crystallization of patterns of ethnic identification and behavior are left out of this framework of analysis. This approach also deflects research interest away from a number of processes that may lead to the political organization of ethnicity, for example, the structure and organization of local environments and the role of the state in local-level affairs. By way of illustration, Hannerz (1974) discusses the use of ethnicity to secure control over resources in the public arena. Yet this public arena is removed from the focus of investigation, as are other formal political settings. Pluralists take these settings as givens and focus, almost exclusively, on the decision-making process and the formal political rules that guide that process.

However, public arenas, like the state and other formal political settings, are not neutral, nor are the resources that emanate from these domains accessible to all contenders on the same competitive footing. The fact of "unequal

competition" noted by Miliband in his critique of pluralist political theory is applicable in this context. He asserts,

What is wrong with the pluralist-democratic theory is not its insistence on the fact of competition but its claim (very often its implicit assumption) that the major organized 'interest' in these societies, and notably capital and labor, compete on more or less equal terms, and that none of them is therefore able to achieve a decisive and permanent advantage in the process of competition (1969:246).

Pluralists also assume that the competition between ethnic groups at the local-level takes place on an equal basis. However, a contextualized analysis of ethnic conflict may reveal that such is not the case. A recognition of the immigration patterns of various ethnic groups and their differential incorporation into the labor market reveals that over time ethnic groups vary widely in their overall distribution and incorporation in the American social structure (see, for example, Mullings, 1978). The competition between ethnic groups over public resources may be influenced by the fact that one ethnic group has advantages that other ethnic groups do not. One such advantage derives from the ethnic community itself, which is related, fundamentally, to the formation of ethnic identity and consciousness which, in turn, grows out of the common experiences of association in the community. These common communal experiences had a dual nature: on the one hand, they tended to reinforce ethnic identity (Karabel 1979), and, yet, they could be instrumental in the formation of

class consciousness on the other (Gutman 1973). Under certain conditions an ethnic community can come to dominate a specific locality. When this happens, other ethnic groups tend to become, as Despres observes, "the object of de facto political discrimination, in the sense that the corporately organized ethnic group succeeds in monopolizing control of all or most of the resource domains within any relatively closed environment" (1975:203).¹

But, more importantly, unequal competition exists because governments exercise control over local ethnic conflict in a number of ways. The manipulation of scarcity frequently generates local ethnic conflict and serves to support ethnic divisiveness, which prevents the emergence of class struggle. As Wilke notes in a recent study, "while the working class is divided by ethnic differentiation it cannot stand as a solitary class. Furthermore, it serves the interest of the dominant class that a divisive differentiation be upheld and emphasized" (1977:71). When governments encourage ethnic struggles, they also demand, as Richard Thompson observes, "that conflict be organized and regulated" and, at the same time, "governments have become the third party to conflict that arbitrates, mediates, and often has the ultimate say in any dispute" (1979:323). The government's role in mediating ethnic conflict is not a

¹ While Despres' insights are drawn from his research experience in Guyana, they are applicable to the present study.

neutral one. In many cases governments support those ethnic groups whose interests coincide with the power holders and the political exigencies of the moment. "It is an inescapable fact," according to Thompson, "that as governments have increasingly legitimized the existence of ethnic communities, they have also extended greater control over them" (1979:323). The studies discussed above provide insights for the present study in that they address issues of power and conflict, and the organization of ethnicity in the struggle over scarce resources. However, little attention has been directed toward the relationship between governments and their role in fostering and maintaining local ethnic divisions. Furthermore, the nature of the ties that join ethnic communities to local settings and to wider sociopolitical structures are rarely examined. This study focuses, in part, on the connections among residential neighborhoods and their ethnic populations, local organization and institution, and the external forces that affect them. Thus it inquires into the role of government and its policies, and the economic events that have a direct bearing on local political behavior. This study is concerned with the competitive struggle over scarce resources in which ethnic groups vie with each other, as well as with other classes, in order to advance their own objective interests. The capacity of ethnic groups to mobilize for political action, and the fact that they do so,

links the study of ethnicity to the political system of the state and its bureaucratic agencies and sheds some light on the manner in which ethnic groups are incorporated into the polity. By focusing on state interventionist policies and local-level responses to it, it is possible in the present study to show how and under what conditions class and ethnicity are aligned and interpenetrating.

2.5 RACE

Racial distinctions are used to categorize individuals and groups in American society, in addition to ethnic and class criteria. Ethnic groups differ from racial groups since the former are defined on the basis of cultural characteristics (nationality, language, religion, and so on) rather than physical features. In reality this difference is not always clear-cut, and cross-culturally many groups are defined on the basis of both physical and cultural criteria.

Racism refers to a social process whereby individuals and groups are defined on the basis of some intrinsic or immutable physical characteristics (most commonly skin color in the United States) that have no inherent significance, but yet are imputed to be the basis for cultural differences. From these imputed differences, discrimination arises. Racial discrimination exists when race forms the

basis for differential behavior. Blauner has defined racism "as a principle of social domination by which a group seen as inferior or different in alleged biological characteristics is exploited, controlled, and oppressed socially and psychically by a superordinate group" (1972:84). In short, racism may be viewed as a process in which economic, political, and ideological conditions interact to create conditions of inequality for certain social groups, particularly limiting their access to socially valued and needed resources.

The social theory elaborated by Talcott Parsons, one that has had an inordinate influence on American studies, has implicitly incorporated into its doctrines the Weberian belief that the main historical dynamic in Western societies is the movement from "tradition" to "modernity," encompassing the more universalistic norms of rationality, efficiency, and individually achieved status. Race and ethnicity, with their concomitant social ties, were seen by proponents of Parsonian structuralism as by-products of a past non-industrialized era, and were assumed to be replaced by class and status categorizations. As a result, race and ethnic relations generally have been studied within an assimilationist model, that is, struggles for upward mobility and entry into the mainstream of American life (Gordon 1964). Within the assimilationist model considerable attention was directed toward the cultural

adaptations that are necessary on the part of racial and ethnic minorities to become assimilated members of American society.

Discrimination has long been recognized by many scholars as a major impediment to the "melting pot" solution. However, social scientists have assumed that discrimination would be overcome in time. Prager writes,

Sociologists, on the other hand, have concerned themselves with the relationship of discrimination to the social structure and have only implicitly treated the question of who benefits from that relationship. Like the economists, they conclude that discrimination represents a phenomenon that through concerted effort can be overcome within the present context of the social system. In the assimilation model, for example, perhaps best represented by Milton Gordon, discrimination is treated as a phenomenon that has plagued all ethnic and racial minorities at one time or another throughout American history. The case of discrimination against black people and other Third World minorities might be somewhat tenacious discrimination but of the same order as the discrimination that has affected white immigrant groups. For Gordon and others in this school, as prejudiced beliefs break down among the majority whites, avenues of opportunity and advancement will become open to minority group members, paving the way towards assimilation and acculturation (1972:121).

The failure of the assimilationist model to account for the continued subordination of racial minorities was addressed by a number of social scientists. Warner and his associates developed the "caste-class" school of race relations which recognized that Blacks might be an exception to the general tendency toward ethnic assimilation because

of white prejudice. This analytical approach was used in the study of small Southern towns and focused on the similarity between the racial order in the South and the caste system of India. Blauner has described their work as follows:

They oriented their investigations around the castelike nature of the color line separating white and black, the class structure of each racial group, and the relations between these two principles of stratification. This theoretical approach was useful for analyzing small communities over a limited period, and the idea of color caste had the special virtue of treating race and racial oppression as independent realities (1972:7).

However, some thirty years later, and within an urban context, Glazer and Moynihan (1963), noting that the preponderant majority of America's racial minorities have neither entered the "mainstream" nor maintained their original cultural system, explained this by developing a cultural pluralistic model of ethnic and race relations. In doing so, they viewed ethnic and racial populations as interest groups, thus expanding the concept of ethnic groups, and lumping ethnic and racial categories together as "comparable categories to be examined with the same conceptual set" (Mullings 1978). Mullings has critiqued this analytical scheme, asserting that:

Such studies tend to emphasize the alleged differences in cultural content--norms, values and ideology--rather than the different structural constraints to which the various categories of people are subject, as the critical feature in explaining the different statuses of such groups (1978:11).

Moreover, she continues:

If these categories defined primarily by alleged common origin distinct from that of the dominant group, are structurally comparable, their unequal position must then be the result of cultural normative and value differences. Common to all these approaches is the view that the reason for the unequal position of ethnic groups is internal to the group itself, rather than being found in the structured relations of the social system (1978:11).

Power-conflict theorists approach the study of race relations from the perspective of political economy (Barclay, Kumar, and Simms 1978). Within this framework the focal point of analysis is concentrated on the issues of class, scarce economic and political resources, and the distribution and exercise of power. Society is seen as having fundamental contradictions and conflicts that stem from the differential access to and control of economic resources and political power. The conceptual basis for the identification of different groups and classes springs from this objective determination. Unlike an approach that stresses the cultural aspects of racial identities and divisions, the power-conflict model views values and norms as stemming from the objective structured interests of different classes or groups. The power-conflict approach to race relations is used in this study because of its inherent compatibility with the class processes discussed above.

Research directed along these lines sought to demonstrate that racism and discrimination are not irrational social

manifestations, or aberrations, but are fundamental aspects of the capitalist mode of production. Cox (1970), for example, argued that racial prejudice was directly related to and fostered by the capitalists' class need for an exploitable labor force among racially subordinated people and, at the same time, created divisions among the working class, thereby averting unification and inhibiting class conflict.

Frequently, the structural position of racial minorities in the economic system at the lowest income level and in unrewarding and dead-end jobs is created by racial discrimination, a process which has resulted in a marginal working class. The creation of a marginal working class is viewed by many as an inherent feature of capitalist production (for example, see Tabb 1976).

In his article "The Economics of Racism" (1976), Reich asserts that racism continues to serve the needs of the capitalist system and is deeply rooted in the economic system. Historically, according to Reich, racism is rooted in the development of American society, first opening the land by the extermination of the American Indian, and, later, further capitalized on the profits from slavery, both of which were rationalized by the ideology of white supremacy. In fact, such an ideology was the outgrowth of racial oppression and exploitation. Mullings notes:

Clearly xenophobia and notions of superiority and inferiority existed in Euro-American society before the onset of slavery; however, it has been persuasively argued that the systematization and operationalization of these notions in structured oppression is directly related to the expansion of capitalism and the rise of the slave trade (1978:12).

In an attempt to develop a more comprehensive theory of race relations Blauner (1972) has put forth the thesis that racial minorities are internal colonies of American capitalism. The colonial analogy stresses the parallel processes of the European colonial experience and that of the United States. Blauner notes that

because classical colonialism and America's internal colonialism developed out of similar technological, cultural, and power relations, a common process of social oppression characterized the racial patterns in the two contexts--despite the variations in political and social structure (1972:84).

The value of the colonial analogy lies in its ability to address certain key issues unresolved in other theoretical approaches. It points to the non-economic factors in the process of social oppression and exploitation, that is, culture is seen as an instrument of domination. As Blauner states, "Important as are economic factors, the power of race and racism cannot be sufficiently explained through class analysis" (1972:84). Furthermore, the colonial analogy recognized that at the heart of social oppression is the fact that certain privileges are conferred on the individuals and groups that oppress or are able to benefit

from the resultant inequalities. Blauner argues persuasively:

Various forms of social oppression all involve exploitation and control. To generate privilege, certain people have to be exploited, and to be exploited they must be controlled--directly or indirectly. The mechanisms of control, ranging from force and violence to legal restrictions to cultural beliefs, ideologies, and modes of socio-economic integration, are therefore central to the understanding of oppression (1972:21).

Additionally, Blauner argues that while racial privilege pervades all institutions, it is expressed most strategically in the labor market and the structure of occupations. It is occupational roles that are the key determinant of social status and life-style. Economic and status privileges are the major source of advantage and power. The internal colonial model stresses the interconnection of privilege, exploitation, and control that forms the basis of racial oppression. Central to Blauner's argument is the idea of place and control of mobility. He writes:

In order to control a racially defined people systematically, and so maintain special privilege for the dominant group, limits must be placed on the mobility of the oppressed minority--both the mobility of individuals in physical spaces and to collective mobility in socio-economic status (1972:36).

The political significance of the idea of place and control of mobility thus directs attention to the role of the state in the organization of residential localities and the distribution of and access to public resources, particularly housing and services (health care, education, and so on).

Finally, the colonial analogy emphasized the differential incorporation of ethnic and racial populations into American society. A serious challenge to the "immigrant analogy," that is, the assimilationist model, and the assumption "that there are no long-term differences--in relation to the larger society--between racial minorities and European ethnic groups" is advanced by Blauner. He stressed the historical differences between white European ethnics and racial minorities. The former immigrated voluntarily and entered the free labor market of an industrializing economy. The latter became part of society through force or violence (they are conquered, enslaved or pressured into movement) and entered a non-free labor market which greatly restricted their physical and social mobility. As Mullings points out, "given the history of unequal constraints, a distinct difference in the contemporary status of the descendants of European immigrants and that of the descendants of captured Africans is to be expected" (1978:15).

The internal colonial analogy expresses both the economic exploitation and political dependence and subjugation of racially defined groups, and as such it aptly describes the Black experience in the United States. However, a major fallacy in the internal colonial analogy lies in its notion of territorial (and, in some cases, economic) distinctiveness. No matter how isolated---politically, economically, or socially---Blacks (or other racially

categorized groups) are, they do not share a separate territory or economy. Rather they are dispersed in urban ghettos throughout the country and are thus tied to a national political economy. Winston has argued against the political implications of the internal colonial model. He specifically notes,

the fact that Black people were forcibly transported to this country and held in chattel slavery for over two centuries should not be allowed to obscure the specific reality of the Black condition in the U.S. today, which has been transformed into the opposite of what it was in the past. Today instead of being forcibly attached to the economy, Black people are increasingly excluded from it by racist discrimination and underemployment (1973:314).

Following from this we would also have to ask in what ways are Blacks and other minorities excluded from the political process.

Vincent (1974) has directed attention to the distinctive differences between minorities and ethnic groups, "lest the political significance of both be lost." Since this study is concerned with the political dimensions of race and ethnicity, the distinctions between the two are relevant. Edwards addresses this difference, as follows:

Minorities are ethnic or racial groups that occupy subordinate positions in the communities where they reside. In addition to segregation from other members of the community because of some racial, social or cultural characteristic, they suffer severe political restrictions. Their status is characterized by accommodation (1968:269).

In this study we shall see that Puerto Ricans, Blacks, and Chinese are minorities in the Lower East Side. There are two politically significant points to be made about racial and ethnic minorities. First, the capacity of minorities to organize politically in their own interests is constrained by their position in the secondary labor market, as a marginal working class (or to the extent that they are excluded from the labor market, as an underclass). In this sense racial minorities are affected by class processes that have political consequences, that is, the capacity to organize group interest both in the workplace and in residential communities. To the extent that racial minorities are residentially isolated and denied access to housing resources granted to white residents, a parallel process operates in the community similar to that found in the workplace. Residentially marginalized, Blacks and other minorities find their capacities for mobility and political organization severely limited by the government's ability to manipulate and control socially needed resources. Second, the continuing process of socially differentiating people on the basis of physical or ethnic attributes has led to patterns of discrimination, and with the effect of producing a divisive differentiation among local populations. These local divisions are, in turn, manipulated by the state so as to prevent the formation of coalitional movements among different groups who share common objective interests.

Increasingly, the state, through its administrative and service policies and agencies, extends its control over local populations by separating, segregating, and, thereby, isolating individuals and groups on the basis of the social categories of race, ethnicity, and class. In turn, these individuals and groups relate to the state as discrete units rather than as integrated collectivities or communities. This point will become evident in the analysis of the dynamics of the Seward Park Extension urban renewal conflict.

It is argued here that class, ethnicity, and race cannot be treated in isolation, or counterposed to one another. In the lived experience of residents in the Lower East Side, each expresses a different aspect of a single political process in the conflict over urban redevelopment. In this chapter I have focused on the processual and developmental dimensions of class, ethnicity, and race, particularly as these are related to the allocation of public resources. Increasingly, in the United States, the state intrudes in local affairs through the process of collective consumption. This process generates new sources of conflict, new patterns of competition and antagonistic relationships, and frequently, new patterns of inequality as certain groups receive a disproportionate share of public (state) resources. Based on their relation to the process of collective consumption, new distributive groupings come into

being, groups defined by their segregated communities or neighborhoods, common life-styles, and access to or control over a public resource such as housing and urban space.

The theoretical approach developed in this chapter proceeds from the view that class, ethnicity, and race are better understood when treated within a relational perspective, as the following analysis will attempt to demonstrate. The conflict over the disposition of urban renewal resources affects these categories (and the groups they represent) with different force. Class directs the decision-making process, determining who will benefit from urban renewal programs. Ethnicity and race are the local themes from which spring the claims for group solidarity and political mobilization, the competition for public land and territorial claims, and, ultimately, their control. In the following chapters, the interplay of class, ethnicity, and race in the decision-making process will be analyzed from the perspective discussed above.

Chapter III

THE LOWER EAST SIDE

This chapter presents an overview of the Lower East Side, the local setting of the Seward Park Extension urban renewal conflict. In particular, population characteristics and housing conditions are examined. Neighborhoods and their characteristics are described, as well as the three community organizations that played a major role in the Seward Park Extension Urban Renewal Project.

3.1 BACKGROUND: SETTING AND HISTORY

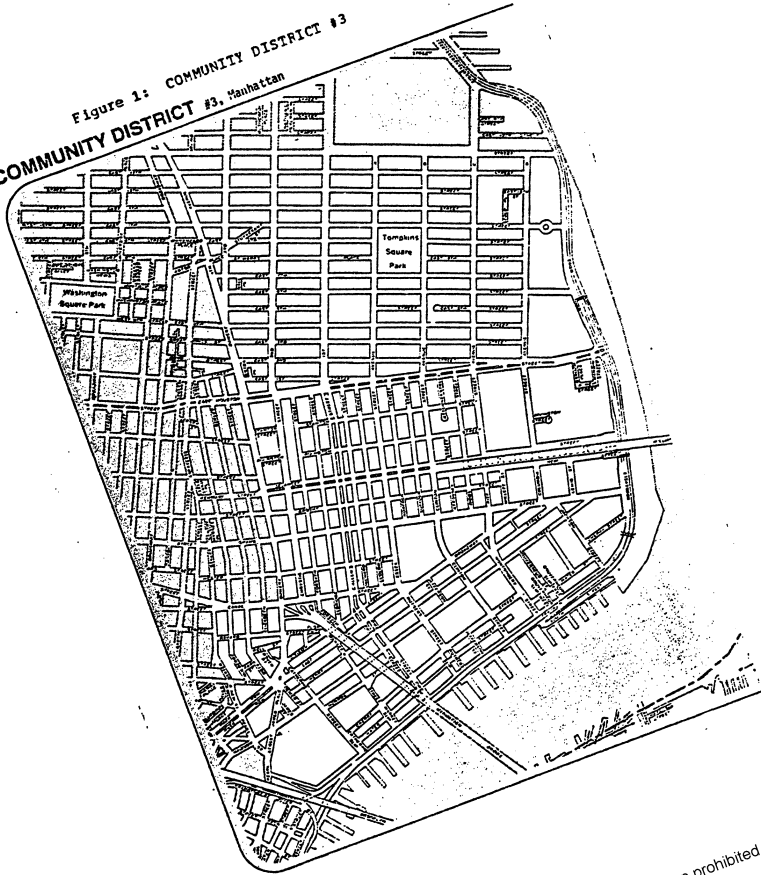
The Lower East Side of Manhattan is a distinct geographical area. As its name suggests it is located in the lower, southeastern portion of the Borough of Manhattan.² Its northern boundary, 14th Street, forms a clear line of demarcation separating the middle-income district of the north from the low- and moderate-income district to the south. This is most dramatically seen in the distinctive contrasts in housing. North of 14th Street are the well-maintained, tree-lined streets of Stuyvesant Town and Cooper Village, while south of 14th Street the

² Material for this section is drawn from the comprehensive plan of Harry Schwartz (assisted by Peter Abeles), *Planning For the Lower East Side* (1973).

deteriorating old- and new-law tenement buildings and dirty streets are typical of aging slums. The eastern boundary is marked by the East River, along which runs a major highway, the FDR Drive. To the south, the Brooklyn Bridge and its access separate the Lower East Side from the downtown business and civic centers. The Bowery, a street running north and south, forms the western boundary of the area which separates the Lower East Side from the commercial district to the west. The Bowery and its extension to the south also divides the well-known neighborhoods of Little Italy and Chinatown in such a way that parts of these neighborhoods fall within the area of the Lower East Side. The boundaries of the Lower East Side are coterminous with the boundaries of Community District #3 in Manhattan (see Figure 1).

The Lower East Side, now as in the past, has been primarily a residential district. Prior to 1840 this area formed the early core of New York City--a thriving social, economic, and administrative center. At that time the Lower East Side was a choice residential neighborhood where Manhattan's affluent elite lived in fashionable and elegant homes. Thousands of early New Yorkers, particularly Dutch and English, lived, worked, and prospered there. In the 1830s the Lower East Side began to change as the city's industrial economy expanded along with the city's boundaries. However, as Schwartz notes, "the historical

Figure 1: COMMUNITY DISTRICT #3, Manhattan
COMMUNITY DISTRICT #3, Manhattan



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development of New York's transportation system and the Lower East Side's geographic location have left the area virtually isolated from the rest of Manhattan" (1973:5). The Lower East Side varies geographically from the regular pattern of Manhattan's shoreline by jutting well out into the East River. This particular feature has resulted in inadequate transportation networks, so that major streets, highways, and subway and bus lines remain outside or run along its boundaries. This insularity has kept the Lower East Side primarily a residential enclave.

It was not until the 1840s that Manhattan development spread north of 14th Street. The first group of New York's successful immigrants followed the northerly expansion of Manhattan, moving away from their former residences on the Lower East Side to settle other, more desirable areas in the city. The large-scale European migrations that began in the 1840s soon transformed the once fashionable Lower East Side into a teeming, overcrowded area. The Lower East Side became a haven for the poor. Hundreds of thousands of Irish, Germans, Chinese, Italians and Jews arrived in New York, fleeing from religious and political persecution, famine, and land reorganization. By the turn of the century overcrowding had reached staggering proportions. In the heart of the Lower East Side population density per square mile was 234,080 compared to 73,000 for Manhattan as a whole (Schwartz 1973:4). Thus, the Lower East Side as it has been

traditionally known, a haven for the the poor, really began with the first great wave of European immigration.

During the 1840s the Irish arrived, the first large-scale immigration to the Lower East Side. By 1850 they had settled the area known as Five Points and established the Downtown Tammany Club, one of the city's most powerful political clubs. Before the outbreak of the Civil War the Germans had begun to replace the Irish. By the 1860s and 1870s they were the dominant immigrant group concentrated in the northern part of the Lower East Side. Between 1875 and 1883 a Chinese colony migrated from California after the gold fields were depleted. Chinatown was established south of Canal Street and West of the Bowery.

At the end of the 19th century German Jews and Eastern European Jews lived in diverse parts of the Lower East Side. Thousands of Jews emigrated to the Lower East Side until the 1920s when the first immigration quota laws limited the number of people who could enter the United States in a single year. By then the Lower East Side had become a unique Jewish Community, one of the most densely populated in the world. The years between 1890 and the late 1920s also brought the massive immigration of displaced Italians, mostly from southern Italy and Sicily. This new group was concentrated in what came to be known as Little Italy which lay directly west of the Lower East Side, although part of

it spilled over into the area. The majority of the new immigrants to New York got their start on the Lower East Side. Just as their predecessors, each new group faced a developing economy, offering jobs and mobility, and most left as soon as they could for a better way of life.

It was not until the 1940s that Blacks and Hispanics, primarily Puerto Ricans, began to arrive on the Lower East Side in significant numbers. The post-World War II exodus of the upward and outwardly mobile Jews and other white ethnic immigrants left vacancies for the new arrivals. In fact, since 1910 the Jewish population had declined by 40%, but it still constituted the majority of the Lower East Side. This steady out-migration was to continue for the next two decades.

3.2 RECENT POPULATION TRENDS

The liberalization of the immigration laws in the 1960s encouraged increased Chinese immigration. At a rate of approximately 5,000 a year the Chinese came to New York, many of them to Chinatown. According to Wang (1980), the population of Chinatown nearly doubled, rising from around 20,000 to almost 35,000. The increase in Blacks and Chinese on the Lower East Side from 1950-1970 was an overall 123%, while the Puerto Rican population increased by 407% (Abeles, Schwartz and Associates 1970:10). Table 1 summarizes these recent demographic trends.

TABLE 1
POPULATION AND ETHNICITY: 1950, 1960, and 1970*

	WHITE	NON-WHITE (a)	PUERTO RICAN	TOTAL

1950				
Number	190,248	12,024	13,690	215,692
Percent	88	6	6	100
1960				
Number	117,121	25,813	50,837	193,771
Percent	60	13	27	100
1970				
Number	92,300	26,800	69,400	188,500
Percent	49	14	37	100

Change				
1950-1970				
Number	-97,948	+14,776	+55,710	-27,192
Percent	-51	+123	+407	-12.6

(a) Includes both Negro and Chinese

Source: 1950 and 1960 from U. S. Census Population. 1970 from various agencies and consultants' estimates.

* Abeles, Schwartz and Associates, Forging a Future for the Lower East Side, 1973.

Summarizing these population shifts for the Lower East Side's ethnic groups Schwartz (1973) notes the following: the area's overall population declined by 27,000, continuing past trends. In 20 years the white population has declined by 98,000 people, from 88% to 49% of the total, while the non-white population (Blacks and Chinese) increased by almost 15,000 to 14% of all residents, with the Chinese making the most significant gains. The Puerto Rican population, after a rapid period of growth in the 1950s and continuing growth in the 1960s has grown to 37% of the total.

Since the 1950s, as a result of these population trends and ethnic shifts, the Lower East Side has been transformed from a predominantly low- and moderate-income white neighborhood into a district containing a mixture of age, ethnic, and economic groups.

A 1970 typology of population groups was made by Schwartz (1973) which delineated five distinct groups--each group is characterized by age, income, and ethnic affiliation.³ They

3

Age: young - 20-35 years old; older - 35-45; middle-age - 45-65; elderly: over 65.

Income (1970): Low-income: \$4,000 annually for a family of three to \$6,000 annually for families of 4 or more. Moderate-income: \$4,000 - \$10,000 annually for small families; \$6,000 - \$12,000 for larger families. Middle-income: \$6,000 to \$12,000 annually for small families; \$12,000 to \$16,000 for larger families.

are as follows:

Low-Income, Middle-Aged, and Elderly White Households:

This group of 15,000 - 20,000 households represents the Lower East Side's residual ethnic population who reside in tenements.

Moderate- and Middle-Income Young White Households:

This group represents newer arrivals and numbers 12,000 - 15,000 households. They live in tenements, better older buildings and the newer cooperatives and rentals.

Low-Income Young and Older Puerto Rican, Black and Chinese Households:

Of the area's 67,000 households this group is estimated at 20,000 to 25,000. Approximately 40% live in public housing and the rest in tenements.

Moderate-Income Young and Older Puerto Rican, Black and Chinese Households:

Approximately 6,000 in number, this category lives in cooperatives, public housing, and rehabilitated tenements.

Moderate- and Middle-Income Older and Middle-Aged White Households:

Most of the 10,000 families in this category live in the rental and cooperative housing projects.

Since the end of World War II the remaining Jews, Ukrainians, Russians, Poles, and Italians now share the Lower East Side with Blacks, Chinese, and Puerto Ricans. In 1975 it was estimated that the Jewish population represented 45,000 out of a total of 180,000 on the Lower East Side (New York Post, July 16, 1975). A total population of 180,000 for the Lower East Side corresponds to the 1970 census figures (see Schwartz 1973:12). From these figures it can be estimated that the Jewish population represents 25% of the total population and 54% of the total white population. However, the 1975 mini-census prepared by the New York City Department of City Planning (May 25, 1979) showed a decline in overall population of the area and attributed this decline primarily to the "galloping housing abandonments and destruction of the area." Using the 1975 census estimates the total population on the Lower East Side was 167,200 with White representing 41%, Blacks 11%, Hispanics 34% and Asians 14% (Community Board #3, Demographic File).

The 1980 census figures reveals a continuing decline in overall population, with Whites representing 32%, Blacks 8.6%, Hispanics 35.3% and Asians 22.7%. Table 2 summarizes these figures. The Chinese have had the most significant increase in population, while the Hispanic population has

had a slight increase. The White population continues to decline dramatically with Blacks showing a moderate decline.

While Table 1 and Table 2 summarize overall population trends, the use of census tract data details more precisely the distribution of the Lower East Side's population groups. Within the boundaries of the Lower East Side there exist thirty census tracts (see Figure 2). Census tracts are small, relatively permanent areas into which large cities and adjacent areas are divided for the purpose of providing comparable small-area statistics. Table 3 and Table 4 list 1970 and 1980 Census tract figures. From this data it can be observed that the Lower East Side's ethnic and racial groups are not randomly distributed throughout the area but tend to cluster in specific geographical sub-areas. For example, Table 5 lists the 1970 census tracts in which 50% or more of the major ethnic and racial groupings are found--White, Hispanic and Asian. Table 6 shows the 1980 census tracts distribution for the same groupings. The Black population on the Lower East Side has not been included in these Tables since they only constitute 8.6% of the population according to 1980 census figures, and thus do not form a majority in any area, although their distribution follows that of the Hispanic population.

Figure 3, Figure 4, and Figure 5 show the distribution of the Lower East Side's major ethnic and racial groupings.

TABLE 2
POPULATION AND ETHNICITY: 1970, 1975, and 1980

	White	Black	Spanish Origin	Asian*	Total
1970					
Number	87,531	19,782	62,524	25,184	181,845
Percent	48.1	10.9	34.4	13.9	100
1975					
Number	68,552	18,392	56,848	23,408	167,200
Percent	41	11	34	14	100
1980					
Number	49,704	13,287	54,747	35,264	155,216
Percent	32	8.6	35.3	22.7	100
Change 1970-1980					
Number	-37,827	-6,495	-7,777	+10,080	-26,629
Percent	-43.2	-32.8	-12.4	+28.5	-14.6

Source: 1970: 1970 Census - New York City Planning Commission,
"Manhattan 3 Portfolio."

1975: Community Board 3 - Demographic File

1980: 1980 Census, Department of City Planning.

* After consultation with a staff member from the Department of City Planning, for 1970 Asian figures the category "other" (non-white) was used since Asian was not included as a census category at that time. As a result, these figures are estimates.

Figure 2: CENSUS TRACTS



TABLE 3
1970 POPULATION BY CENSUS TRACTS: LOWER EAST SIDE

Census Tract	Total Population	White #	White %	Black #	Black %	Spanish Origin #	Spanish Origin %	Asian #	Asian %
2.01	1977	677	34.2	224	11.3	1214	61.4	49	2.5
2.02	9311	5482	58.9	1123	12.0	2766	29.8	242	2.6
6	8322	2031	24.4	953	11.5	3153	37.9	2637	31.7
8	9597	5065	52.8	28	.3	837	8.7	4258	44.4
10.01	2152	2091	97.2	38	1.8	56	2.6	-	0
10.02	8031	1639	20.4	1669	20.8	5039	62.7	11	.1
12	3034	2714	89.5	51	1.7	339	11.2	47	1.6
14.01	4232	4139	97.8	52	1.2	12	.3	36	.9
14.02	2753	1125	40.9	159	5.8	1517	55.1	434	15.8
16	6381	1553	24.3	171	2.7	919	14.4	4038	63.3
18	7764	2603	33.5	576	7.4	2524	42.3	2264	29.2
20	7100	2052	28.9	1977	27.9	3850	54.2	34	.5
22.01	8202	3506	42.8	1295	15.8	3874	47.2	552	6.7
22.02	3090	876	28.4	543	17.6	1777	57.5	218	7.0
24	6755	1281	19.0	1542	22.8	4217	62.4	81	1.2
25	5492	1470	26.8	1052	19.2	2487	45.3	911	16.6
26.01	7799	2500	32.1	1208	15.9	4825	61.9	273	3.5
26.02	7107	3181	44.8	723	10.2	3906	55.0	2	0
27	1671	993	59.4	55	3.3	54	3.2	632	37.3
28	8295	4064	48.9	1276	15.4	3280	39.5	209	2.5
29	9435	1861	19.7	1029	10.9	689	7.3	5996	63.6
30.01	5858	2704	46.2	484	8.3	3332	56.9	720	12.3
30.02	3354	2157	64.3	319	9.5	721	21.5	314	9.4
32	9837	8178	83.1	501	5.1	1217	12.4	290	3.0
34	9328	5482	58.8	739	7.9	3429	36.8	163	1.8
36.01	3581	1407	39.3	250	7.8	2016	56.3	176	4.9
36.02	3437	2217	64.5	580	16.9	555	16.1	214	6.2
38	10456	8544	81.7	627	6.0	1259	12.0	541	5.1
40	7922	3263	41.2	620	7.8	2241	28.3	682	8.6
42	1350	1027	76.1	82	6.0	138	10.2	156	11.6

SOURCE: 1970 Census, New York City Planning Commission, "Manhattan 3 Portfolio."

TABLE 4
1980 POPULATION BY CENSUS TRACTS: LOWER EAST SIDE

Census Tract	Total Population	White		Black		Spanish Origin		Asian	
		#	%	#	%	#	%	#	%
2.01	3357	1089	31.8	484	14.4	2070	61.7	638	20.6
2.02	8019	4610	57.5	1035	12.9	3185	31.7	645	8.4
6	10638	2179	20.5	1063	10.0	3480	32.7	5086	48.5
8	9220	2689	29.2	56	.6	423	4.6	6322	68.9
10.01	1721	1652	96.0	40	2.3	38	2.2	13	.8
10.02	8032	3335	41.5	1805	22.5	5763	71.8	65	.8
12	3468	2542	73.3	178	5.1	1000	28.8	174	5.2
14.01	3475	3344	96.2	66	1.9	87	2.5	30	1.
14.02	2620	1106	42.2	168	6.4	1677	64.	326	13.
16	8085	832	10.3	174	2.2	530	6.6	6688	83.5
18	6961	2089	29.7	256	3.7	3283	36.3	3227	46.7
20	6568	1971	30.0	1425	21.7	5077	77.3	4	0.
22.01	6487	2211	34.1	1195	18.4	3521	54.3	759	13.6
22.02	1284	507	39.5	211	16.4	926	72.1	2	.4
24	6242	2184	35.	1350	21.6	4879	78.1	11	.06
25	6369	1631	25.6	983	15.4	3083	48.	1795	28.3
26.01	2721	1096	40.3	403	14.8	1984	72.9	-	.1
26.02	1876	1042	55.5	298	15.9	1086	57.9	145	2.0
27	1410	647	45.9	34	2.4	44	3.1	689	50.
28	5402	2454	45.4	935	17.3	2540	47.0	353	7.6
29	6016	810	13.5	182	3.0	199	3.3	4931	82.4
30.01	3752	1474	39.3	177	4.7	2686	71.6	255	10.2
30.02	2602	1648	63.3	453	17.4	755	29.	145	6.5
32.	8369	6810	81.4	510	6.1	1328	15.9	267	4.2
34	6588	4138	62.8	543	8.2	2967	45.	120	3.6
36.01	2544	1072	42.1	380	14.9	1498	58.9	140	6.6
36.02	3437	1754	51.0	998	29.0	711	20.7	165	6.8
38	8665	6586	76.0	416	4.8	1152	13.3	436	7.7
40	7144	5189	72.6	526	7.4	1564	21.9	399	9.1
42	2144	1804	84.1	138	6.	162	7.6	96	6.7

SOURCE: 1980 Census, Department of City Planning

TABLE 5

1970: ETHNIC AND RACIAL DISTRIBUTION BY CENSUS TRACT

<u>Census Tracts with over 50% White</u>	
<u>Tract</u>	<u>%</u>
2.02	58.9
8	52.8
10.01	97.2
12	89.5
14.01	97.8
27	59.4
30.02	64.3
32	83.1
34	58.8
36.02	64.5
38	81.7
40	66.4
42	76.1

<u>Census Tracts with over 50% Asian</u>	
<u>Tract</u>	<u>%</u>
16	63.3
29	63.6

<u>Census Tracts with over 50% Hispanic</u>	
<u>Tract</u>	<u>%</u>
2.01	61.4
10.02	62.7
14.02	55.1
20	54.2
22.02	57.5
24	62.4
26.01	61.9
26.02	55.02
30.01	56.9
36.01	56.3

<u>Census Tracts with No Ethnic/racial majority</u>	
<u>Tract</u>	<u>%</u>
6	
18	
22.01	
25	
28	

TABLE 6

1980: ETHNIC AND RACIAL DISTRIBUTION BY CENSUS TRACT

<u>Census Tracts with over 50% White</u>		<u>Census Tracts with over 50% Asian</u>	
<u>Tract</u>	<u>%</u>	<u>Tract</u>	<u>%</u>
2.02	57.5	8	68.9
10.01	96.	16	83.5
12	73.3	27	50.
14.01	96.2	29	82.4
30.02	63.3		
32	81.4		
34	62.8		
36.02	51.		
38	76.0		
40	72.6		
42	84.1		
<u>Census Tracts with over 50% Hispanic</u>		<u>Census Tracts with No Ethnic/racial majority</u>	
<u>Tract</u>	<u>%</u>	<u>Tract</u>	<u>%</u>
2.01	61.7	6	
10.02	71.8	18	
14.02	64.	25	
20.	77.3	28	
22.01	54.3		
22.02	72.1		
24	78.1		
26.01	72.9		
26.02	57.9		
30.01	71.6		
36.01	58.9		

Figure 3: 1980 CENSUS TRACTS WITH 50% WHITE

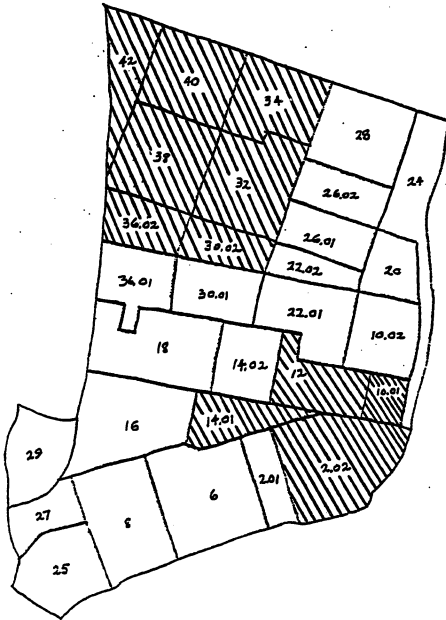


Figure 4: 1980 CENSUS TRACTS WITH 50% HISPANIC

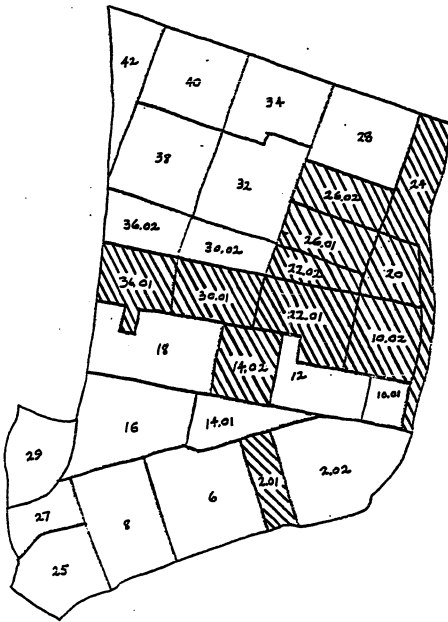
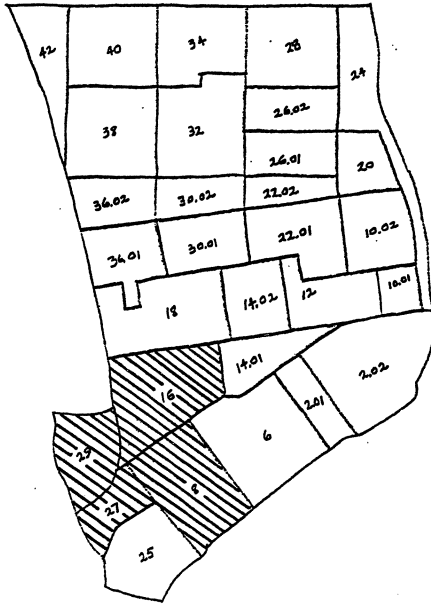


Figure 5: 1980 CENSUS TRACTS WITH 50% ASIAN



Schwartz (1973) observed that the white population would continue to contract as a result of continued pressure from incoming Puerto Ricans and Chinese and the demographic tendencies of a mature, relatively stable population. He further noted that white residents in low- and moderate-income projects will tend to remain while the number of middle-age and elderly Whites living in tenements would decline. These facts seem to be borne out by the 1980 census. However, the 1980 census figures reveal that of the population groups on the Lower East Side only the Chinese are experiencing a significant increase. Most recently, within the past five years, housing shortages and escalating rents throughout Manhattan have caused an increase in young white singles and couples without children (generally with higher incomes) who are now finding the Lower East Side a more suitable place to live. Included in this group are artists who are fleeing the high rents of other downtown areas (SoHo, Greenwich Village). This process is commonly referred to as "gentrification." The continuing pressure of scarce and affordable housing and the city's policy for economic development will contribute to an increase in higher-income Whites on the Lower East Side.

In summarizing this section on recent population trends and ethnic and racial distributions for the Lower East Side between the late 1940s and the late 1970s, two demographic patterns can be discerned. First, an overall out-migration

and subsequent decrease in white population occurred. This corresponded to a significant increase in Puerto Rican and Chinese in-migration. The black population also increased during this period, but in proportion to Puerto Rican and Chinese numbers it was on a much smaller scale. As a result of these demographic shifts the Lower East Side was transformed from a predominantly white, ethnically mixed area to one that was marked by a more diverse mixture of racial, ethnic, and economic groups.

Second, we may note an internal demographic shift among the remaining white population. As a result, two areas in the Lower East Side are predominantly white---the East Village in the northwestern section of the district, and the traditional Jewish neighborhood around Delancey Street in the southeastern part of the district. The residual Jewish population, as well as newer in-coming Jews, have regrouped along Second Avenue in the East Village and along East Broadway and Grand Street in the historic Jewish quarter. The distribution of the Lower East Side's ethnic and racial populations is correlated with the availability and distribution of housing, as the following discussion will reveal.

3.3 HOUSING ON THE LOWER EAST SIDE

Massive immigration, land-use patterns, and the lay-out of the city's streets and subways have changed the Lower East Side from a once quiet residential area in the 18th and early 19th century to an over-crowded and neglected slum. The housing needs of the newly arrived immigrants, poor, lacking skills and with few alternatives, soon transformed former mansions into multi-unit dwellings. Hastily constructed buildings provided the barest minimum in housing. As Schwartz (1973) points out, the tenements that still house many residents came into being in the middle 19th century. The "dumbbell tenement" was the accepted model for building from 1880 to 1901 when it was prohibited. The dumbbell tenement takes its name from its shape and usually covered nearly all of its 20 to 25-foot-wide by 100-foot-deep building lot. "Each tenement building contained four four-room apartments per floor. Only the four rooms at the front and back of each floor received direct light and air" (Schwartz 1973:3). Real estate speculators and landlords, unencumbered by zoning laws or building codes, built as many apartments as possible for the immigrants, even building in the rear yards of other buildings.

In describing these early conditions, Schwartz writes,

By the late 19th century, the Lower East Side was a mockery of the area's earlier elegance. People lived in cellars and in rooms without windows or

lights; they slept in hallways and on roofs and fire escapes. The filth, noise, and smells were overpowering. What is especially poignant about this picture is its similarity to the situation today, altered only by new, undreamed-of ills such as drug addiction (1973:3).

Certainly by the mid- to late-nineteenth century the Lower East Side could be characterized as an overcrowded slum. Conditions were so deplorable that social reformers like Jacob Riis became one of the leading spokesmen for the housing reform movement.

By 1910 the Lower East Side's population, commerce and industry had begun to decline, but even so over half a million people, in an area of approximately 1,000 acres, were packed into its Old-Law tenements. With the passage of the 1920 immigration laws the flow of immigrants was sharply reduced, but housing conditions remained the same. Until the 1930s, the tenements remained the primary type of housing, with the exception of some of the older one- and two-family buildings from the previous era. Although 24,000 new low- and moderate-income apartments have been built in the area as of 1970, still approximately half of the almost 70,000 housing units on the Lower East Side are in uninhabitable Old-Law tenements (Schwartz 1973:28). According to Schwartz "the 1960 census showed that 48 percent of the dwelling units were unsound (deteriorated and dilapidated) compared to a city-wide rate of 15 percent" (1973:53). Over half of today's Lower East Side residents live in these 19th century buildings (Schwartz 1973:4).

In his comprehensive plan prepared for New York City's Department of City Planning, Schwartz has made the following observations about housing conditions on the Lower East Side: In general, housing ranges from good to uninhabitable. The housing projects, both low- and moderate-income, are sound, while the tenement districts, except where rehabilitation has occurred, are uniformly in fair or poor condition. The Lower East Side contains two types of residential blocks: traditional city blocks of tenements and older commercial buildings, plus superblocks of the newer housing projects at much lower densities. The tenement districts have very little open space; buildings typically cover about 90 percent of a 25 x 100 foot plot. The differences created in the environment between the 19th century tenements and the 20th century housing projects are dramatically seen in the difference in densities between the two. The tenements have an average density of 240 units to the acre which contrasts with the prevailing R-7 zoning of 135 two-bedroom apartments to the acre, although the projects have a slightly higher density of 145 apartments per acre (1973:25,26,28). In Table 7, taken from Schwartz (1973), the estimated housing inventory by building type as of 1970 is summarized.

The private market has been almost totally unable to meet new housing needs in poor areas of New York City, like the Lower East Side. As a result the majority of the new

TABLE 7

ESTIMATED HOUSING INVENTORY BY BUILDING TYPE: 1970*

Type of Building	Number	Percent
Old Law tenement--unrenovated	37,000	53.1
Old Law tenement--renovated	1,500	2.2
New Law tenement (a)	4,200	6.0
Low-rent projects	12,000	17.4
Moderate-rent projects		
Cooperatives	7,700	11.1
Rental	3,800	5.5
High-rent	800	1.2
Other multiple dwellings and miscellaneous residences (b)	2,400	3.5
Total	69,400	100.0

(a) Built between 1901 and 1919

(b) Multiple dwellings built after 1919, renovated small buildings, etc.

Sources: U. S. Census of Housing, 1950 and 1960; New York City Housing Authority; New York City Housing and Development Administration; and author's estimates.

*Schwartz, 1973:33

housing construction for the past forty years has been provided through a variety of government (federal, state and city) funding programs. Approximately 27,542 dwelling units have been built as of 1977 under two types of programs---public housing for poor and low-income groups and publicly-aided for moderate- and middle-income groups.

Public housing has been authorized, from its inception in the federal Housing Act of 1937 and the New York State Public Housing Law of 1934, to provide housing for low-income families as defined by law. All public housing in New York City is managed by the New York City Housing Authority and there is no profit; rents are subsidized. The Housing Authority has received federal, state, and city subsidies for forty years for construction and operating expenses, thus keeping rents low. Federal funding for new construction was suspended in 1973 during the Nixon administration. The Department of City Planning figures for low-income housing on the Lower East Side reveal that there are 14,366 dwelling units of low-income housing, as of December, 1980.

Publicly-assisted housing programs are also designed for both moderate- and middle-income rentals, cooperatives, and condominiums. A variety of public aids (subsidies) from the city, state, or federal government are provided to housing developers or sponsors in order to reduce rentals or the

purchase price. These aids or subsidies take three basic forms: the reduction of the cost of the land (write-downs, Title I), the reduction of the cost of borrowing money (below-market interest rates, mortgage insurance, mortgage pools), and the reduction of taxes (exemption or abatement). These subsidies may be used singly or in a variety of combinations (New York City Planning Commission 1974, Community Planning Handbook: General Information Guide). The Department of City Planning figures list 12,440 dwelling units of moderate- and middle-income on the Lower East Side, as of December, 1980.

The current mainstay of all middle-income housing programs according to Alpern (1973), are the Limited Profit Housing Companies program (Mitchell-Lama) and the federal Section 236 interest-subsidy loans. Moderate-income housing programs also use Section 236 programs as well as Section 221 (d) (3), both federal programs. Previously, two other housing programs had been used to provide moderate- and middle-income housing--the New York State Limited Dividend Companies program which limits the housing corporations' profit to 6% per year, and the Redevelopment Companies Program. Stuyvesant Town, a \$110,000,000 project built in 1949 by the Metropolitan Life Insurance Company on eighteen blocks bordering the Lower East Side, was the first privately financed, publicly assisted slum clearance and redevelopment project in the country. According to Lowe,

the private redevelopment was made possible by the state's 1943 Redevelopment Companies' Act (as amended by Moses), which allowed a municipality to use eminent domain in assembling slum land for sale to a private rebuilder, as well as to grant tax abatements to the sponsor in order to lower rents, the rent charges being subject to city approval (*Profits were limited by law to 6%) (1973:64).

The following maps and tables indicate the types of public and publicly-aided housing on the Lower East Side. Table 8 is used as a key to Figure 6 and Figure 7, indicating the location and name of the housing projects. Table 9 lists the public and publicly-aided developments and the average monthly rent per room, as of 1969.

According to Schwartz, "between 1960 and 1970 the total number of housing units decreased by slightly over 1,000 apartments---from 70,591 in 1960 to 69,370 in 1970" (1973:54-55). Table 10 summarizes these changes.

Commenting on these changes Schwartz (1973) notes that the modest decline disguises significant shifts in the composition of occupants. He writes,

thousands of Old Law tenements housing poor whites, Puerto Ricans, and blacks were replaced mainly by new moderate-income housing rented predominantly by white families. Yet, the changes took place during a time when the white population declined by almost 34,000 people and the non-white population grew by over 15,000 people (1973:55).

TABLE 8

PUBLIC AND PUBLICLY AIDED HOUSES IN THE LOWER EAST SIDE

I. Urban Renewal Areas - FIGURE 6

Description

Cooper Square
 14th Street, Avenue D
 Tompkins Square
 East 3rd Street, Avenue C
 Pueblo Nuevo
 Corlears Hook - East River Houses
 Two Bridges
 Seward Park
 Seward Park Extension
 Park Row
 Park Row Extension

II. Federally-Aided Projects - FIGURE 7

Location #	Description	
25	Podell House (elderly)	Fed. 202
40	Carolyndale (moderate)	Fed. 221E3
41	Fabria apartments	"
42	Four Buildings	"
43	Haven Plaza	"
44	277 East 4th Street	"
45	Lands End 2A	Fed. 223E
46	Grand Street Guild I, II, III	Fed. 236

III. Public Housing - FIGURE 7

Location #	Description
9	Hester-Allen
10	Seward Park Extension
11	Mariana Bracetti
12	Baruch Houses
13	Baruch Extension
14	LaGuardia House
15	LaGuardia Houses Addn.
16	First Houses
17	Jacob Riis Houses (NYC)
18	Jacob Riis Houses (Fed)
19	Max Meltzer (elderly)
20	Rafael Hernandez Houses
21	Samuel Compers
22	Vladeck Houses (NYC)
23	Vladeck Houses (Fed)

24	Two Bridges
26	Pedro Abizo Campos Plaza
31	Smith Houses
32	Lillian Wald
33	Rutgers Houses

IV. Mitchell-Lama Projects - FIGURE 7 :

Location #	Description
1	Gouverneur Gardens
2	Village East
3	Village View
4	Clinton-South Street
5	Masaryk Towers
6	Tanya Towers (elderly)
7	Land's End I
8	Confucius Plaza
39	New York Eye and Ear

V. Other State Projects* - FIGURE 7

Location #	Description
27	Knickerbocker Village
28	Manhattan Houses
29	Stanton Homes
30	Amalgamated Dwellings
34	Chatham Green
35	Chatham Towers
36	Seward Park Houses
37	Corlears Hook House
38	Hillman Houses

 *New York State Limited Dividend Companies,
 New York State Redevelopment Company Law

Source: New York City Planning Commission, Manhattan 3
 Portfolio. (1977)

Figure 6: URBAN RENEWAL AREAS



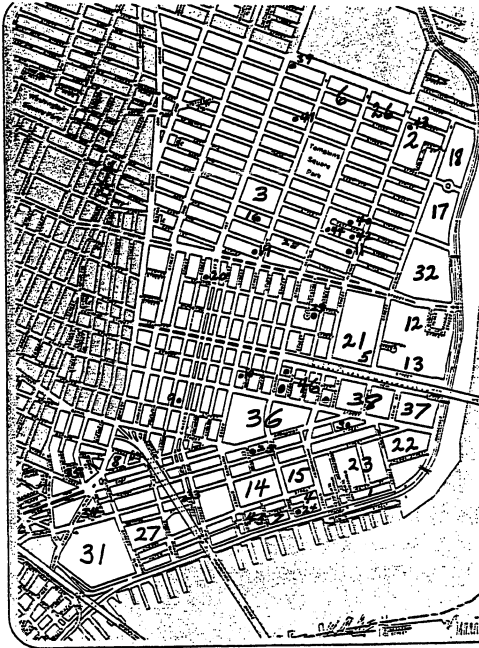
Figure 7: PUBLIC AND PUBLICLY AIDED HCUSING

TABLE 9

PUBLIC AND PUBLICLY AIDED HOUSING COSTS: 1969

Development	Av. Mo. Rent Per Room	Down Payment Per Room	Apartments Total
Amalgamated Dwellings	\$ 15.49	\$ 492	236
Manhattan Houses	20.85		46
Stanton Homes	24.47		44
Knickerbocker Village	24.30		1584
First Houses	14.67		123
Vladeck Houses-City	13.94		240
Vladeck Houses-Fed.	14.25		1531
Jacob Riis Houses-Fed	19.96		1190
Jacob Riis Houses-City	14.10		578
A. Smith Houses	14.89		1935
Hillman Houses	16.00	675	807
Lillian Wald Homes	14.95		1861
Baruch Houses	13.82		2194
Corlears Pook	17.00	625	1672
LaGuardia Houses	14.54		1094
Lavanburg Homes	9.91		113
Chatham Green	28.10	935	420
Seward Park	21.00	650	1728
Gouverneur Gardens	29.08	500	782
Rutgers Houses	19.09		721
Gompers Houses	15.11		474
Village View	25.50	600	1236
Chatham Towers	44.69	1350	240
LaGuardia Houses Addn.	17.58		150
277 East 4th Street	24.57		13
633 East 5th Street	28.19		48
Pocell House	29.95		50
Haven Plaza	25.60		372
Masaryk Towers	27.00	600	1109
Village East Towers	30.40	632	432

Source: Plan for New York City 1969: A Proposal. New York City Planning Commission (1969:49).

TABLE 10
 CHANGES IN THE HOUSING INVENTORY: 1960-70*

Number of housing units in 1960	70,591
Reasons for losses in the housing inventory:	
Urban renewal and other housing projects	7,145
Schools	862
Other public improvements	487
Normal attrition	1,500
Total Losses:	9,994
Sources of gain in the housing inventory:	
Low-rent housing	1,877
Moderate-rent housing	6,323
High-rent housing	573
Total gains	8,773
Net change	-1,221
Number of housing units in 1970	69,370

Sources: U. S. Census of Housing, 1960; New York City Housing Authority; author's calculations.

*Schwartz, 1973:55

3.3.1 Housing Abandonment

During the past decade, 1970-1980, many of the Lower East Side's Old- and New-Law tenements have been increasingly abandoned by their landlords and their ownership has passed to the city. Almost half of the 70,000 housing units on the Lower East Side are in Old-Law tenements and more than half of the Lower East Side residents live in them. Abandonment and the management of city-owned (In Rem) property is a major problem for many residents.

Housing abandonment is a widespread phenomenon in New York City--over 150,000 housing units have been abandoned (Homefront, 1979:1). The process of abandonment is not limited to isolated or randomly selected buildings, nor is it related to a specific type or use of a building. Rather, abandonment occurs on a neighborhood level. By using two indicators for which data are available--tax arrearages and vacant buildings--the areas of the city which are most severely affected may be identified. These areas include the Lower East Side, Harlem, East Harlem, the South Bronx, Bedford-Stuyvesant and Ocean Hill-Brownsville.

These areas share many common characteristics. First, and most obviously, abandoned neighborhoods of the city are those with a high percentage of vacant houses or buildings,

city-owned property, and real estate tax arrearages. These areas are also the city's "slums," predominantly made up of poor and minority (Black and Hispanic) people, many of whom are recent immigrants from the South, Puerto Rico, the Caribbean, and Latin America. The population of these areas is marked by their marginal economic status; many residents are employed in low-wage, dead-end jobs; while others are unemployed, underemployed or dependent on public assistance.

The reasons for housing abandonment are complex and varied. Real estate interests have argued that abandonment and housing decline are caused by tenants, increased costs, rent control, or the age of buildings. Yet a close examination reveals that these reasons fail to explain the pattern of housing abandonment in the city. The overall economic conditions underlying abandonment and the entire housing market system point to the movement of capital from the city to the suburb and to other regions of the country as the major cause of abandonment. As a result of capital flight, the city lost 55% of its manufacturing jobs between 1960 and 1975. Most of these jobs were in industries that employed large numbers of low-paid workers who had immigrated from the South and Caribbean to find work. Industry's quest for profit sought other, more favorable, areas for investment and was also facilitated by government subsidy. Since housing tends to "follow" the flow of money and jobs, it is not surprising that disinvestment by banks

and other financial institutions in New York City's residential real estate followed these capital shifts.

Disinvestment takes many forms. "Redlining," a common practice instituted by banks and insurance companies, is the result of decisions to withhold investment monies in deteriorating neighborhoods. Landlords or prospective buyers are unable to procure mortgage monies, loans, or insurance for property in the designated "redlined" area. Private disinvestment soon follows the institutional pattern as landlords begin to "milk" their buildings in order to maintain their profit margins. Slum landlords continue to collect rents and take tax deductions, while at the same time fail to provide adequate services (heat, hot water, maintenance) and barely keep up with real estate taxes and mortgage payments. In the final stages of abandonment the landlord will simply stop paying the city real estate taxes, leaving the building for the city to take over or ignore. Abandonment of the building by tenants, when possible, follows the landlord's cutback in services, and is further exacerbated by city service cutbacks to the area.

On a wider scale, disinvestment by the city itself affects entire neighborhoods. Through an unofficial policy of "planned shrinkage" the city has accelerated neighborhood decline by cutting back services such as police, fire protection, schools, hospitals and transportation, thereby

institutionalizing and systematizing economic and demographic processes that are underway. Thus the city acts in concert with "market" forces by implementing policies which are inimical to poor and low-income people. City policies exacerbate the housing abandonment process which leads to increased social deterioration and instability of these areas. While the 1975 fiscal crisis served to rationalize further cutbacks in city services, it was evident as early as 1969 that the city had made a major policy change by encouraging the economic redevelopment of New York, particularly Manhattan, as a "national center"--headquarters for national and multinational corporations. This policy entails, for the most part, a greater need for a "white-collar" workforce. As a result, the residual "blue-collar" worker is becoming superfluous in this changing financial climate, a fact indirectly related to the abandonment process, and directly related to the city's policies of economic development and planned shrinkage.

The city has the power, as well as the legal obligation, to take title to buildings or vacant lots for non-payment of real estate tax, a process known as foreclosure (In Rem). In 1977, the city shortened, from three years to one year, the period of tax arrears that must build up before the city can begin foreclosure action. Foreclosure becomes the city's de facto abandonment program. In 1976 the city had

title to 5,500 residential properties with 83,000 units, 17,000 of them occupied (New York City Department of City Planning, 1977b). The city assumes the responsibility of maintaining and operating these buildings to the extent that they are occupied through the Department of Housing Preservation and Development.

The management of city-owned residential buildings is handled by the Department of Housing Preservation and Development under a number of management programs, while the sale of city-owned buildings is handled by another city agency, The Department of Buildings.

The Lower East Side, as well as Harlem, are the two areas in Manhattan which have the highest concentration of city-owned property. The Department of Housing Preservation and Development admits to owning 340 buildings throughout the Lower East Side. However, the Department of City Planning in a recent report states the city has acquired ownership of 620 parcels of property, 31% of all the land and buildings in a designated Neighborhood Strategy Area encompassing over a third of the district's area, with a total population of 86,276 in 1975. The Neighborhood Strategy Area corresponds fairly closely with the area which is predominantly inhabited by an Hispanic and black population (see Figure 4). The Neighborhood Strategy Area represents 51.6% of the total population of Community District #3. The Lower East Side

Neighborhood Strategy Area is bounded by 14th Street on the North, Delancey Street on the South, the East River on the East, and Avenue A and Chrystie Street on the West. Between 1970 and 1975 the Neighborhood Strategy Area had a population loss of 14%, and if the three census tracts which include the public housing projects with stable populations are excluded the over-all decline would be a sharper 20%.

The conditions in the Lower East Side's Neighborhood Strategy Area exemplify the public and private disinvestment decisions that lead to housing abandonment. Population loss is correlated with the loss of housing stock through fire (arson) and abandonment, and to the housing policies and programs of the Department of Housing Preservation and Development in their management and disposition of city-owned property in the area.

3.4 HOUSING POLICY AND CLASS PROCESSES

The housing problems of Lower East Side residents are not confined to housing abandonment but are also reflected in the planning and policy decisions of the city which frequently conflict in their goals. As Schwartz (1973) has pointed out, with reference to the introduction of economically-mixed housing,

the new units have changed the face of the Lower East Side and have introduced a new economic mixture. However, economic diversity has created its own problems. The moderate-income residents, who are predominantly white, would like to remake

the Lower East Side into a moderate- and middle-income neighborhood. But the tenement dwellers, who are Puerto Rican and Chinese, are concerned about having more low-rent apartments. Thus plans for new housing often evoke clashes between the two groups, one seeking community renewal and a balance of income groups, the other advocating better housing for those already living in the area's squalid accommodations (1973:7-8).

In addition to the contradictions inherent in the development of an economically diverse housing stock, the Department of Housing Preservation and Development manages all city-owned property, occupied primarily by poor, nonwhite tenants. Yet this housing agency was established to provide housing for private, moderate- and middle-income usage; the New York City Housing Authority is responsible for public, low-income housing. The housing needs of poor, minority tenants in city-owned buildings are handled by a housing agency whose bureaucratic "charter" stands in contradiction to its In Rem administrative functions. This is a critical problem for tenants and agency personnel, especially in the area of policy formulation and funding allocations. Moreover, the Department of Buildings manages the sale of city-owned property often undermining the housing agency's management programs.

Housing is one of the most competitive and conflictual issues that engages Lower East Side residents and community leaders. Following the class perspective discussed in Chapter 2, we may note that housing is at the root of the

conflict of interests between poor and working-class residents, predominantly Blacks, Chinese, and Puerto Ricans, and moderate- and middle-income whites. I refer to income differences as a distinguishing characteristic between these two groups because income is the single most important criterion used by federal, state and city agencies to determine eligibility for publicly subsidized housing. Access to privately owned housing is also regulated by income, but in addition, non-economic factors such as racial and ethnic discrimination operate at a more blatant level. I will return to this point below. In terms of class processes, we may note the demographic movement of various groups of people in and out of the Lower East Side and their subsequent distribution, as well as the types of housing to which they have access, which leads to the formation of specific types of group interest. The opposing interests of the two groups mentioned above and their conflictual struggles mark the initial development of class conflict---to the extent that this conflict is recognized as arising from the opposing structural positions people occupy in the sphere of production (workplace) and reproduction (residence). I will elaborate on this point in my discussion of the role of the organizations involved in the Seward Park Extension Urban Renewal conflict and the political structure of the Lower East Side (see Chapter 7). At this point it is sufficient to note the political

implications (in terms of group formation along shared common interests) of the distribution of and access to housing resources and government housing policies.

The distribution of the scarce and expensive resource of housing has been instrumental in the formation of what Giddens (1973) has called "distributive groupings," that is, groups characterized by a tendency to live in residentially segregated and homogeneous neighborhoods, characterized by a distinctive type of housing. To the extent that this housing is government-subsidized, it falls into the domain of "collective consumption" (Castells (1975). Moreover, new forms of inequality, based on the differential access to publicly subsidized housing, are created by the state, thus providing certain groups with material advantages conducive to their political organization and improved opportunities for social mobility. For example, Blacks and Hispanics (primarily Puerto Ricans) are concentrated in the northeastern and central area of the Lower East Side, an area roughly corresponding to the neighborhood of Loisaida, the most deteriorated "slum-like" section in this district. They live in two types of housing: public, low-income housing projects administered by the New York City Housing Authority, and private and city-owned Old- and New-Law tenements, representing some of the worst housing in the entire area. In contrast, the white population tends to concentrate in those areas that have been rebuilt with new

subsidized housing, as Schwartz (1973) observed some ten years ago. The new moderate- and middle-income housing projects are rented or owned predominantly by white families to the exclusion of similarly situated nonwhite residents. However, occupancy of the newer housing projects cannot be accounted for solely on the basis of income distinctions, as planners and politicians would like to believe. It is also related to a long-standing pattern of discrimination (see the discussion of the Huertas case in Chapter 6). Federal, state, and city housing agencies participate, directly and indirectly, in fostering patterns of racial and ethnic discrimination. Two examples will illustrate this point. First, low-income Chinese who meet the eligibility requirements of the City's Housing Authority are placed in public housing projects in and near Chinatown, while Blacks and Hispanics are steered to the public housing projects in the northeastern section of the Lower East Side. In the 1980 census tracts 10.01, 10.02, 20, and 24, which comprise the public housing projects of Jacob Riis Houses, Lillian Wald Houses, and Baruch Houses, there are less than .01% Chinese. Yet the Chinese are in desperate need of housing. However, an examination of the 1970 and 1980 census tracts 2.01, 2.02, 6, and 8 (in close proximity to Chinatown), encompassing the public housing projects of Vladeck Houses, LaGuardia Houses, Rutgers Houses, and the private, publicly-aided Knickerbocker Houses reveals that there has been a

dramatic increase in Chinese residents in the past ten years. One can only attribute this type of distribution to the policy decisions of the Housing Authority and the Department of Housing Preservation and Development.

Second, the federal Department of Housing and Urban Development and the New York City Department of Housing Preservation and Development are the agencies responsible for the implementation of the 1964 Fair Housing Act. Yet these two agencies have allowed public funds to be used by an almost exclusively white population in contradiction to their Fair Housing policies. The 4500-unit cooperative complex built and managed by the United Housing Foundation and the 1236-unit Mitchell-Lama project of Village View are just two examples. The Department of Housing Preservation and Development has an affirmative action policy to insure that eligible nonwhite families and other minorities live in housing under its jurisdiction. However, this policy is not enforced.

The state, through its administrative agencies, promotes the formation of distributive groupings and fosters new cleavages among local groups in the unequal distribution of collective housing resources. Thus white tenants develop a vested interest in maintaining non-integrated, below-market-rate housing. The political organization of such groups develops in response to nonwhite and low-income peoples'

demands for their share of publicly funded housing. Thus, in the Lower East Side a clear-cut relationship exists between ethnic and racially defined populations, their geographical distribution, housing, and government policies. This relationship may be viewed as a class relationship. However, as Markusen notes,

Real class differences under capitalism are obscured by a subdifferentiation of class enhanced by segregated residence and by the particular consumption and class reproduction activities that accompany that residence (1978:109).

In the Lower East Side ethnic and racial themes predominate in local political and planning decisions, thus even further masking the class nature of housing conflicts.

3.5 NEIGHBORHOODS ON THE LOWER EAST SIDE

The Lower East Side, like many other urban localities, is divided into sub-areas. From an outsider's perspective the Lower East Side may be perceived as a homogeneous neighborhood characterized by a number of overall, or highly generalized, characteristics. Local residents and community activists, as well as politicians, however, are more aware of the internal diversity that delineates one sub-area or neighborhood from the other. Yet, there is no precise agreement on just what constitutes a neighborhood, or, for that matter, where the boundaries of neighborhoods are, or how they are determined. In many instances boundary lines represent historical and perceptive views of local

residents, sometimes drawing their names from old estates or earlier villages. At other times, city agencies, especially the Department of Housing Preservation and Development and the New York City Planning Commission, determine neighborhood boundaries according to their policy and planning objectives.

The New York City Planning Commission's designation of the Lower East Side's neighborhoods provides an example of this latter point. In 1969 this department published its six-volume "master plan" for the City of New York. In a chapter on Manhattan Community Planning District 3, it acknowledged that the district had five general sub-areas: the East Village, the Bowery, Chinatown, Rutgers and Delancey (1969:42). However, in 1973 just six years later, in the City Planning Commission's Community Planning Handbook for Manhattan Community Planning District 3, the Lower East Side was subdivided into five neighborhoods according to census tracts: Chinatown, East Village, the Bowery, Two Bridges, and the Lower East Side (see Table 11 and Figure 8). The previously designated neighborhood of Rutgers had been absorbed into the new neighborhood of Two Bridges, named for the Two Bridges urban renewal project in the area. The Delancey neighborhood was submerged into the larger Lower East Side neighborhood.

TABLE 11
NEIGHBORHOODS BY CENSUS TRACTS: 1973

Neighborhood	Manhattan Census Tract
Chinatown	29.00
East Village	36.02
	38.00
	40.00
	42.00
The Bowery	16.00 *
	18.00 *
	36.00 *
Two Bridges	2.01
	2.02
	6.00
	8.00
	25.00
	27.00
Lower East Side	10.01
	10.02
	12.00
	14.01
	14.02
	20.00
	22.01
	22.02
	24.00
	26.01
	26.02
	28.00
	30.01
30.02	
32.00	
34.00	

* Census Tract lies partially outside neighborhood
Source: New York City Department of City Planning,
September 1973.

In 1978, Cooperative Community Planning of the New York Department of City Planning published Neighborhood Profiles. In a section on Manhattan neighborhoods with 1970 census tracts, four neighborhoods encompassed the Lower East Side district: East Village, Chinatown/ Little Italy, Lower East Side, and Two Bridges (see Table 12). In this categorization the Bowery is no longer recognized as a distinctive neighborhood and is merged with the neighborhood of the Lower East Side. The neighborhood of Two Bridges is enlarged by two census tracts (10.01 and 10.02) while at the same time losing one census tract (27) to Chinatown, a reflection of increased Chinese immigration. The criteria for neighborhood designations and their boundaries, as determined by the Department of City Planning, are not clearly specified. In some cases, for example, Chinatown, they may reflect demographic shifts in population.

At the local level, perceptions of neighborhoods are somewhat different. The local planning and advisory body of city government, Community Board #3, which represents the Lower East Side, acknowledges four neighborhoods: Chinatown, East Village, the Lower East Side and Loisaida. The specific differences between the Community Board's neighborhood designations and those of the City Planning Commission reflect the on-the-ground reality of daily life and the communal activity of local organizations rather than abstract planning decisions. For example, the primarily

Figure 8: CITY PLANNING COMMISSION NEIGHBORHOODS

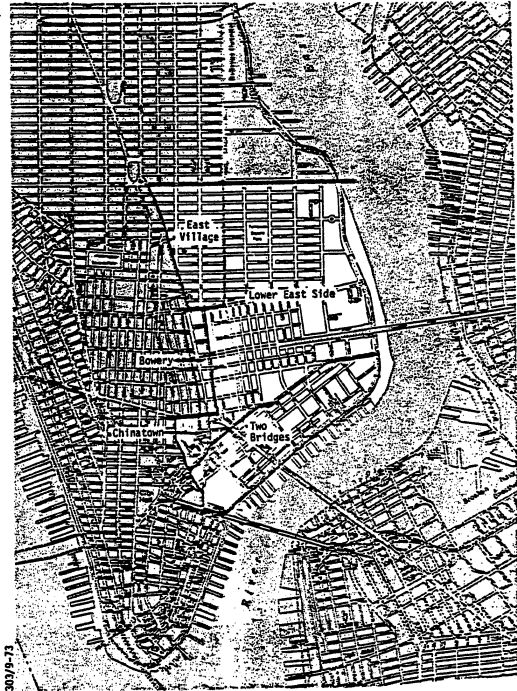


TABLE 12
NEIGHBORHOODS BY CENSUS TRACTS: 1978

Neighborhood	Manhattan Census Tract
Chinatown/Little Italy	27
	29
	41 *
	43 *
	45 *
East Village	20
	24
	26.01
	26.02
	28
	32
	34
	38
	40
42	
Two Bridges	2.01
	2.02
	6
	8
	10.01
	10.02
25	
Lower East Side	12
	14.01
	14.02
	16
	18
	22.01
	22.02
	30.01
	30.02
	36.01
	36.02

* Census tracts lie outside of Community District 3
Lower East Side

Source: New York City Department of City Planning,
August 1978

Hispanic neighborhood of Loissaida (the Spanish version of Lower East Side) is recognized by community leaders and residents, politicians, and a number of city agency officials as a special sub-area. It has distinctive characteristics of housing, population and other environmental differences which distinguish it from the neighborhood of the East Village. (See below for a more detailed description of this neighborhood. Figure 9 shows Loissaida's location and census tracts.)

For the purposes of this study the local Community Board's neighborhood designations are used, each of which is briefly described (see Table 13).

The East Village lies between 14th Street and Houston Street from the Bowery and Fourth Avenue to Avenue A. Houston Street is a major east-west street transversing downtown Manhattan. It forms a dividing line between the northern and southern sections of the Lower East Side. The East Village includes census tracts 38, 40, 42 and half of the census tracts 30.02, 32, and 34. At the turn of the century this area (including the area now known as Loissaida) was a predominantly German section, but Italians, Poles, Russians, Ukrainians, and Jews settled there shortly after. Today it is still the home to a sizeable Ukrainian and Polish population. Restaurants and retail food shops mark this ethnic specialization. In recent years artists,

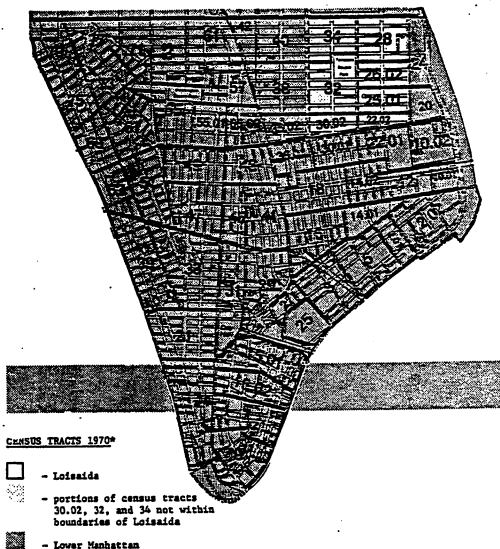
TABLE 13
 COMMUNITY BOARD #3 NEIGHBORHOODS: 1980

Neighborhood	Manhattan Census Tract
East Village	30.02 *
	32 *
	34 *
	38
	40
	42
Loisaida	20
	20.02
	24
	26.01
	26.02
	28
	30.02 *
	32 *
	34 *
Lower East Side	2.01
	2.02
	6
	8
	10.01
	10.02
	12
	14.01
	14.02
	16
	18
	22.01
	30.01
	36.01
36.02	
Chinatown	25
	27
	29

* Split between Loisaida and East Village

Source: Community Board #3, Demographic File

Figure 9: LOISAIDA



* Prepared by the Department of City Planning, City of New York, 2 Lafayette Street, New York, N. Y. 10007, based on maps created by the Geography Division of the Bureau of the Census.

musicians, and young professionals have moved into the neighborhood seeking rents which are more affordable than Greenwich Village. St. Mark's Place, a prominent street in the neighborhood, with its specialized and diverse shops, reflects the interest of this group. The population of this area is approximately 27,000 and is predominantly white (see Figure 3).

Housing in the area is mixed, but tenements prevail. A number of townhouses are concentrated in the area between St. Mark's Place and East 12th Street, from the Bowery to Tompkins Square Park. Several middle-income and luxury high-rise apartments are located on Second Avenue near St. Mark's Church. Village View, a Mitchell-Lara, middle-income cooperative completed in 1964 with 1,236 apartments, is located on First Avenue between East 2nd and East 6th Streets. The New York City Housing Authority built its first low-income housing projects, First Houses, in 1935 between Avenue A and First Avenue between 2nd and 3rd Streets. Public and private efforts in housing have made much progress, yet the tenements, because of age, remain in a deteriorating state. Private developers have been interested in a section of Third Avenue between 9th and 14th Streets since the mid-1960s. Recently private developers have tried to gain Community Board support in order to build luxury, high-rise apartments which would require a zoning change from R-7 to R-10, reflecting the higher density

requirements of new construction. In addition, the city has limited its J-51 program, a tax abatement policy designed to provide tax incentives for the private sector to rehabilitate and modernize old multi-dwelling buildings, to this section of the Lower East Side. This policy has the effect of up-grading areas in which it is used. In the past few years the East Village's old housing stock has been improved; rents have risen accordingly as higher income whites move into the area.

In the East Village, there is one urban renewal area that was designated for urban renewal by MCSES and approved by the Board of Estimate in 1963. Efforts to redevelop the area from 4th Street on the north, to Stanton Street on the south, and from the Bowery on the west to Second Avenue on the east date back to the early 1950s. Under the leadership of the Cooper Square Development Committee and Businessmen's Association, a local organization formed to combat the Moses-style urban renewal development, a neighborhood-wide effort blocked the proposed middle-income project. (Robert Moses was one of the most powerful figures in the implementation of urban renewal programs in New York City. See Chapter 4 for a discussion of his methods.) Community-wide objections to Moses' plan to rebuild the area with middle-income housing have led to a consideration of alternative planning proposals which would include low-income housing. As of this date the urban renewal project

remains uncompleted and the city holds title to the land and the buildings which are managed by the Department of Housing Preservation and Development and the Cooper Square Committee which is funded by the housing agency for this purpose.

Loisaida is an ethnically and racially diversified, low-income neighborhood which lies between 14th Street and Houston Street and Avenue A and the East River. Avenue A forms the north-south boundary between the predominantly white neighborhood of the East Village and the predominantly Hispanic neighborhood of Loisaida. The census tracts 20, 22.02, 24, 26.01, 26.02, 28 and half of the census tracts 30.02, 32, and 34 comprise the area. However, Interfaith Adopt-A-Building, Inc., a 10-year-old neighborhood organization which serves the area, excludes census tracts 20 and 24 from the neighborhood. These two census tracts contain the two low-income housing projects of Jacob Riis Houses and Lillian Wald Houses built and managed by the City's Housing Authority. According to a recent report on Loisaida compiled by Interfaith Adopt-A-Building, Inc., "the public housing projects east of Avenue D are not considered Loisaida because our work has focused on the issues and problems of people in tenement buildings; another neighborhood organization does multi-service work with this population" (1979:55). The total population of the more inclusive neighborhood of Loisaida is approximately 32,972 according to 1980 census figures. Using Interfaith Adopt-A-

Building's boundaries for the area the population is approximately 20,162, a decline of 32.7% from the 1975 census estimates of 29,971. The majority of Loissaida's population is Hispanic (see Table 6), mostly first- and second-generation Puerto Ricans comprising 68% of the residents (Office of the Borough President of Manhattan, 1980:7).

Housing in the neighborhood of Loissaida is varied, but almost all is low-income. Shortly after World War II two low-income housing projects (Riis and Wald) were built south of 14th Street from Avenue D to the East River. These provide 3,629 units of housing with a population of approximately 12,800. An urban renewal area between 12th and 14th Streets and Avenues B and C is providing new housing. Campos Plaza, another low-income housing project, will provide 495 units when completed, while Tanya Towers has been completed with 138 units of moderate-income housing.

The Tompkins Square urban renewal area bounded by Avenue C, 13th Street, Avenue D and 10th Street has been completed with two moderate- and middle-income developments: Village East Towers with 432 cooperative units and Haven Plaza with 370 rental units. The remaining housing stock in Loissaida is primarily multi-family tenement buildings with the exception of East 7th Street between Avenues B and C which

has a number of well-maintained privately rehabilitated buildings occupied by middle-class tenants and owners. According to Interfaith Adopt-A-Building's recent report on Loisaida,

90% of the properties in the neighborhood are multi-family residential buildings; the remaining 10% constitute small industries, garages, educational facilities, and religious buildings. Of the 861 residential structures, 69% are occupied, and 31% are vacant. Approximately 65% are in private ownership; the remaining 35% are owned by the city as a result of real estate tax delinquency of more than one year. Of the total number of city-owned residential buildings, only one-third (33%), or 98 buildings, are occupied, although not all apartments in each building are tenanted" (1979:78).

Loisaida has experienced the most extensive abandonment and housing loss of the Lower East Side, particularly between Avenues B and D.

Loisaida exhibits a pattern of increasing deterioration as one moves from west to east: moderate deterioration between Avenues A and B, and more severe deterioration between Avenues B and D, with the most extensive accumulations of vacant lots between Avenues C and D (Department of City Planning 1981:231). Relevant to this point are the findings of the Hispanic Study Project Report which noted that "dwellers with Hispanic surnames live in poor deteriorated (two-thirds) and fair (one-third) residences. White Jews and Slavics live in excellent, good and fair dwellings" (quoted in Interfaith Adopt-A-Building's Portrait of Loisaida 1978:7). This report continues with the following observations,

In residential buildings where 50% of the tenants had the same ethnic background, a comparison of the conditions of the buildings to the occupants' ethnicity was made. The area of study was larger than Loisaida. The north, south and east boundaries were the same, the west boundary extended to Third Avenue. This adjacent area has similar housing stock to that of Loisaida, but the ethnic composition and the condition of the housing stock differ (ibid).

The housing stock on either side of Avenue A is similar, yet Avenue A forms a distinct boundary between the neighborhoods of Loisaida and the East Village. This boundary has less to do with the characteristics of the street and more to do with the discriminatory renting practices of landlords.

Loisaida's most critical problems are housing deterioration and drug-related crime. The population loss that Loisaida has experienced in the last decade can be attributed to the loss of housing stock through fire and abandonment.

In 1980 the Office of the Borough President of Manhattan published a proposal for the commercial revitalization of Avenue C which would be funded through the federal Department of Housing and Urban Development Community Development Block Grant Program. Additionally, the neighborhood of Loisaida has been included in the city's designated Neighborhood Strategy Area. The Neighborhood Strategy Area concept was developed by the federal government's Department of Housing and Urban Development and is used as a planning and budgeting tool intended to bring

about more effective targeting and implementation of the Community Development funds for low- and moderate-income areas.

Chinatown runs north from Park Row to Canal Street and east from Baxter Street to the Manhattan Bridge (New York City Planning Commission 1969:43). The initial Chinese settlement was smaller, bounded on the west by Mulberry Street, on the east and south by Fowery and Park Row, and on the north by Canal Street. The core of old Chinatown was located in census tract 29, but today this area, as well as the seven surrounding census tracts (6, 8, 16, 18, 25, 27, 41), are where the majority of the city's Chinese population reside. Community Board #3 has designated census tracts 25, 27, and 29 as the area comprising the neighborhood of Chinatown. The increase in Chinese immigration in the past fifteen years is reflected in the 1980 census figures which reveal that in addition to census tract 27 and 29, census tracts 8 and 16 now are more than 50% Asian (see Table 6 and Figure 5).

Chinatown has long been the center of a thriving tourist trade offering visitors excellent restaurants and exotic shopping. In fact the restaurant industry is the largest industry in Chinatown, while the garment industry has steadily replaced the hand laundries as the second major industry. According to Wang (1979), in 1970 there were

approximately 180 garment factories in Chinatown and in almost a decade the number has risen to 400. The restaurant and garment industries are the two principal sources of employment for newly arrived immigrants. In addition, income and employment are also provided from real estate, tourism and related retail sales, and the wholesale distribution stores that supply Chinese restaurants and shops throughout the New York area (Kuo 1977).

The expansion of Chinese into adjacent areas follows the increase in immigration since 1965. Chinese population figures vary. Early data from the 1980 census show an Asian population of 35,264 for the Lower East Side. However, Kuo (1977) estimates that more than 60,000 Chinese live in Chinatown, and states that this discrepancy results from the reluctance of the Chinese to cooperate with census officials due to a traditional apprehension of government officials. Wang (1979) has estimated the population of Chinatown as high as 75,000. The population growth has produced considerable problems for Chinatown residents. Demands for housing, employment and services have increased among the poor and low-income Chinese. At the same time, as Wang (1979) points out, the influx of foreign capital from Hong Kong, Taiwan, and other parts of Southeast Asia has been invested in real estate, banks, restaurants, and other businesses and has helped transform Chinatown into an amalgam of "boom town" and ghetto. The majority of

Chinatown's immigrants are employed in family-oriented, labor-intensive, low-income industries, and in old Chinatown the median family income was \$7,344 in 1970.

The major housing resources for the Chinese population in Chinatown are the Old- and New-Law tenements, many of which are in poor condition. The New York City Department of City Planning's recent study on Chinatown estimates that there are 675 multi-family structures in the Manhattan Bridge Study Area (census tracts 6, 8, 16, 18, 25, 27, 29, 41), of which 98% are walk-ups; only 2% have elevators. The Chinese population occupies a relatively low proportion of public housing in the study area but it is expected to increase as apartments are vacated by their present occupants (1979:41). New housing construction has been limited, and is being built outside of Old Chinatown or on its fringes, and is primarily tenanted by middle-income professional and white-collar workers. Confucius Plaza, a middle-income, Mitchell-Lara housing project, was completed in 1976 with 762 units, 10% of which were reserved for low-income tenants. Chatham Green and Chatham Towers on the southern edge of Chinatown are middle-income urban renewal housing projects with 420 and 240 apartments, respectively. On the eastern edge of Chinatown a proposed, privately financed, luxury, high-rise condominium has generated considerable community opposition. Local residents fear that the community's identity and livelihood are threatened by the current trend toward luxury

real estate development. For example, the overseas Chinese Development Corporation acquired a site at 87 Madison Street in 1979. On the site was an occupied five-story walk-up which has since become vacant and will be torn down to make way for a new housing project. The proposed new development, East West Towers, will contain 143 units with one-bedroom apartments selling in the price range of \$112,000. Developmental pressures such as this are increasingly displacing low- and moderate-income groups while escalating the competitive demand for the existing low- and moderately-priced housing stock in the area. This is a phenomenon that is happening over the entire Lower East Side, particularly in the East Village and the southern section which is near the financial, civic, and administrative centers of the City.

The neighborhood of the Lower East Side encompasses the largest area in the entire Lower East Side district with fifteen census tracts according to Community Board #3's designation. The area is bounded on the north by Houston Street, on the east and south by the East River, and on the west by Chinatown and the Bowery. The southwestern section of the neighborhood of the Lower East Side includes the City Planning Commission's neighborhoods of Rutgers and Two Bridges. This area was once a thriving waterfront, then a slum, but now it has been extensively rebuilt. This area's proximity to Manhattan's civic, administrative, and

financial centers makes it attractive to middle-income professional and white-collar workers.

The northeastern section of the neighborhood of the Lower East Side corresponds to the 1969 City Planning Commission's neighborhood of Delancey. This was once the traditional Jewish quarter of the Lower East Side when the area served as the first home for over one million East European Jews. Today, the Jewish population has shrunk from its peak some seventy years ago and has consolidated itself south of Delancey Street. A mile-long stretch along Grand Street and East Broadway contains a flourishing Jewish community including eighteen synagogues, yeshivas and a variety of Jewish-oriented stores and restaurants (Jewish Weekly, April 20, 1980). This area has also been extensively rebuilt through a combination of urban renewal planning and a cooperative housing corporation formed under the aegis of the Amalgamated Clothing Workers and later the United Housing Foundation (see Starr 1970:367). The area includes the now completed urban renewal projects of Corlears Hock (East River), Seward Park, Hillman Houses, and Amalgamated Houses, 4500 units occupied almost exclusively by white, Jewish cooperators. Between Houston and Delancey Streets are the Orchard and Essex Street markets and shopping districts, which are well known throughout the City and its surroundings.

The population of the neighborhood of the Lower East Side totals 94,498, of which 31,938 are White, 8,075 are Black, 29,952 are Hispanic, and 24,533 are Asian. In general, the White population is concentrated in census tracts 2.02, 10.01, 12 and 14.01 which corresponds to the East Broadway and Grand Street area of the Jewish community. The heaviest concentration of Asians is in the census tracts near Chinatown--6, 18, and 25, while Hispanics predominate in census tracts 2.01, 10.01, 14.02, 22.01, and 30.01.

Housing, as in other neighborhoods of the Lower East Side, varies. In the southwest section of the neighborhood public housing projects have been constructed along the southern and eastern boundaries of the neighborhood, Smith Houses, Vladick Houses, Rutgers House and LaGuardia Houses have been built since World War II. Two Bridges, an urban renewal project, provides a mixture of low- and moderate-income housing. Knickerbocker Village, completed in 1934, was the first middle-income, publicly-aided housing project in this sub-section. Until recently it has been almost exclusively White (Jewish and Italian), but 1960 census figures reveal it is now White and Chinese. Blacks and Hispanics are conspicuous by their absence. Gouverneur Gardens, a middle-income Mitchell-Lama project, was finished in the mid-1960s.

In the northeastern section of the Lower East Side neighborhood there are 2,668 units of low-income housing in Gompers and Baruch Houses and 5,316 units of middle-income cooperative and rental apartments in Corlears Hook, Hillman Houses, Masaryk Towers and Seward Park Houses (City Planning Commission 1969:44). Amalgamated Dwellings, built in 1930, is a moderate-income cooperative with 236 apartments. The Seward Park Extension Urban Renewal Project has yet to be completed, although 360 units of low-income housing have been finished on this site. Another low-income project was completed in 1974 on Allen Street with 149 units. The deteriorated Old-Law tenements are concentrated in the area between Delancey and Houston Streets from Pitt Street on the east to Chrystie Street on the west. This area has the most severely deteriorated housing stock and has been included in the City Planning Commission's Neighborhood Strategy Area (sub areas II, III and IV). Community Development Block Grants funds will be targeted for this area for commercial and residential improvement.

In general, low-income Blacks, Chinese and Hispanics, primarily Puerto Rican, tenant the low-income housing projects and tenements, while Whites predominate in the moderate- and middle-income cooperatives and rental projects, a pattern which has continued for the past thirty years.

3.6 NEIGHBORHOOD ORGANIZATIONS

The roles local organizations play are as varied and complex as their constituent population's interests and needs. Local organizations, in general, express and articulate group interests and are concerned with the attainment of collective goals rather than individualistic ones (for example, see Rich 1980). To achieve collective goals the organization of group interest is necessary for two critical reasons---1) to establish a power base through a combination of leaders and members, and 2) to gain access to decision-makers who have control over important resources such as services or funding. Local organizations for these reasons operate at the critical interface between higher-level institutions and a neighborhood's population. Such organizations, because of their vertical and horizontal linkages and networks, are strategically placed to participate in political and planning decisions which affect residential neighborhoods. For the same reason local organizations are frequently linked with the institutional structures which are involved in the governing and administration of urban localities. It is these sets of characteristics that make local organizations intrinsically political associations. Increasingly, as Rich (1960) points out, local organizations are becoming important political institutions, and, as Gittell (1980) notes, instruments of public policy. More importantly, local organizations,

according to Gittell, represent the source of social action, and, she states, "it is only as a part of organized action that most segments of the population can exercise any form of power" (1980:20).

The Lower East Side, like other urban localities, is replete with a variety of voluntary associations, religious organizations, philanthropic organizations, and government-mandated organizations. At the turn of the century the Lower East Side's immigrant population formed associations on the basis of fraternal, religious, or national (ethnic) interests, or took part in charitable or educational organizations (see Schwartz 1973). It was, by and large, the charity and philanthropic organizations which strove to ameliorate the harsh conditions of poverty, disease, and overcrowding. As Schwartz (1973) notes, it was the ethnic churches and settlement houses, in particular, that provided literacy programs, workshops, and health and child-care centers.

Noteworthy for their achievements were the settlement houses founded in the early 1900s, five of which are still in existence today--the Education Alliance, Grand Street, Hamilton-Madison House, Henry Street, and University Settlement House. The settlement houses on the Lower East Side were predominantly funded and staffed by New York City's established and affluent German-Jewish community (see

Carc 1974). In fact, the parents of Robert Moses were on the Board of Trustees of Madison House, and Bella Moses, his mother, took an active interest in its day-to-day operations. The settlement houses served over 50,000 people annually, mostly first and second generation Eastern European Jews (Schwartz 1973). Today these settlement houses serve the latest group of newcomers--Blacks, Puerto Ricans, and Chinese. However, because of their locations, the settlement houses primarily serve the population south of Houston Street.

Through time the functions of local organizations have evolved from programs designed to help disadvantaged individuals to programs which are more collective in their goals, that is, geared to social issues and needs for larger segments of the population. The Civil Rights Movement of the 1950's, the social protest and activism of the 1960s, and the increasing importance of government policies have been instrumental in this development. The urban renewal programs of the 1950s and 1960s produced many new grassroots organizations protesting the disruption of the community and the planning decisions which did not consider the needs of its residents. These types of indigenous or grassroots organizations may be characterized as advocacy groups, populist and politicized. Similarly, the Neighborhood Movement of the 1970s has also been a popular response to the fiscal crisis of the times. Numerous organizations have

been created, constituted by a wide variety of social groups concerned with economic cutbacks and other "quality of life" issues. In contrast to the grassroots basis of advocacy organizations are the mandated, service-delivery organizations that arose during the 1960s federal "War on Poverty" programs. Federal anti-poverty legislation was designed to organize low-income areas by initiating and funding local multi-service agencies (day care centers, health-care centers, educational facilities, job-training programs, etc.). The involvement and participation of local citizens in these programs was a key element in their operations (see Gittell 1980 for a similar point of view).

Today these newer and older organizations coexist on the Lower East Side, literally criss-crossing the area with a particularization and segmentation of organizational activity. Organizations are specialized along "turf," ethnic, class, and issue lines since they reflect the political and socio-economic conditions of their neighborhoods. For example, within each of the neighborhoods on the Lower East Side a wide variety of local organizations functions. In the course of their activities and the fulfillment of their organizational goals, they frequently are placed in competitive positions with each other vis-a-vis the local population, politicians, and resource agencies of the city and state. Organizational leaders promote the interest of their group through a number

of these channels. Lobbying with city officials, agency personnel, and political leaders for funding or the implementation of policy goals is a common strategy. At the same time, organizations enhance their status among neighborhood residents by publicizing their achievements, thereby maintaining community support upon which their power base relies. Therefore, organizations, and particularly their leaders, must act in ways which facilitate their control over local conditions so that their interests are advanced. In doing so it is not uncommon for organizations to develop close ties and alliances with political parties and local political clubs. Such political involvement increases the competition and distrust among local organizations and their leaders. Increasingly, government has assumed a mediating role among local organizations and at the same time constrained and channelled organizational activity as well as local-level conflict. To some extent the localism and fragmentation of organizations on the Lower East Side is counteracted by coalitional or umbrella-type organizations who coordinate the activities of groups who share similar interests and goals. Critical issues frequently promote alliances and the sharing or pooling of personnel, ideas, and resources.

Local organizations and groups are, in general, tied to specific neighborhoods where they articulate and try to advance their interests or address specific needs through

the delivery of services (or a combination of both). However, local organizations are also, at times, involved in critical issues such as housing where organizational interests overlap and by necessity cooperative interaction is undertaken on a wider level. Frequently, the particularization of local demands is superceded by the need for a broad-based coalitional strategy and a pooling of resources. Alliances are formed among local organizations not only on the basis of specific issues, but are further cemented by commonalities of class, ethnicity, and race and their interrelationships with the issue at hand.

At the same time housing issues may join various organizations it may also set them off against each other. Class, ethnic and racial factors frequently act as divisive elements when local organizations attempt to secure housing for their own groups. Government housing policies can exacerbate these differences. For example, housing policies related to public subsidies or aids that require community sponsorship for a housing project frequently result in furthering ethnic or class divisions. Local organizations compete for the sponsorship of a development, not only for the financial benefits that accrue in the form of profit from their percentage of the tax shelter provisions, but also to control tenancy. Frequently when a local organization sponsors a housing development the composition of the tenants reflects the organization's constituency,

thus leading to further class, ethnic or racial divisions locally.

In the Seward Park Extension urban renewal conflict (see Chapters 5 and 6) three organizations played a major role in the planning and decision-making process. Each organization, for its own reasons, was involved in the issue of housing on the Seward Park Extension site. A brief description of each organization follows.

3.6.1 The Lower East Side Joint Planning Council

The Lower East Side Joint Planning Council is an umbrella organization made up of twenty-three constituent organizations including churches, settlement houses, service-oriented anti-poverty agencies, housing organizations, artists groups, and other neighborhood groups. The leaders and directors of the constituent members of the Joint Planning Council meet regularly, and serve on a volunteer basis. Since 1970 the Joint Planning Council has played a prominent policy-planning and advocacy role for integrated, low-rent housing for all residents on the Lower East Side.

The Joint Planning Council's organizational development grew out of a conference on housing needs sponsored by the settlement houses of the area during the late 1960s. One man, F.M., a housing activist who at the time was working

for Grand Street Settlement House, pulled together a group of several organizations that had recently formed because of urban renewal development on the Lower East Side. In fact, E.M. was one of several owners of small businesses who had been displaced when the city took title to the land on the Seward Park Extension urban renewal site. Under his leadership housing activists struggled to get more of a share of low-income housing than city planners had intended to build through urban renewal.

One long-time member of the Joint Planning Council described its early beginnings:

When it was originated it consisted of seven urban renewal groups exclusively who joined forces and called ourselves the Lower East Side Joint Planning Council, to compare notes about our respective urban renewal projects and to find out what each other was doing and to improve the concepts of one project over another and to learn from each other, share experiences and where necessary give each other support like for a public hearings or whatever. It was a very valuable organization and a lot of the plans, for example, for Pueblo Nuevo and others, Two Bridges, were vastly improved by the knowledge of the group coming together and saying, well that's a lousy plan, there's too much relocation, or why don't you do it in stages or whatever. There was professional help as well as activist help. It was a great group, very small.

Under the auspices of the settlement houses, local groups with the leadership of housing activists such as E. M., opposed the exclusively urban renewal middle-income developments planned for the area. When the city took title to the land on the Seward Park Extension site in November

1967, several of the Joint Planning Council's constituent organizations became directly involved in the provisioning of services and the safe-guarding of the rights for on-site and former site tenants. This involvement underscored the need for more low-income housing for the proposed development as well as the need for continued and active mobilization of community activists and residents led by the Joint Planning Council.

During the Seward Park Extension controversy, the Joint Planning Council mobilized community support among minority residents for protest demonstrations and sit-ins at which residents and activists disrupted the renting offices for the Seward Park Extension buildings. At about this same time the Joint Planning Council's meetings were attended by a larger segment of concerned community people. The meetings were traditionally open to the public and at this point it was suggested that it was time for the election of a new slate of officers. (Joint Planning Council elections had not been held for over two years.) The elections resulted in E.M.'s removal as the Director of the Joint Planning Council and in his place two Puerto Rican women, the Directors of the two agencies who had been providing services to the Seward Park Extension site, were installed as Co-Chairpersons. Since that time the Joint Planning Council has played a more prominent and active role in the planning and development of the Seward Park Extension site.

In describing the present composition of the Joint Planning Council one member explained,

It's a group of Puerto Ricans, and Black, and Chinese and Jewish and Protestant and Catholic, and we really get along marvelously together. We have one goal and that is to get more low-rent housing on the Lower East Side. We are now an organization of twenty-three groups and instead of having just urban renewal groups which was the original purpose. It's now all housing groups and other groups that have as part of their programs housing interests so that there's two kinds of members. There's basic members and there's supporting members. For example, we have many churches who are churches but they are interested in housing and they do support the struggle for better housing. Therefore, they are entitled to be members and members pay \$25.00 per year. The supporting groups pay \$10.00 a year. And that's the sole income. We have no paid workers. We have very little expenses, no grants, no funding, no money. We meet in somebody's headquarters, in one of the offices of the group, or here and there.

The Joint Planning Council meets regularly on a monthly basis. In addition, its Executive Committee, composed of the officers of the organization (Chairperson, Co-Chairperson, Treasurer, Recording Secretary, and Corresponding Secretary) and all committee chairpersons, meet monthly or more often, depending on issues or problems which need attention. Individuals and groups also attend the Joint Planning Council's meetings when they need to solicit support for specific issues or problems. The Joint Planning Council maintains close ties with the local City Councilmember, and three members of the Joint Planning Council have been appointed to Community Board #3. In the pursuit of its low-income housing goals and in protecting

the rights of former site tenants in urban renewal areas, it has used the legal services of Mobilization For Youth, an anti-poverty agency, and the Puerto Rican Legal Defense and Education Fund.

As a coalitional organization whose constituent members share the same interests, the Joint Planning Council represents all residents of the Lower East Side who are in need of decent and affordable housing. As an umbrella organization, the Joint Planning Council does not have direct ties to specific neighborhood organizations as does its constituent organizations. The directors and leaders of the local groups that make up the Joint Planning Council membership play a dual role. On the one hand they work for a neighborhood constituency, while on the other they volunteer their time to advance the organizational goals of the Joint Planning Council, sometimes in contradictory roles. This duality has led to misunderstandings and conflicts among the Joint Planning Council's constituent groups. A core membership has remained constant throughout its twelve-year history, while other organizations have joined or left the Council depending on changing circumstances and issues.

3.6.2 United Jewish Council of the East Side, Inc.

The United Jewish Council is another umbrella organization which joins forty-seven delegate members in a single non-profit corporation. A description of the organization is provided in their recently published brochure which states,

The United Jewish Council of the East Side (UJC) serves as a coordinating body of neighborhood, secular, civic and fraternal organizations. Formed during the early seventies, the UJC acts as the Jewish community's united voice on all issues concerning the welfare of the entire area. The UJC continues to work to preserve and stabilize the Lower East Side community, and to assure the delivery of governmental services to all neighborhood residents. Moreover, the UJC sponsors a variety of projects to assist the elderly and poor.

Among the sponsored programs of the United Jewish Council are a multi-service center which includes a professional staff, an adult kosher luncheon program for the elderly in four locations, a geriatric home health care program, two community centers, and a housing development corporation, co-sponsored with the Bialystoker Synagogue.

The impetus for the organizational development of the United Jewish Council, like the Joint Planning Council, grew out of the proposed urban renewal plans for the Seward Park Extension site. In the early 1970s when construction was under way for the two low-income housing projects on the Seward Park Extension site, a group of Lower East Side rabbis had been negotiating with the Housing Authority

Chairman, Simeon Golar, for a minimum number of leases for Jewish tenants (Esperon 1976:7). For Puerto Rican and Jewish leaders, the 360 low-income units were the focus of a bitter dispute. "The Housing Authority, at the urging of Jewish groups, agreed that 60% of the tenants would be white. The Housing Authority said this would facilitate integration and enable Jewish tenants to be near a synagogue." (New York Post, July 16, 1975) The Jewish groups mentioned in the Post article were the Essex-Delancey Neighborhood Association and the United Jewish Council.

While the original purpose of the United Jewish Council when it was established in 1970 was to provide social services to the poor and elderly, nevertheless it was the controversy over the low-income housing project which led to the expansion of its political leadership role in the community. It appeared that by 1973 the Essex-Delancey Neighborhood Association had been absorbed by the United Jewish Council, since the original founders were now serving on its Board of Directors.

Since 1972, when the United Jewish Council was incorporated, this organization has served the residents of the mile-long stretch along Grand Street and East Broadway which is dominated by a complex of four moderate- and middle-income cooperative housing projects. The United Jewish Council's business is managed by a Board of Directors

which "consists of twenty-one persons, each of whom shall be the Delegate of a different member" (By-laws of the United Jewish Council of the East Side, Inc.). All of the current members of the Board of Directors of the United Jewish Council live in the neighborhood on Grand Street or East Broadway, with the exception of one who lives on East First Street (Village View). In addition to its Board of Directors, the United Jewish Council employs two Executive Directors, one of whom assumes full responsibility for the planning and implementation of all Council activities, and the other is responsible for the administrative supervision of forty employees.

In describing the organization, the Executive Director explained,

The United Jewish Council is a grassroots organization with twenty-one non-paid Board members, all Lower East Side residents, and all have their own connections--political, social, and economic.

In a recent funding proposal, the United Jewish Council elaborated:

In addition, the agency serves as a linkage for community representatives in various governmental bodies, including: hospital advisory boards, local Community Boards, and other such bodies, thereby acting as a monitoring agent for the community (September 17, 1980:16).

Additionally, the United Jewish Council maintains close ties with political clubs and officials (its legal counsel is also the State Assemblyman from the district), city agencies

(its president works in the City Comptroller's office), and a network of city-wide Jewish organizations.

The United Jewish Council's funding is derived from a variety of federal, state and city sources. Funding has been provided by the New York City Human Resources Administration, Housing Authority, Department for the Aging, Youth Board, Division of Housing and Community Renewal, and the Department of Employment. It has been successful in achieving grants totaling over six million dollars (Request For Proposals, Area Policy Board #3, September 1980:6).

3.6.3 Chinatown Planning Council

The Chinatown Planning Council is an anti-poverty agency funded by federal monies which are distributed through the city agency, the Community Action Program. Anti-poverty agencies, like the Chinatown Planning Council, developed in the 1960s as part of the Great Society's "War on Poverty." The anti-poverty programs created social-service organizations in local neighborhoods, through which agencies such as the Chinatown Planning Council provide health and child care programs, language programs, employment programs, legal aid, and housing programs. In addition to these functions, anti-poverty organizations serve as local political pressure groups. Chinatown Planning Council was no exception and it has mobilized Chinese residents for

demonstrations on specific issues when political action was deemed necessary. The Chinatown Planning Council is also a constituent member of the Joint Planning Council and has participated along with the other member organizations in advocating low-rent housing.

The Chinatown Planning Council serves Chinese residents in Chinatown and maintains links with other Chinese communities in the city. It now shares a leadership role in Chinatown with the older and more traditional Consolidated Chinese Benevolent Association which for years was the inner government of Chinatown. Kuo's observations are well taken here, for she states, "the anti-poverty program ended the century-long isolation of Chinatown by including modern service associations and their leaders in various anti-poverty organizations on the Lower East Side and by enabling these leaders to participate in city politics" (1977:45). The Chinatown Planning Council, by providing all the services the Consolidated Chinese Benevolent Association had traditionally provided (with the exception of financial aid), has effectively challenged that leadership role. There is now a general recognition of the Chinatown Planning Council's power in the community, but according to its Executive Director, this was not so until the Beare administration (1973-1977) in the city.

The Chinatown Planning Council has a paid professional and para-professional staff. The Board of Directors are Chinese and serve on a voluntary basis. One of the founders of the Chinatown Planning Council and a current member of the Board of Directors is active in the Chinese-American Democratic Club and is a vice-president of Community Board #3. The Executive Director of the Chinatown Planning Council is also a member of Community Board #3. The Chinatown Planning Council maintains ties with the local City Council member and a number of city-wide organizations, especially the Democratic party, and government agencies.

The three organizations discussed above played important roles in the planning and decision-making process in the Seward Park Extension Urban Renewal Project.

3.7 CONCLUSION

This chapter has focused on the Lower East Side's population and housing stock, and their relationship to residential patterns. The political implications of demographic patterns and housing are of particular concern in this study. From the data presented in this chapter, I have argued that there exists a conjunction between the demographic distribution of the Lower East Side's ethnic groups and the distribution of housing resources. In short, a relationship exists among 1) the influx of new groups

---Blacks, Chinese, and Puerto Ricans, 2) the post-World War II exodus of white ethnic Lower East Side residents, and 3) the regrouping of residual white ethnic groups and incoming whites, and their monopolization of newer and better housing. Thus, in general, newly arrived low-income minorities occupied the deteriorating tenements and public housing projects while moderate- and middle-income Whites are concentrated in the newer housing projects, often with minimal differences in rent.

Neighborhoods may be characterized by their populations and types of housing. Local residents frequently express this pattern in the concept of "turf." Symbolically charged, turf implies an identity often associated with ethnicity, race, or class, and which is frequently associated with a particular type of housing, as well as a set of interests which are defined and articulated through a variety of local organizations. These organizations are active politically and are linked to local and city-wide institutions in an attempt to influence or determine policies and decisions favorable to neighborhood interests.

Large-scale housing projects tend to segregate socioeconomic groups by concentrating families with a similar range of incomes and separating them from other people. Such projects create their own neighborhood feeling among residents, a feeling that they are different from the people

who live around them. This is true for public, low-income projects, as well as middle-income developments. To the extent that these massive housing projects are occupied predominantly by one ethnic or racial group they further the feeling of distinctiveness and foster the ideological belief that the group has a legitimate right to a particular type of housing in a particular neighborhood. Moreover, these factors are influential in the development of localized interest group organization. The political organization of ethnic interest can be traced back to the development of residentially segregated and homogeneous neighborhoods and the political machine which capitalized on ethnic distinctions. Historically, ethnic politics characterized the political system in New York City. Thus, following a traditional pattern, the city administration frequently allocates housing resources in a manner reminiscent of machine politics. As long as ethnicity is used as the basis for the allocation of housing as is done commonly in the political parcellization of resources in New York City, a process of socially differentiating local populations is carried out. In sum, in the Lower East Side, neighborhoods are residentially segregated by income, race, and ethnicity. This pattern of residential segregation and the competitive struggles over public resources promotes conflict, as the case study of the Seward Park Extension Urban Renewal Project will demonstrate in Chapters 5 and 6.

Neighborhoods and their residents are linked in myriad ways to larger socio-political institutions and agencies of the state. Local organizations and institutions provide the linking mechanisms through which local interests are expressed and articulated. Increasingly, they play an important role in city planning and politics. The following chapter discusses urban renewal policy and its implementation in New York City, thus revealing some of the ways urban localities are joined to state processes.

Chapter IV

URBAN RENEWAL: AN OVERVIEW

The Seward Park Extension Urban Renewal Project was just one of hundreds of similar projects undertaken to deal with a national problem----the redevelopment of central-city slums. Federal urban renewal policy was the government's attempt to combat what many saw as a national scandal, the decay and urban blight of the nation's older cities. The economic crisis of the 1930s galvanized planners and politicians to press for Congressional legislation which would aid cities in their efforts to eradicate their deteriorating centers. Seward Park Extension was a local manifestation of this national policy; a policy like many others, conceived in crisis with the firm belief that state intervention was essential because of the enormity of the problem.

This chapter examines urban renewal legislation, its antecedents, and its progressive modifications. Attention is then directed to the implementation of urban renewal policy in New York City and the effects of New York City's 1975 fiscal crisis on urban renewal planning.

4.1 URBAN RENEWAL: POLICY AND PLANNING

Governmental concern with urban problems has generated a number of federal policies designed to help cities improve their physical infrastructure while simultaneously aiding private economic recovery by stimulating the construction industry. City slums, poverty, inadequate and deplorable housing conditions, and the need for fiscally sound urban centers were predominant factors in the federal planning decisions that developed during the years of the Great Depression. Federal legislation combined a remedial mixture of guidelines and funding for slum clearance and housing, as well as for economic redevelopment. The most controversial of these federal programs is known as urban renewal. The purposes of urban renewal are not clearly defined despite voluminous records, reports, and studies. The program has served a wide variety of ends, in part, because local municipalities provide the initiative, planning, and execution of urban renewal projects. As a result, there is considerable latitude and variation in the implementation of urban renewal policy. More importantly, urban renewal legislation combined two frequently contradictory objectives: a provision for slum clearance and housing and a provision for economic redevelopment. Historically, these federal-aid programs have generated constant debate and confrontation over the priorities of these two objectives and how they should be achieved. As a result urban renewal

legislation has been reinterpreted and modified over the years.

4.2 THE NEW DEAL: EARLY ANTECEDENTS

Federal programs to rebuild the nation's cities grew out of the urgent needs for governmental action during the depression of the 1930s. Cities were bankrupt, suffering from population decline and, necessarily, cutting back services. The focal point of urban ills seemed to be centered around city slums and their attendant social problems. Slums and their deteriorating and inadequate dwellings served as dramatic examples of urban decline for those who advocated federal intervention as a mechanism of social and economic reform.

During the Progressive period the Settlement House movement, led by such social reformers as Jane Adams, Jacob Riis, and Lillian Wald, had brought to the nation's attention the plight of immigrants and housing in slum neighborhoods. The early tenement laws were among the first urban reform measures to address the issues of poverty and the deplorable housing conditions of most slum dwellers. By the late 1920s, as Lowe observes, housing reformers had become convinced "that government must employ other fundamental, more positive powers--especially eminent domain and public funds--to acquire and demolish slum buildings as

was being done in European countries, and to finance construction of government-owned and operated low-cost housing for poor slum dwellers" (1967:24). The precedents for urban renewal legislation grew out of these early endeavors.

However, it was not until the New Deal (1933-1937) that federal responsibility for the public welfare was more explicitly defined. An early New Deal program, the Public Works Administration, established in 1933, sponsored slum clearance projects and low-rent housing for the first time under its Housing Division department. The program had five major objectives: 1) to deal with unemployment by providing jobs for workers, 2) to furnish decent housing to those whose income was so low that private capital was unable to provide adequate and affordable dwellings, 3) to eliminate and rebuild slum areas, 4) to demonstrate to planners, builders, and the public the practicality of large-scale community planning, and 5) to encourage the enactment of state-enabling legislation so as to make possible an early decentralization of the construction and operation of public-housing projects (Bellush and Hausknecht 1967:7).

Bellush and Hausknecht (1967) point out that within these five objectives are outlined the New Deal's approach to urban problems as well as every subsequent administration. Additionally, they also reveal the inherent difficulties

that the Public Works Administration and later programs experienced as these five objectives were implemented. For example:

First, there is the oblique recognition that a problem exists: a significant portion of the population is "ill-housed" and will continue to remain so because it is poor. Second, the economic system is functioning so badly that it cannot meet the needs of the poor, but, nonetheless, it assumed that the economic institutions of the society can meet those needs. The function of government is to do nothing more than to "demonstrate" how these needs can be met and to encourage "private enterprise" to the task --with judicious subsidies (Bellush and Hauskrecht 1967:7).

Inherent in the Public Works Administration's program was the idea that slum clearance and the construction of low-rent housing would also serve to stimulate the economy at this critical time. However, public housing, which has always meant housing for the poor, remained a bitterly controversial subject and was opposed at many levels. Additionally, a major legal issue concerned the use of eminent domain, the government's right to condemn private property for public use. In 1935 the Federal Court ruled that condemnation of property for housing did not constitute a public benefit, thus lending support to opponents of low-rent public housing. This circumscription of the early Public Works Administration's effort was further matched by local community opposition.

However, according to Lowe (1967), as a prerequisite for obtaining federal aid, cities had to conduct surveys of their slum areas. The cases made by these slum surveys helped pave the way for further state enabling-legislation which would address slum clearance and low-income housing. This legislation was upheld in subsequent court actions. The fact-finding surveys revealed that one-third of the nation's poor were generally the occupants of these dwelling units. From this perspective, slums were no longer considered a local, city problem, but were clearly a threat to the general welfare of the nation, in the view of policy-makers.

Federal responsibility for the public welfare was more clearly defined by 1937. The newly elected liberal Congress and the Supreme Court's broadened definition of the issue of public benefit and the use of eminent domain were instrumental in the passage of the Housing Act of 1937. This legislation was the first permanent government subsidy program for housing in the nation's history (Lowe 1967). Under the new law the federal government was to give or lend money to local public housing agencies at low government interest rates, up to 90% of the capital costs of clearing a slum and developing a project for low-income families. Once federal approval of sites, plans, costs and rents was granted, the site acquisition, development, administration, and ownership was in the hands of local agencies (Bellush

and Hausknecht 1967, Lowe 1967). The Housing Act of 1937, as well as the earlier Public Works Administration programs, were designed to approach the problem of eliminating slums and blight primarily through federal aid for low-rent housing construction.

Several limitations of the 1937 Housing Act impeded its progress. The federal subsidies were tied to the elimination of slum housing, rather than to the production of enough low-cost housing to eliminate the market for and profit from slums. Additionally, the new legislation's structures and failure to insist on desirable city planning (both of which reflected the tension between federal and local control) resulted in construction of government-subsidized housing in many areas where dwellings should not have been built originally. Increasing opposition from the housing industry and the growing recognition that cities could not be rebuilt with just public housing were important factors which led to a new consideration of the government's role in addressing urban problems (Lowe 1967).

4.3 THE HOUSING ACT OF 1949

In the intervening twelve years between the 1937 Housing Act and the enactment of the 1949 Housing Act, several major changes occurred which affected the new legislation. World War II had directed the nation's economy to a wartime

production level, thus bringing housing construction and slum clearance projects to a halt. The wartime hiatus in construction and the related shortage of building materials only aggravated the acute housing shortage after the war. Despite the enormity of the housing problem various business interests were pressing their demands. By the late 1930s business leaders and realtors, both powerful lobbies, were advocating a more "economic" basis for slum clearance and rebuilding, a policy, as Lowe observes, that "would allow private entrepreneurs to participate as developers; permit re-uses other than public housing, especially in centrally located former slum areas; and let cities reap the higher tax returns which private development promised" (1967:28).

Moreover, government planners and officials recognized that the plight of cities was more than a housing problem. Urban vitality was undermined by inappropriate or outmoded land uses as well as the persistence of residential slums. Various concepts and methods for dealing with urban blight and decay came to be grouped together under a new concept--urban redevelopment. Redevelopment advocates envisioned the rebuilding and revitalization of cities through the extended use of eminent domain to acquire slum or blighted land which would then be sold to private developers for rebuilding. However, a major obstacle to redevelopment was the high and generally inflated cost of centrally located slum land. This problem was addressed by

two Federal Reserve economists who developed the concept of a government "write-down" on slum land. In their 1941 proposal they recommended that "the government absorb the difference in price between acquiring the built-up slum and that of the cleared land, priced at its real earning power when rebuilt; and this deflated but realistic cost would be made the price of the cleared land when it was sold to the private developer" (Lowe 1967:30). By the time the 1949 Housing Act was enacted, this federal "write-down" cost was fixed at a two-thirds figure. For example, if a city purchased land in a slum area for a cost of ten million dollars and resold the cleared land to private developers for four million, the federal subsidy, in the form of a capital grant, would be two-thirds of the six million dollar difference, the net project cost. The other third of the costs would be borne by the city. In other words, under the new formula a two-thirds write-down cost was provided as a federal subsidy to local city agencies for rebuilding.

Debate over how federal redevelopment subsidies should be used was prolonged and intense in both Committee and Congressional hearings. Prior to the enactment of the 1949 Housing Law the public housing provisions were the source of uncompromising attack, while the urban redevelopment provisions continued to escape direct attack (Foard and Fefferman 1966). Finally, after a four-year struggle the Housing Act of 1949 was approved by the President. Foard

and Fefferman in their comprehensive review article on federal urban renewal legislation observe that "during the history of this legislation, the major change in the basic proposal was the substitution of federal short-term loans and capital grants, in connection with cleared land which would generally be sold by the local public agency, for long-term loans and annual subsidies payable over a long period of years, in connection with land which would generally be leased" (1966:91).

The Housing Act of 1949 thus contained an urban redevelopment scheme consisting of a two-thirds federal aid program known as Title I of the 1949 Act. Within the law was the specification, as Lowe notes, "that the use of the new government funds for helping cities reduce land costs in designated project areas was to be limited to deteriorated or deteriorating areas that were 'predominantly residential' in their original use or would be in re-use" (1967:32). The new Division of Slum Clearance and Urban Redevelopment was placed under the Housing and Home Finance Agency, a new federal umbrella agency which encompassed other federal housing and slum clearance programs. Title I legislation also authorized the federal government to pay planning expenses and the majority of the costs in relocating residences and smaller businesses to make way for the expected new development (Starr 1980).

In addition to the Title I (urban redevelopment) section of the 1949 Housing Act, Congress for the first time declared a National Housing Policy in which private enterprise would serve as large a part of the total needs as it can. Additionally, as Lowe observes, "accepting the recognition by the Housing Act of 1937 that the private market could not serve low-income families decently, Congress did make a major new authorization of 810,000 more low-rental units" (1967:33). In sum, the 1949 Housing Act provided for the following: 1) Title I legislation which authorized financial assistance by the Housing and Home Finance Administration to a local public agency (either the city itself or a special agency) for a project consisting of the assembly, clearance, site preparation, and sale or lease at its fair value for uses specified in a redevelopment plan for the area of the project (Foard and Fefferman 1966:94). Federal grants could not exceed two-thirds of the net project cost. As Bellush and Hausknecht note, "land acquired for redevelopment under Title I could be used for a variety of purposes: luxury housing, low-rent private housing; commercial or industrial use; public parks; etc." (1967:12). Additionally, redevelopment projects had to conform to a general plan for the development of the locality as a whole. The purchaser or lessee of the land was obligated to develop the site in a reasonable period of time. At the same time the developer had to provide a

feasible method for the relocation of displaced site residents in decent, safe, and sanitary dwellings at prices and rents within their financial means. Moreover, no project could be acquired until after a public hearing (Bellush and Hausknecht 1967, Foard and Fefferman 1966). And, finally, Title I of the 1949 Act included a provision which directed urban redevelopment aid toward the betterment of housing. 2) The public housing sections of the 1949 Act continued with the same provisions as those entailed in the 1937 Housing Act. Congress authorized 135,000 new housing starts per year for a period of six years (810,000 units). In order to prevent competition between private and public housing the law specified that public housing rentals at their upper levels had to be 20% lower than that of standard units in private housing. Private enterprise was encouraged to provide as much of the total housing needs as possible (Bellush and Hausknecht 1967).

4.4 THE HOUSING ACT OF 1954: URBAN RENEWAL

The Advisory Committee on Housing created by President Eisenhower recommended that cities face the process of urban decay and recognize that there existed a need for a broader and more comprehensive approach to prevent the growth of slums. The dominant recommendations of this committee dealt with urban redevelopment, and the committee's extensive report suggested several major changes. First, private

enterprise was urged to take a greater share in the prevention and elimination of slums especially through the rehabilitation of existing structures. This measure reflected the growing criticism to the total clearance, bull-dozer approach to urban redevelopment, as well as the recognition of the accelerating deterioration of many older but still livable city homes and neighborhoods (Lowe 1967). The 1949 Housing Act had assumed that slum land, condemned for renewal, would be completely cleared. The 1954 Act allowed for the possible conservation and rehabilitation of on-site buildings. Second, cities were to assume more responsibility for combating slums and blight through the use of a community-wide plan of action, known as a "workable program." The workable program would have to be submitted annually in order for the city or the special agency to be eligible for funds. According to Davies (1966), the workable program has seven requirements the community must meet.

The local government must prove that it has an adequate system of housing codes and ordinances, an effective administrative organization for implementing urban renewal, a factual analysis of the conditions of its neighborhoods as a basis for determining the treatment required, a comprehensive plan (either completed or in preparation) for the development of the city, a capacity to meet the financial obligations and requirements of the program, adequate organization and plans for rehousing people displaced by government action including urban renewal, and evidence that the program has been prepared with citizen participation and that it has citizen support" (1966:28).

Third, provisions were made for the stimulation of private residential redevelopment and the provision of private low-cost (public) housing for families displaced by urban redevelopment and other governmental activities (Foard and Fefferman 1966:96).

The basic and most significant change, however, in the 1954 legislation was the introduction of the new term "urban renewal" designed to replace urban redevelopment in scope and practice. Bellush and Hausknecht (1967) have summarized this basic change. Under the 1949 Housing Act, slum clearance programs were in an important sense "non-economic" ventures, although the construction of public housing was assumed to stimulate the construction industry. Under the older law, the capital invested in housing was provided entirely by the public sector, rather than the usual source, the market or private sector. The investment in public housing was not designed to return a profit, nor was public housing expected or designed to affect the play of forces within the market. In contrast, Title I of the 1954 Act turned slum clearance into an "economic" enterprise. Housing could and should be provided by the usual market forces with government financial investments in the form of the write-down subsidy acting as a stimulant and aid to the traditional market forces. Redevelopment projects were to return a profit for the private capital investors.

Urban renewal has now come to be used as the encompassing term for all federally-aided rehabilitation and rebuilding projects designed to combat the continuing deterioration of the city's centrally-located land. An urban renewal project could be all rehabilitation, or all redevelopment or any combination of the two (Foard and Fefferman 1966). Moreover, the 1954 Act signaled a shift in emphasis from the predominantly residential requirements of the 1949 Act. Since the enactment of the 1954 Act, 10% (later increased to 30%) of the total federal funds available for redevelopment could be used for projects that were not predominantly residential (Bellush and Hausknecht 1967). The same financing arrangements applied to rehabilitation projects as applied to clearance and redevelopment, while special mortgage insurance was provided for private residential construction which would assist in meeting the objectives of the urban renewal program (see Foard and Fefferman (1966) for a more detailed discussion).

The 1954 Act also allowed for additional low-rent public housing units which were to be constructed to meet the needs of the site residents who were displaced. For the first time, tenants had the legal right to return to the residential sites from which they had been displaced in low-cost housing, provided they met eligibility requirements.

One of the more important changes to be found in the 1954 Housing Act was the federal policy requirement for local citizen participation in the formulation of local renewal plans before federal money could be spent on them (Wilson 1966). Embedded in the policy guidelines for a "Workable Program," citizen participation called for the active utilization of local leadership and organizations to assist in community planning. As Wilson (1966) points out, local citizenship participation on a city-wide basis is usually not difficult to obtain, but getting the participation, much less the acquiescence, of citizens in a renewal neighborhood is something else again. He notes, "Although federal law does not require participation at this level, the increased vigor of neighborhood opposition has made participation expedient if not essential-- particularly with the new emphasis on rehabilitation and self-help" (1966:410).

The implications of citizen participation for urban renewal planning has shown that, increasingly, renewal plans are subject to delays, either in the form of outright opposition to renewal proposals or to lengthy and time-consuming modifications to original plans. In addition to the implications for the goals of planning and, for that matter, questions concerning the nature of the function of the central city, citizen participation "goes to the heart of a fundamental problem in the urban political process. Resolving this issue is not simply a problem in planning

priorities, but in addition a problem in electoral politics" (Wilson 1966:419). For this reason urban renewal as a planning process is intrinsically related to and embedded in local and city politics.

4.5 URBAN RENEWAL IN NEW YORK CITY

In all aspects of urban renewal it is the city that must take the initiative and do the work. The federal government can only advise, assist and provide financial aid. Title I of the Housing Act of 1949, as amended, authorized advances, loans and grants to "local public agencies" for renewal. "Projects must be locally conceived, locally planned, and locally carried out" (Davis 1970:74). Federal guidelines for the local public agency are very broad. The local public agency may be the city government itself which carries out the program through one of its departments or agencies. In other cases a separate agency is authorized whose members are appointed by the mayor with the approval of the city council. Despite the diversity in organizational form of the local public agency, the ultimate responsibility for making the basic decisions in renewal rests with the elected governing body of the locality (Davis 1970).

Urban renewal in New York City, especially in its early years, came under the powerful hand of Robert Moses, a

dominant figure in New York public works projects. In 1948, a year before Congress passed Title I legislation, Moses had put through the state legislature in Albany the necessary state-enabling legislation which would make New York City eligible to receive its share of federal funds. This bill also made the city, rather than an Authority, the local public agency, thus placing the Board of Estimate in full command of all urban renewal planning. At the same time, Mayor O'Dwyer appointed Moses Chairman of the New York Mayor's Committee on Slum Clearance. While the city itself was designated the local public agency, the Slum Clearance Committee was the renewal agency, exercising broad powers as it coordinated and directed the city's renewal program.

Federal law and policies provide broad guidelines for action by the local public agency before funding can be granted. First, the local public agency must adopt a "workable program" which establishes a framework for the planning of the component renewal projects in the designated area. Second, the local public agency must submit an authorized application designating the urban renewal area for federal project planning funds. Third, a public hearing must be held and the local public agency (in this case the city itself, through its major decision-making body, the Board of Estimate) must officially adopt the urban renewal plan.

4.5.1 Government Agencies in the Urban Renewal Process

In New York City a number of governmental bodies have an important role in urban renewal (see Table 14). These agencies and governing bodies are responsible for the administration, planning and approval necessary for the execution of an urban renewal project.

The Slum Clearance Committee, formed by Mayor C'Dwyer in 1948 with Robert Moses as its unsalaried chairman, was designed to initiate, coordinate and execute renewal projects under the 1949 Title I legislation. For ten years (1949-1959) Moses was the Slum Clearance Committee. Thomas Shanahan, President of the Federation Bank and Trust Company, served as the Slum Clearance Committee's unsalaried vice-chairman until its demise in 1960. Lowe observed, "Shanahan was probably best known municipally as Tammany Hall's number one fund-raiser and was a familiar figure to building and real estate interests, particularly around campaign time" (1967:88; see also Caro 1975:1047-48). Project sponsorships in urban renewal areas had to be cleared through Shanahan. The staff consisted almost entirely of Moses' men. Two of its five members also served as Director and Counsel to Moses' Triborough Bridge and Tunnel Authority. The offices of the Slum Clearance Committee were at Randall's Island, the headquarters of the Triborough Authority. In fact, as Lowe observes, this

TABLE 14

GOVERNMENT AGENCIES IN THE URBAN RENEWAL PROCESS

<u>Agency</u>	<u>Membership</u>	<u>Functions</u>
New York City Community Boards (as of the 1975 City Charter Revisions)	50 members appointed by Borough President with one-half of appointees recommended by local City Councilmembers	Advisory body only. Approves plans drawn up by City Plan- ning Commission and Department of Housing, Preservation and Development.
Slum Clearance Committee (Before 1960)	Chairman and two members appointed by Mayor	Conceives projects, find sponsor, requests planning, survey, and project funds.
Housing and Redevelopment Board (1961-1970)		Same as Committee on Slum Clearance with additional functions as per 1954 amend- ments to housing law.
Housing and Development Administration (1970-1977)	Administrator--appointed by Mayor	Same as Committee on Slum Clearance
Housing Preservation and Development (1977-present)	Administrator--appointed by Mayor	Same as Committee on Slum Clearance
City Planning Commission	Chairman and six members appointed by Mayor	Declares area blighted, approves requests for planning and project funds.
Board of Estimate	Mayor, Comptroller, President of City Council, 5 Borough Presidents	Approves requests for planning and project funds.
Housing and Home Finance Agency (Before 1965)	Administrator appointed by President with advice and consent of Senate	Approves and grants requests for planning and project funds.
Housing and Urban Development (1965-present)	Same as Housing and Home Finance Agency	Same as above

* Adapted from Davies, 1966:9

billion-dollar Title I program was run like one of Moses' free-wheeling authorities.

It was as removed as possible from citizen scrutiny, public approval and attack, and also from the ponderous bureaucracy which such a big operation would ordinarily entail in New York. Since it did not even exist as a bookkeeping unit, the Committee was not subject to audit (1967:72-73).

Through the years criticism of Title I progress under Moses grew. Charges of shady dealings and favoritism in the choice of sponsors, objections to the continued use of the bull-dozer approach, the lack of citizen participation, and the inadequate relocation procedures were just a few of the many complaints that arose. Finally in June, 1959, the scandal of the Manhattantown project, located on Manhattan's Upper West Side, forced Mayor Wagner to reorganize the Slum Clearance Committee.

The Housing and Redevelopment Board was organized in 1960 as a three-man Board, having the status of a regular city department and equipped with a sizeable staff of its own (Davies 1966:19). All Title I programs and all other housing except public housing would be placed under its jurisdiction, thus replacing the Slum Clearance Committee. Subsequent to this change, the Housing and Redevelopment Board has undergone two major reorganizations. Under Mayor Lindsay a new super-agency was formed--the Housing and Development Administration, and finally in 1977 under Mayor

Beame, this agency was subsumed under the newly formed Department of Housing Preservation and Development.

The New York City Housing Authority was formally established in 1934 as a public corporation directed by a three-member board appointed by the Mayor. The Housing Authority operates and constructs the city's low-rent public housing projects using federal, state and city funds, while, in contrast, the Department of Housing Preservation and Development is responsible for the construction of federal, state and city-aided moderate- and middle-income housing. Cooperation between the two agencies frequently occurs in the planning of urban renewal areas in which public and private housing are mixed.

The City Planning Commission was given broad powers in the 1938 Charter. As Sayre and Kaufman (1960) point out, it has three major tasks to perform: To prepare and maintain "a master plan of the city;" to prepare proposed zoning regulations for submission to the Board of Estimate; and to prepare annually the capital budget and an accompanying five-year capital program for submission to the Board of Estimate. The Commission is comprised of seven members, appointed by the Mayor for staggered eight-year terms. In the urban renewal process the Commission approves the urban renewal plan forwarded to it by the Department of Housing Preservation and Development, formerly the Slum Clearance

Committee. Frequently the two departments have worked together in the process of site selection and in determining the type of projects to be constructed. After the Commission has approved the renewal plans, and prior to its submission to the Board of Estimate for modifications and final approval, it holds public hearings on the proposed renewal project. Since the 1975 City Charter Revisions, the City Planning Commission must submit additionally the renewal application and plans to the local Community Board for its recommendations.

The Community Boards, since the 1963 charter revisions, have been citizen sounding posts, planners and advocates for local concerns. When the City Charter was revised in 1975, it provided for more intensive community involvement in the site selection, planning and development of public and other government-aided housing. Under the Uniform Land Use Review Procedure all plans and projects for government-aided housing must be forwarded by the Department of City Planning to the Community Board in the district in which the housing project would be located. The Community Board is then required to hold a public hearing and to prepare a written recommendation concerning the proposal, which is then forwarded to the City Planning Commission. The Community Boards are made up of at least fifty members who are appointed by the Borough President, half of whom are selected from a list of persons recommended by the local

city councilmember and the two borough councilmembers-at-large. The Community Board's function is strictly an advisory one with no other legal power.

The Board of Estimate, the city's major decision-making body, includes the Mayor, the City Council President and the Comptroller, all elected by a city-wide vote, and the five Borough Presidents, each elected by voters on a borough (county) basis. The Board of Estimate is the center of power in city government, wielding great influence over almost all city officials and employees, and over most official decisions and actions, controlling both finances and personnel (Sayre and Kaufman 1960). The Board of Estimate determines policy for all real estate belonging to the city, and it has the power to change zoning regulations and zoning maps. The Board must approve both the plan and the project submitted for the review before development and construction of an urban renewal project can begin.

The Mayor and his staff are also influential in the urban renewal process. The Mayor's role is particularly important since urban renewal projects also receive city and state aid. In addition to appointing the members of the City Planning Commission and the City Housing Authority, the Mayor also appoints the Administrator of the Department of Housing Preservation and Development. The Mayor sets official policy on housing, slum clearance and Community Development projects.

The new federal Department of Housing and Urban Development was established in 1965. This department of the executive branch of the federal government subsumed the Housing and Home Finance Agency and all of its legal powers. The Housing and Home Finance Agency had previously been established in 1947 to provide a single agency that would be responsible for the principle federal housing programs and functions. One of its constituent units, the Urban Renewal Administration, was responsible for carrying out Title I programs and most other aspects of urban renewal through its New York regional office (Davies 1966).

4.5.2 Political Considerations

Five governmental units--the Department of Housing Preservation and Development, the City Planning Commission, the Mayor, the Board of Estimate, and the Department of Housing and Urban Development--are in a position to veto any renewal proposal. Each of these units provides a point of access for non-governmental groups seeking to stop or modify a specific urban renewal plan through political pressure, or other measures. The Board of Estimate, however, is the center of gravity in the city's political process (Davies 1966). Since each member of the Board is an elected official, each is closely connected with the Democratic Party organization. The city, traditionally, has been predominantly Democratic, with the exception of Richmond

County. The members of the Board of Estimate, according to Sayre and Kaufman (1960), hold the eight most important elected offices in the city government. The influence of party leaders lies in the nominations and elections process. The ties between Board members and party leaders (especially the five county leaders) are, as a result, direct and frequent.

The Borough Presidents usually have the closest ties to the leaders of the Democratic Party organization. Davies notes that "in New York the boundaries of the five counties are the same as the boundaries of the five boroughs and the County leader is the key figure in the Party organization" (1966:25). Most significantly, the Borough Presidents represent an extremely important access point through which local interest groups can influence city policy and the decision-making process. Because, as Davies comments,

the City Council lacks any effective power, the Borough Presidents are the only important policy-makers whose constituency is localized. Their usefulness in serving as spokesman for neighborhood interests is enhanced by the Board of Estimate's equivalent of senatorial courtesy. By custom, if a Borough President objects to any proposal that affects only his borough, the other Borough Presidents will not vote in favor of that proposal (1966:27).

Correspondingly, the Borough Presidents remain the elected officials most attentive and sensitive to neighborhood demands and discontent.

Certain procedures must be followed in the renewal process. First, a renewal project must be initiated by the city agency in charge of coordinating the program. Under Moses' leadership (1948-1960) this agency was the Slum Clearance Committee. Since 1960, as previously noted, this agency has undergone several major reorganizations under successive Mayors. Today, the Department of Housing Preservation and Development bears the responsibility of initiating all urban renewal programs. The renewal agency has a wide range of alternatives in the sites selected for renewal projects and the type of development to be carried out. Second, following this initial step, an application for planning and survey funds must be approved by the City Planning Commission and the Board of Estimate. Third, the application is then submitted to the Federal Housing and Urban Development Agency (formerly Housing and Home Finance Agency). When the planning and survey funds are obtained and the plans for the project are complete, the process begins again with an application for funds to purchase the land. When this application is approved the land is sold to a sponsor who has received the approval of the Department of Housing Preservation and Development, the City Planning Commission and the Board of Estimate. Every step along the way has political implications.

4.5.3 Robert Moses and the New York Method

While these were the general guidelines established in the urban renewal process, under Moses' direction the Slum Clearance Committee developed a unique pattern of operation. Using the power that had accrued to him during his many years of government service, Moses adapted the federal guidelines and procedures to suit his own operating style and to get results (see, for example, Caro 1975, Davies 1960, and Lowe 1967). In the course of his public career, Moses had gained the support of the Democratic Party leaders, the financial community, and the media, as well as the various government agencies he headed. In particular, his cooperation with the Democratic leaders assured him an easy time with the Board of Estimate since the five Borough Presidents on the Board of Estimate had close ties to the leaders of the Democratic Party organization (Davies 1966).

The methods Moses devised in advancing Title I projects came to be known as the "New York method" (Lowe 1967). The key elements of this rather controversial approach, as discussed by Lowe (1967:69-72), include the following:

(1) The most unusual, as well as abused, element was the immediate transfer of an uncleared Title I site to a sponsor on his signing a contract with the city to buy and rebuild the land. In effect this made the sponsor a slum landlord until he relocated the residents and cleared the renewal

site. The responsibility for the relocation of families, businesses and neighborhood institutions was shifted from the city to the private sponsor. Other cities first demolished the slums and cleared the site before selling the land to a private sponsor, and those cities assumed the responsibility of relocating families in standard housing.

(2) Unlike other cities, which "first designated a Title I site, made plans for its rebuilding, acquired the property--after the necessary public hearings and legislative approval, and then looked for a sponsor," in New York, Moses combined the process of site selection and reuse planning, doing this privately in cooperation with a preselected but unannounced sponsor. Although not illegal until 1959, this procedure was highly questionable. In fact, in a number of instances, according to Lowe (1960:70), it later became known, that sponsors proposed sites and the Slum Clearance Committee accommodated them with Title I designation. Moreover, the public hearing process became a "rubber stamp" procedure, since Moses had all aspects of the renewal program contracted for before the "proposed" plan was submitted to the City Planning Commission and the Board of Estimate. Potential sponsors were virtually eliminated from competitive bidding because of "behind-the-scene" dealings and a lack of adequate advertisement and promotion.

4.5.4 The United Housing Foundation

Established in 1951, the United Housing Foundation represented a peculiarly New York institution. According to Starr (1970), many of the successes of the Slum Clearance Committee were due to the availability of one sponsor, the United Housing Foundation. By 1970 most of the privately owned, publicly subsidized housing built on Title I land in New York City had been constructed by the United Housing Foundation. Additionally, one-half of all the mortgage money advanced by the city and state through the Limited Profit Housing Company Law had gone to the United Housing Foundation. It therefore played an important role in the development of housing for families whose income was too high for public housing, and yet too low for privately owned housing (1970:366).

The United Housing Foundation was formed in 1951 as an association of organizations interested in housing construction. An amalgam of union organizations and monies, the United Housing Foundation's antecedents and later charter members were cooperative housing corporations, formed under the aegis of the Amalgamated Clothing Workers. The early cooperative housing developments built by Amalgamated were a success, and one of its original committee members, Abraham Kazan, became the president of the United Housing Foundation. Kazan, according to Starr

(1970:368), had a special talent for housing development, including site selection. Not only did the United Housing Foundation build cooperative housing for typically lower middle-class families, but it also controlled the management and internal affairs of the cooperative organization. Starr notes, "control of the board of directors of the cooperative organization has remained in the hands of people closely affiliated with the Amalgamated Union or, subsequently, with the United Housing Foundation" (1970:369). Management responsibilities were shared with a house committee entirely composed of tenant cooperators.

The success of the United Housing Foundation was related to a number of factors. Summarizing the United Housing Foundation's experience, Starr provided several guidelines for other non-profit housing development sponsors which included the following:

The directors of the sponsoring organization should closely resemble its prospective clientele in ethnicity and background, and the sponsoring organization should have close ties to at least one major power force in the city or state as a whole---like a powerful ethnic or labor organization. The affiliated organization must be ready to press the case of the housing sponsor at City Hall, in Albany, or in Washington (1970:371).

In the case of the United Housing Foundation, its success can be attributed to a unique combination of interlocking interests. One of the most striking was the close relationship between Robert Moses, the Slum Clearance

Committee, and Kazan. Urban renewal projects were planned under their direction with specific goals in mind---location of sites, type of housing, and geared to a specific type of resident, white and of moderate- or middle-income. Its board of directors and clientele were primarily Jewish, and their interests were advanced by both ethnic and union organizations. Moreover, Moses' close connection with Kazan and the political forces of the city and the state insured the success of the United Housing Foundation. Moses had built one of the strongest public works' political machines in the country, and under his direction and with Title I subsidies the United Housing Foundation flourished.

4.5.5 New York City's 1975 Fiscal Crisis

The city's slide toward bankruptcy in 1975 stemmed from a variety of factors. Underlying the immediate crisis of the loss of the city's credit rating and the resultant denial of federal aid, were several major long-term factors involving a change in the city's economic base---from a manufacturing center to a communications and corporate headquarters center. A decline in manufacturing jobs of over 270,000 between 1950 and 1970 and an overall job loss of 500,000 between 1969 and 1976 was indicative of this trend (Alcaly and Mermelstein 1977). The city's industries, which had traditionally offered employment opportunities to newly arrived immigrants, were shifting their base of operations

out of the city. The city's tax base had failed to grow as rapidly as its revenue requirements, in part because of shifts in the location of economic activity, as well as the continued suburbanization of middle- and upper-income groups (see, for example, Reischauer, Clark, and Cuciti 1977).

As a result of the immigration from the South and the Caribbean, the white out-migration to the suburbs, and the natural aging of the existing population, the demand on city services grew faster than its ability to raise revenues. Rising inflation rates coupled with a nationwide recession added to the severity of the fiscal problem. Service cutbacks, layoffs and attrition in the public and private sectors and a reorganization of city-wide priorities seemed necessary in order to balance the city's budget.

In particular, the underlying causes of the city's fiscal imbalance has affected housing. Capital expenditures of all kinds were reduced by two-thirds (Brecher and Horton 1980), while the construction industry suffered from high interest rates, high labor costs, and a shortage of mortgage money, thus reducing housing construction in the city. The federal government terminated urban renewal funding under Title I in 1973 and placed a moratorium on subsidized housing construction programs. The following year, urban renewal was incorporated into the Housing and Community Development Act. The consequence of the moratorium left 280

redevelopment sites in New York City in various stages of clearance and design (see Department of City Planning: Planning for Housing in New York City 1977b). The Department of Housing Preservation and Development was therefore under pressure to closeout its urban renewal programs in order to make way for the new federal funding programs, Community Development Block Grants. As a result, the remaining urban renewal areas in the City were planned to conform to the city's new policy of economic recovery, and in accordance with the original intent of urban renewal policy which favored middle-class interests (see Starr 1980).

At this time a new priority for the city was "economic recovery." Incentives for economic investment in the city were provided for private investors through tax abatements, lowered tax assessments or deferrals, and incentive zoning, while social programs were eliminated or sharply reduced. In the same vein, housing policy was geared to minimal construction and rehabilitation of low- and moderate-income dwelling units, while private financing for middle- and upper-income construction was encouraged through tax abatements like J-51 legislation, and through "gentrification" (the return of primarily white, middle-class residents to low-income, minority or industrial areas, which leads to a restoration of the area and a displacement of the former residents). As a result of these changed

priorities, conflicts over housing became intrinsically class conflicts, and reciprocally housing policies are determined by the outcome of conflicts among broad sectors of society (Marcuse 1982:84).

4.6 CONCLUSION

In concluding this chapter we may note the complex interplay among levels of government that are exemplified in urban renewal policy. Designed to meet a national problem, urban renewal policy, in its objectives and guidelines, was sufficiently broad in scope to allow local governments wide discretionary power in their implementation of this federal program. Correspondingly, there is great variety in the way cities have used and benefited from urban renewal programs.

This variation can be accounted for, in part, by the federal Department of Housing and Urban Development's policy of non-intervention in municipal affairs. Urban renewal programs were filtered through a municipal system of entrenched interests as this chapter has shown in the discussion of Moses' New York method. Moses was an example, writ large, of the variable types of relationships that developed between national policy and local political expediencies. On a smaller scale this process was repeated many times over. The operation of the Slum Clearance Committee and the implementation of urban renewal programs

in New York City also illustrates how only a handful of people are involved in the decision-making process. The planning and execution of this multi-billion dollar program, affecting the lives of hundreds of thousands of people, is essentially restricted to a few key figures. Citizen participation, as a result, was frequently a reactive, defensive response rather than a mutually cooperative planning effort. The city had the responsibility for resolving the controversies and conflicts generated by urban renewal planning, but it did so through its own established political system. In many ways the federal housing agency yielded its sovereignty to municipalities because it allowed local governments to implement federal policy according to the city's own particular needs and political imperatives.

This study links the locality, the scene of the Seward Park Extension conflict, with the state interventionist policy of urban renewal. The most important facts in this linkage are the federal sources of funding and mandated community participation. When we turn to the local level we see that the legitimacy and legal right of community organizations to take part in urban renewal planning stemmed from the 1954 Housing Act, specifically, the "workable program" component, which called for evidence that the program had been prepared with citizen participation and that it had citizen support. But here, too, this right could be compromised by the political system of the city,

and neighborhood interests could be thwarted by policy-makers and politicians whose interests did not coincide with local residents. As we shall see in the Seward Park Extension case study, this was a common occurrence in the redevelopment of New York City through urban renewal programs. Thus, while localities are explicitly enjoined by federal legislation to take part in urban renewal planning, their interests frequently compete and conflict with city-wide interests. The judicial system is the court of last resort for local groups seeking to overturn decisions inimical to their communities---a timely and costly procedure, and one that is difficult for most local organizations or residents to undertake.

This chapter has examined urban renewal legislation and its objectives. Urban renewal in New York City, under the early direction of Robert Moses, had a dramatic effect on the redevelopment of New York City. Invariably through time, economic and political circumstances molded the urban renewal process to meet the changing complexities of the city and its people. New York City's 1975 fiscal crisis rationalized the reduction and elimination of services to low-income neighborhoods. Furthermore, it returned urban renewal benefits to the middle class, thus eliminating the gains made in the 1954 Housing Act that sought to provide housing for poor residents in urban renewal areas.

The next two chapters examine the local-level conflict precipitated by the Seward Park Extension Urban Renewal Project in Manhattan's Lower East Side.

Chapter V
**URBAN BATTLEGROUND: THE SEWARD PARK EXTENSION
PROJECT**

In this chapter, and the one that follows, the Seward Park Extension Urban Renewal Project is presented as an extended case study, or to use Gluckman's terminology, as "the apt illustration" (1967:viii). In this first part I reconstruct the history of the project from 1965 to 1975. The information contained in this chapter is drawn from a number of diverse sources, but is primarily dependent on written documents and the recollections of individuals who actively participated in these events. The reconstruction of this earlier period focused on the formal urban renewal plan and its modifications as they were interrelated to the sets of strategy relationships among local groups, city agencies, and politicians. A political counterpoint of action and reaction is thus developed which provides a framework for understanding the series of events and incidents that I witnessed and in which I participated during the course of my fieldwork experience from June 1979 to March 1981. The second part of the Seward Park Extension case study (Chapter 6) is based primarily on data derived from my fieldwork experience.

Manhattan's Lower East Side was one of many areas in New York City that was in dire need of urban renewal. Its housing stock, primarily tenements, was deteriorating; overcrowding and "slum-like" conditions presented a picture of urban blight. By every federal, state, and city criterion the Lower East Side was eligible for federal urban renewal assistance. Thus with the passage of Title I legislation in 1949, eleven areas in the Lower East Side were designated as sites for extensive urban renewal development. The Lower East Side followed a common pattern in which housing in old neighborhoods decayed physically and passed down to progressively lower income groups until there was intervention by planned urban renewal.

In the urban renewal process (as discussed in Chapter 4) the city undertakes the improvement of a designated area which is considered to be deteriorated as defined by federal guidelines. The city acquires the property in the urban renewal site by purchase or condemnation (through its use of eminent domain), relocates residents, undertakes service improvements, and, finally, sells or leases the property to individuals or organizations (developers/sponsors) who, in turn, agree to build new structures or rehabilitate existing ones according to an overall urban renewal plan.

The Seward Park Extension Urban Renewal Project was originally planned as an extension to the Seward Park

Project, a middle-income cooperative urban renewal development containing 1,728 apartments located on Grand Street in Manhattan's Lower East Side. The Seward Park Project had been completed in 1962 under the auspices of Robert Moses' Slum Clearance Committee and through the use of a single sponsor, the United Housing Foundation, directed by Abraham Kazan. Moses and Kazan had previously developed and built the urban renewal project of Corlears Hook (East River Houses) in an urban renewal area in close proximity to Seward Park and the proposed Seward Park Extension projects. Kazan's earlier success with the housing developments of Amalgamated Dwellings and Hillman Houses in the same area played an important part in the relationship that developed between Moses' Slum Clearance Committee and the United Housing Foundation, organized with the backing of the Amalgamated Clothing Workers Union and the International Ladies Garment Workers Union under the direction of Kazan.

Since 1930, through a combination of garment-union pension-fund financing and Title I funding, this mile-long stretch along Grand Street and East Broadway had been redeveloped with a total of 4,500 moderate- and middle-income cooperative apartments which are occupied almost exclusively by white Jewish tenant-cooperators (97.6%).

Moses and Kazan shared a common vision of the type of housing that urban renewal land could accommodate.

According to Roger Starr, a housing specialist and former administrator of the Housing and Development Administration, Moses

felt that housing for people too well off to qualify for public housing, but too poor to pay for new conventional housing, could be provided on urban-renewal land by making it available to builders through New York State Redevelopment Companies. They would get tax concessions that would bring rents within range of the middle class (The New York Times, June 6, 1980:10).

Thus rents were kept low for moderate- and middle-income people through a combination of federal, state, and city subsidies, that is, through the use of the federal "write-down" provisions for urban renewal land value, low-interest mortgage loans, and the tax-abatement provisions of the 1949 Redevelopment Companies Law and the 1955 Mitchell-Lama Act. In some cases the average monthly rent per room between public (low-rent) housing and the privately-owned, publicly-subsidized, middle-income housing was negligible. For example, the Corlears Hook (East River) cooperative housing development had a monthly maintenance charge of \$17.00 per room in 1969, while LaGuardia Houses, a public housing project, completed one year earlier, had a monthly rental per room of \$14.54. In effect, government subsidies were used in many urban renewal projects to provide below market-rate rents for moderate- and middle-income families.

The Seward Park Extension Urban Renewal Project was begun by the Slum Clearance Committee and originally put on the

city planning map in 1959. According to the City Planning Commission report dated June 2, 1965:

On December 18, 1958 (Cal. No. 253) the Board of Estimate adopted a resolution finding the Seward Park Extension Area to be substandard and authorized the Committee on Slum Clearance to apply to the U.S. Housing and Home Finance Agency for an advance of survey and planning funds, pursuant to Section 72-k of the General Municipal Law, then in effect. On February 13, 1959, the Board of Estimate accepted the federal offer of survey and planning funds.

However, increasing city-wide opposition to Moses and the Slum Clearance Committee led to official changes in the implementation of urban renewal policy and programs. The Slum Clearance Committee was reorganized into a new housing agency, the Housing and Redevelopment Board, outside the control of Moses and with the express purpose that future urban renewal planning would stress architectural variety through the use of a variety of sponsors, and the rehabilitation of older buildings, where possible, instead of the total clearance and reconstruction of urban renewal areas favored by Moses. Additionally, the city established a Department of Relocation which would assist in the relocation of on-site residents rather than leaving this to the developer, and the "right of return" for on-site residents was emphasized. At the same time housing would be provided for a mixture of income levels (Starr 1980:10). Moreover, according to a press release from the Housing and Redevelopment Board, by 1961 the United Housing Foundation had formally withdrawn as the previously designated sponsor of the project.

5.1 PLANNED DISPLACEMENT: THE SEWARD PARK EXTENSION PROJECT

The Board of Estimate of the City of New York approved the urban renewal plan for the Seward Park Extension site in 1964. On April 23, 1965, the Housing and Redevelopment Board, the supervisory city agency for urban renewal development, submitted a revised urban renewal plan entitled "Application for Loan and Grant Final Project Report for Seward Park Extension" to the City Planning Commission and the Board of Estimate. The urban renewal plan is a series of documents and maps which outline the urban renewal area and the properties to be acquired by the city, the number of tenants and businesses to be relocated, public improvements necessary, parcels to be sold or leased to developers, and controls governing use and redevelopment of all properties within the urban renewal area. The urban renewal area is the section of the city designated in the plan as substandard or insanitary (deteriorated) under the standard criteria set forth in federal, state, and city government guidelines and laws.

The Seward Park Extension Urban Renewal Area, as designated on June 2, 1965, comprised fourteen city blocks in Manhattan's Lower East Side. It occupies the area in the Lower East side between the Seward Park Project and the then proposed Lower Manhattan Expressway. The area is bounded by Delancey, Willett, Grand and Essex Streets, a gross project

area of 28.8 acres (see Figure 10 and Figure 11). Within the boundaries of the urban renewal area were the Henry Street Settlement Playhouse, the landmark Beth Medrash Hagadol Synagogue, and St. Mary's Church, build in 1826. These buildings would not be slated for demclition.

The original urban renewal plan for the area was approved by the City Planning Commission on the same date as the designation. The Board of Estirate approved the plan on July 22, 1965 (City Planning Commission Corrected Report, February 25, 1980/Calendar #6). The plan provided for clearance, replanning and reconstruction of all but a few pcrperties for predominantly residential use, although limited commercial and institutional uses were also included.

The Housing and Redevelopment Board's Final Project Report (Revised: April 12, 1965) called for the following ppcposed land uses:

1) Residential Reuse

The Seward Park Extension Urban Renewal Project is an ideal area for continued residential use. Its major advantage is a central location convenient to both the midtown and downtown business districts. In addition it is excellently serviced by public transportation as well as major vehicular routes and therefore readily accessible to all parts of the city.

Redevelopment of this area for residential purposes is consistent with future land use proposals as set forth by the City Planning Commission Planning District. The Seward Park Extension Urban Renewal Project represents a

Figure 10: SEWARD PARK EXTENSION PROJECT

**SEWARD PARK EXTENSION**

NYS-51

NYS UR-61

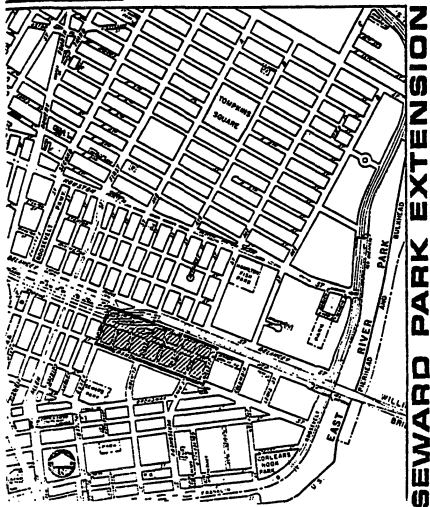
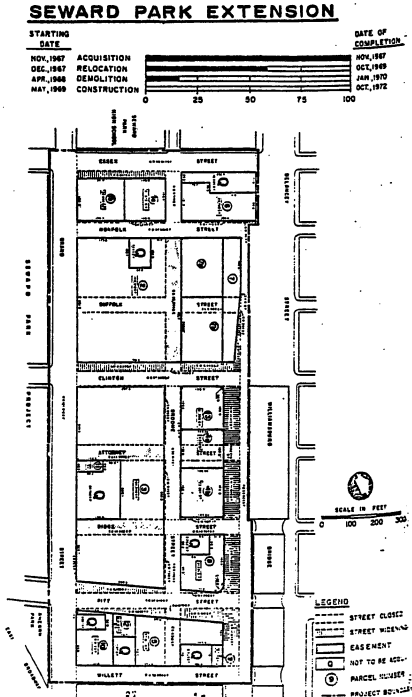
Federal Capital Grant\$13,611,775
Date of Capital Grant..... April 1, 1966State Capital Grant\$3,124,596
Date of Capital Grant June 10, 1966Gross Project Area..... 28.8 Acres
Title Vesting Date..... November 1, 1967**PROJECT STATUS**..... Relocation & demolition.
Preliminary designs
under review.

Figure 11: SEWARD PARK EXTENSION PROJECT



logical extension of the ongoing program of renewal on the Lower East Side.

2) Commercial Reuse

Commercial Redevelopment is to be limited to those uses which are ancillary to a residential neighborhood. It is the intention of the plan to permit a limited amount of retail space to serve the residents of the project. This is consistent with the provisions of the Zoning Resolution which allows accessory uses, such as shopping areas, to be included within large-scale residential developments.

3) Public and Semi-Public Reuse (Related to Residential)

Areas shall be provided to permit the following on-site facilities to expand or relocate their present activities and services:

- a) an existing on-site church
- b) an existing on-site synagogue
- c) a combined police and fire station

These uses are consistent with the basic residential redevelopment planned for the area. It is important that the plan take cognizance of the social and other needs of the community and provide accordingly. The parcel to be conveyed to the synagogue will replace land to be acquired from the institution. It is to be used for future expansion of activities.

The parcel to be used as a combined Fire and Police Station will permit replacement of separate existing, on-site facilities which are presently inadequate. The integration of Fire and Police activities into one structure has proven to be a successful arrangement both from an operational standpoint and in terms of sound land use planning. Since the plan provides an entire block for this facility, the possibility of conflict with the residential uses is precluded, and adequate access and egress for fire and police purposes is assured (1965:2).

In brief the elements of the original Seward Park Extension Urban Renewal Plan were as follows:

1. The total Plan area comprised 28.82 acres, of which a total of 12.12 acres were to be redeveloped for residential, commercial, public and institutional use, and 1.60 acres comprised parcels which were not to be acquired but to be rehabilitated under prescribed standards. The balance of 15.11 acres was to be allocated to interior and peripheral streets including part of the Lower Manhattan Expressway.
2. The Urban Renewal Plan comprised thirteen parcels or sites. Parcels 1-5 were designated for residential use, while parcels 6-13, excluding parcel 7 which was within the mapped lines of the Lower Manhattan Expressway, were designated for public and semi-public (institutional) use.
3. The residential sites within the Urban Renewal Plan provided for the redevelopment of the sites with a total of 1,440 middle-income apartments in a variety of types and heights, and appurtenant parking, shopping and community facilities. Of the 1,400 proposed apartments, 186 of the apartments were to be available at charges equivalent to new low-rent public housing and 200 apartments were to be in a building designed for the elderly (City Planning Commission, Seward Park Extension Urban Renewal Project, June 2, 1965, Cal. No. 8).

The Department of Relocation in its filed report on the estimated housing requirements and resources for displaced families in the Seward Park Extension area noted that the "urban renewal project contains a total of 2,150 housing units; of this number, 2,099 are occupied and 51 are vacant. The occupied housing units in the project area contain a total of 7,122 people" (1964:1). The occupants of the 2,099 apartments to be displaced from the Seward Park Extension project area had the following characteristics: 46% were Puerto Rican (966), 36% were white (762), 9.2% black (193), and 8.5% were other, primarily Chinese (178). Based on income, 80%, or 1,734 occupants, were eligible for public housing; that is, 80% were low-income (1964:1-2).

During the years 1964 and 1965 a variety of local residents and groups responded to the city's proposed urban redevelopment of the area. Local reaction to the proposed urban renewal plan was mixed. Proponents of the plan were eager for the area to be "up-scaled" with an expansion of moderate- and middle-income housing projects. Opposition centered around the displacement of low-income families in the area, and the fact that no satisfactory arrangements had been made for housing low-income families on the site. The proponents of low-income housing objected to the predominantly middle-income characteristics of the plan, and argued for housing that would meet the requirements of the majority of the local population affected by the urban

renewal development. It was during this initial planning period, prior to the City Planning Commission and Board of Estimate Public Hearings, that the fundamental issues of conflict developed, that is, what was the purpose of urban renewal and who benefited from the process? Local residents and groups aligned themselves according to their respective positions.

The origins of the two local organizations that were to play a key role in the ensuing conflict, the Lower East Side Joint Planning Council and the United Jewish Council, can be traced back to this fundamental conflict of interests. The Lower East Side Joint Planning Council was organized to represent the interests and claims of the low-income, minority residents, while the United Jewish Council and the Essex Delancey Neighborhood Association protected and advanced the interests of the moderate- and middle-income residents adjoining the site.

At the City Planning Commission's Public Hearing held on May 12, 1965, representatives of the following organizations spoke in opposition to the Seward Park Extension Urban Renewal Plan: Metropolitan Council on Housing, Puerto Rican Citizens Committee on Housing, Puerto Rican and Hispanic organizations on the Lower East Side, New York University Chapter of CORE, and Cooper Square Community Development Committee and Businessmen's Association. Local residents of the neighborhood also spoke against the Plan.

The Chairman of the Housing and Redevelopment Board at the Hearing addressed the Commissioners. He specifically

requested that the City Planning Commission authorize an increase in density for this project from the proposed 1,440 apartments to 1,800 apartments. This would permit the New York City Housing Authority to build some 360 new low-rent public housing units in the area as an integral part of the Urban Renewal Plan. These additional units, together with the 186 units to be provided under skewed rental at low-rent public housing level, which are presently included in the Plan, would raise to 546 the total number of new apartments to be available within the project for low-income families (City Planning Commission Report, June 2, 1965:13).

At the same hearing, the Commissioner of the Department of Relocation, Herman Badillo, also urged approval of the recommendation for an additional 360 low-rent apartments to meet the needs of displaced tenants.

At the Public Hearing were a number of speakers who approved the Urban Renewal Plan as it was originally submitted by the Housing and Redevelopment Board. Appearing in favor of the Plan were representatives of the following: Manhattan Planning Board #3, East Side Chamber of Commerce, Henry Street Settlement, Puerto Rican Citizens of St. Mary's Parish for Seward Park Extension, Samuel Dickstein Chapter of B'nai B'rith, St. Mary's Church, Bialystoker Synagogue, Chairman of the Board of Directors of the Downtown Talmud Torah and Synagogue, Lower East Side Democratic Association, Lower Manhattan Republican Club, Liberal Party, and the Congressman and State Senator for the area.

After the public hearing the City Planning Commission recommended that the Urban Renewal Plan for the Seward Park Extension Area be modified to include 360 additional low-rent public housing units. It also recommended that the Downtown Talmud Torah remain (it had been scheduled for demolition). Commenting on the controversial issue of what type of housing should be provided by the Urban Renewal Plan, the City Planning Commission stated:

With respect to the question of utilizing the Seward Park Extension site for low-rent vs. middle-income housing, we note that there are at present some 12,050 units of public low-rent housing on the east side of Manhattan, south of 14th Street, in addition to the older low-rent private housing. Middle-income housing in the same area provides about 9,560 units. Thus, the additional middle-income units proposed for the Seward Park Extension site would serve to provide for improved social and economic balance in this section of the city (1965:16).

The City Planning Commission certified its approval of the Seward Park Extension Urban Renewal Plan, as modified, pursuant to Section 505, Article 15 of the General Municipal Law of the State of New York and Title I of the Housing Act of 1949, as amended. The Board of Estimate approved the plan on July 22, 1965.

On April 1, 1966, a Federal Capital Grant of \$13,611,775 was approved for site acquisition and clearance and on June 10, 1966, a State Capital Grant of \$3,124,596 was approved. The city took title to the land in the urban renewal area on November 1, 1967. Shortly thereafter the acquisition of

approximately two hundred properties with 1,854 families and 325 businesses was begun.

Plans for the Seward Park Extension Urban Renewal Project continued to be modified. The Housing and Redevelopment Board had submitted more detailed plans to the City Planning Commission which published in its 1968 Community Development Progress Report the following information. In describing the project the Report stated,

The Seward Park Extension Renewal Area, which occupies the area in the Lower East Side between the Seward Park Project and the proposed Lower Manhattan Expressway, will make use of renewal land for residential, commercial, and institutional purposes. Low-rental housing, middle-rental housing, and housing for the elderly will supply a total of 1,800 apartments. Shopping facilities will be provided on Grand Street. The city will erect a combined police and fire station. Several institutions designated as landmarks will remain (1968:147).

Acquisition of property within the urban renewal area was 100% completed, while the relocation of existing tenants (1,830 residential and 320 commercial) was 50% completed. The demolition of 219 buildings was, however, only 5% completed (ibid.).

Between 1965 and 1968 the Housing and Redevelopment Board further refined the urban renewal plan. Sponsors and/or developers had been designated for each of the sites to be disposed, that is, transferred to future private holders. The local city agency supervising the overall urban renewal redevelopment, the Housing and Redevelopment Board, must

designate a developer/sponsor because the agency cannot legally contract or build itself. A sponsor is any person, firm or organization that forms the housing corporation that owns and manages a housing project and to whom the loan is made. The sponsor designs, plans and constructs the project or has a developer actually do the building. A private developer or local organization may be a sponsor. Under the provisions of Title I legislation the Housing and Redevelopment Board (acting as the local city agency) acquires the land for redevelopment through the use of eminent domain. In turn, it then sells the land to the sponsor/developer pursuant to Articles 2, 4, 5, and 11 of the New York State Private Finance Law.

Sponsors are only officially (legally) designated by the Board of Estimate upon approval of the supervisory agency. This city agency investigates the sponsor's ability to procure the necessary financing for the development project and its performance record. A designation by the Housing and Redevelopment Board is always a conditional designation. When the Board of Estimate designates a sponsor/developer it is also approving the sale of the land at the same time.

By 1968 the Housing and Redevelopment Board had obtained commitments from sponsors, who had their architects draw up plans for each building. The land disposition, financing, design progress and construction timetables for the thirteen

sites within the urban renewal area were specified in more detail. The plans were as follows:

Sites 1A and 1B, and 4A and 4B were residentially planned as 360 dwelling units of federally-aided low-income housing sponsored by the New York City Housing Authority. Construction was expected to start in 1969 and to be completed in January 1971.

Sites 2 and 7A were planned for moderate- or middle-income residential development with 580 cooperative dwelling units to be financed under the City Limited Profit (Mitchell-Lama) program. Construction was expected to start in December 1969 with completion expected in December 1971. (Parcel 7A was scheduled to provide parking facilities.)

Sites 3 and 7B were to be developed by the Grand Street Guild (Archdiocese of New York) into 600 dwelling units of moderate-income rentals. Construction was to begin in January 1970 and completion expected by January 1972. (Parcel 7B was to provide parking facilities.)

Site 5 was planned for 200 residential dwelling units for the elderly, financed by City Limited Profit (Mitchell-Lama and Section 422 of the Real Property Tax Law). The designated sponsor/developer was the Chuckrow Construction Company.

Sites 8, 9, 10, 11, 12, and 13 were still planned for a variety of public and semi-public uses, that is, institutional and open space. For example, site 8 was the site for a proposed combined Police-Fire Station, while site 10 was planned as an addition to the adjoining Henry Street Settlement House (Community Development Progress Report 1968:147-150).

In 1968 and 1969 a number of minor changes were made to the urban renewal plan of 1965. Several site boundaries were changed, and one property, 36 Attorney Street, was excluded from a redevelopment project. The building was subsequently rehabilitated and fully tenanted. In 1968 the city rezoned a major part of the redevelopment area from R7-2, C1-5 and C6-1 to R8 to allow for higher building densities. Additionally, in 1968 a new street system was approved, resulting in the creation of several superblocks within the area (City Planning Commission Corrected Report, #C79079HUM, February 25, 1980/Cal. #6).

In 1970 under Mayor Lindsay, the Housing and Redevelopment Board was reorganized into one of the superagencies formed during the first two years of his administration. The new Housing and Development Administration placed in the control of a single administrator the city's development of privately-owned and publicly-subsidized housing. Thus urban renewal

redevelopment was carried out under this new agency as it had been under its predecessors, the Slum Clearance Committee and the Housing and Redevelopment Board. In addition to the belief that a single Commissioner or a single agency provided a more efficient administration, the administrative change also reflected two political considerations. According to Roger Starr, former administrator of the Housing and Development Administration, there was a desire to make the urban renewal program a unified whole, rather than a discontinuous series of separate projects. Moreover, he states, "Beyond the drive for comprehensiveness, there was a second new objective: that urban renewal give first consideration to the wishes of those who live on the site or in the immediate environs. Both objectives were encouraged by federal policy and grant requirements" (1970:361).

By 1970, the city's plans for the Lower Manhattan Expressway were abandoned, thus necessitating "minor" changes. The Seward Park Extension Urban Renewal Plan was updated by the Housing and Development Administration in September 1970 to accommodate these changes and also to make certain zoning modifications which would facilitate the disposition of site 3 and the subsequent construction of moderate rental housing (letter to Chairman of the City Planning Commission from Deputy Commissioner of Community Development, Housing and Development Administration, June 16, 1970).

In late 1970, construction began on the 360 units of public low-income housing on sites 1 and 4 in the urban renewal area. The design plans called for two 23-story dwellings, each building to contain apartments ranging from efficiencies to five bedrooms, some small apartments (86) with terraces, and a "Sabbath Elevator," for a total cost of \$10,700,000 (Esperon 1976:5). A child care and adult center were also included in the plans.

In its Application for Large Scale Residential Development submitted in March 1971 by the Housing and Development Administration the following was noted: The large scale development area was divided into seven parcels. Parcel 1 and 4 constitute Stage I and were to be improved with public housing (see above). Parcel 3 constituted Stage II and was to be improved with moderate-income tax-abated housing including three multiple dwellings, a community facility building, an accessory parking garage and a supermarket. Parcel 2 was to be improved with moderate-income tax-abated housing, parcel 5 with nonprofit housing for the elderly, parcel 10 with an expansion of the Henry Street Settlement House Community Facility, and parcel 12 with an expansion of Bialystoker Synagogue. The total development proposed in terms of building bulk, zoning rooms, commercial floor area, and community facilities floor area was as zoning would allow.

5.2 THE LEGAL CHALLENGE

In January 1972, the Department of Relocation notified all site and former-site tenants (tenants still living in the urban renewal area and tenants who had been relocated elsewhere) to come to the urban renewal site office on Grand Street so that they could exercise their right of first priority for rental of the nearly completed public housing projects. The buildings would be ready for occupancy in April 1972. Many of the recipients of these letters sought help in translation from several local anti-poverty agencies in the area.

Since title-vesting occurred in the Seward Park Extension Area in 1967 several organizations had been directly involved in the provision of services and the safeguarding of the rights for on-site and former-site tenants. The organizations were Little Star of Broome, It's Time Agency, and the Grand Street Settlement House. These three organizations were also members of the Lower East Side Joint Planning Council, a recently formed umbrella organization consisting of approximately twenty-three community organizations, all of whom, in one way or another, were concerned with the planning and development of the Seward Park Extension site. The Lower East Side Joint Planning Council played a prominent role in policy planning and advocating low-income integrated housing, as well as

protecting the rights of people displaced by urban renewal development on the Lower East Side.⁴

In a report to Percy Sutton, Borough President of Manhattan, the Joint Planning Council described its early involvement in the Seward Park Extension Area,

Over time, these groups (Little Star of Broome, It's Time and Grand Street Settlement), in concert with the Joint Planning Council, expanded their focus from direct services, such as adequate relocation and proper building maintenance for site tenants to a developing concern over the preservation of the preurban renewal community in the proposed new development. As approximately 80% of the resident families at title-vesting were low-income, there was a legitimate concern as to whether or not these families would be able to afford the rents of the new buildings. This concern spanned all individuals residing in or relocated from the Extension area--regardless of race, creed or color (Joint Planning Council Report, May 13, 1975:1).

The ethnic composition of the Seward Park Extension Area at the time of title-vesting (1967) was 44% Puerto Rican and Hispanic, 33 1/2% White, 10% Black, and 12 1/2% Chinese, according to the Joint Planning Council's figures. (These figures approximate the Department of Relocation's figures of 1964, allowing for changes in the elapsed three-year time period.)

⁴ Material for this section is drawn from Esperon (1975) and the Joint Planning Council's records, particularly a 1975 report to Percy Sutton, Borough President of Manhattan.

⁵ The events and detailed information described here are drawn from Esperon (1976), who was a staff member of Little Star of Broome, assigned to monitor the renting

By mid February 1972 the renting process had begun.⁵ The Housing and Development Administration sent notices to all former-site tenants of Seward Park Extension. The notice stated, in part:

This is to notify you that all present and former residential tenants of Seward Park Extension will be given first priority to return to any housing built within this urban renewal area provided they meet certain qualifications...Persons who already live in public housing must apply for a transfer at the management office of their present project and advise this field office at 376 Grand Street of their intention (quoted in Joint Planning Council Report 1975:6).

A total of 1,400 families were contacted, of which 600 replied, stating their desire to live in the Seward Park Extension projects.

At the Seward Park Extension renting office prospective tenants were interviewed and advised in writing that within a specified time they should bring a month's rent and security at which time they would sign a lease and be given a key. Local anti-poverty agencies were again contacted for help in making the necessary arrangements. However, near the end of March, site tenants were complaining that all the apartments had been rented even though they had complied with the renting instructions. Community workers from It's Time and Little Star of Broome monitored the renting process, and it was observed that the tenants who signed leases and received keys were predominantly white

process of Seward Park Extension.

Jewish families. Inquiries were made to the Housing Authority officials concerning the legal obligation of the Housing Authority to rent to site and former-site tenants first. Esperon states:

During the discussions with Housing Authority officials an anonymous telephone call was received at It's Time Agency. The caller warned that a political deal had been made by the Housing Authority with a group of Lower East Side rabbis to whom were guaranteed a minimum of 110 apartments in the new project. The caller cited specific details as to how the development had been rented (1976:7).

The renting process was brought to a halt by a major demonstration on April 6, 1972. "More than 200 members of two Lower East Side groups staged an all-day sit-in in the renting offices of the soon-to-be-opened 360-unit Seward Park Extension housing development.." (The New York Daily News, April 7, 1972). While the demonstrations continued, negotiations with Housing Authority officials were conducted.

At the same time a committee of site tenants sought out Simeon Golar, the Chairman of the City's Housing Authority. At their request, Golar sent a document to the demonstration site which described the rental of the two public housing buildings. The details were: Of the 360 apartments, 171 were rented to non-former-site tenants, of whom 85% were white and of whom 97 were transfers from other public housing projects on the Lower East Side. Of these 97 families, 47 had been granted apartments for case

reasons--"house of worship" (The New York Daily News, April 7, 1972). Apartments had also been rented to 161 site and former-site tenants, 40% of whom were white families and 38 of whom were transfers from other public housing projects. The tenancy of the 28 remaining apartments was undecided at the time. According to the Joint Planning Council's records:

For reasons of its own, the Housing Authority had decided that a majority of the apartments in these public housing buildings should be rented to white families. They could only accomplish this by renting some apartments to non-former-site tenants. At the same time it was an open secret in the community that a coalition of rabbis, purportedly representing the Jewish community, met with the Chairman of the Housing Authority and brought pressure to bear to lease apartments to Jewish families from other projects so they would be next to the synagogue on the site. Also one of the buildings was to have a Sabbath elevator for Orthodox Jewish families. These elevators stop automatically on each floor on Friday nights and Saturdays because Orthodox tradition bars the manual use of electrical appliances on the Sabbath (1975:7).

On the basis of the figures supplied by the Housing Authority, Mobilization for Youth (MFY) Legal Services, Inc., brought a class action lawsuit (representing the site and former-site applicants, of which 322 had been refused apartments in the Seward Park Extension projects) against the Housing Authority. The suit was filed in federal court in Manhattan (Otero, et al. v. New York Housing Authority). A temporary restraining order was granted barring the Housing Authority from renting apartments to anyone other

than former-site tenants and from opening the development for occupancy.

On May 23, 1972, Judge Marvin Frankel ruled in favor of the former-site tenants during hearings on preliminary motions. He filed an extensive opinion which, in part, stated that: 1) the Housing Authority's actions violated the Authority's own regulation (the right of return to former-site tenants) by renting to persons other than members of the plaintiff class, and thereby deprived plaintiffs of due process, and 2) by renting apartments on a religious priority basis, the Authority violated the Bill of Rights of the Constitution.

The non-former site tenants who had been issued leases by the Housing Authority entered the case as intervenors and were represented by the Legal Aid Society. Their lawyers argued that their leases were legal documents and must be honored by the Housing Authority. Moreover, they claimed, the Housing Authority had a duty to promote the safety of tenants who in pursuit of religious freedom were attacked by other Housing Authority tenants. The Housing Authority, the intervenors asserted, had complied with its legal obligation to uphold the freedom of religion and had promoted the safety of its tenants by granting transfers to Orthodox Jewish families who wished to be near the Beth Medrash Hagadol Synagogue, which was across the street from the new Seward Park Extension housing project (Esperon 1976:8).

The Housing Authority defended its renting procedures by stating that if the right-of-return regulation for former-site tenants had been followed, the racial composition of the projects would have been unacceptable, that is, the majority of tenants would be non-whites. In order to prevent "tipping" in the area, the point at which whites flee from an area which has become over 30% non-white, the Housing Authority had decided to rent to white non-former-site tenants so racial segregation would not occur.

The plaintiffs countered that the Housing Authority's renting procedures were in violation of the Fair Housing Act of 1964, which was intended to end discrimination against non-white minorities. Had the Housing Authority's policy been allowed to proceed, token integration would have resulted. Moreover, the ethnic pattern would have been the reverse of what it was at title-vesting in the Seward Park Extension area.

Hearings were held before Judge Morris Lasker on November 10 and December 21, 1972. On February 9, 1973, Judge Lasker handed down his ruling which "found that the city had acted illegally in leasing apartments in a new public housing project to a group of families, most of whom are Jewish" (The New York Times, February 10, 1973). Judge Lasker ordered the Housing Authority to revoke the leases given to 171 families and reassign them to Puerto Rican families living in the area. In his forty-page ruling Judge Lasker wrote:

We find that the religious criteria in the assignment of an apartment is a violation of the First Amendment. By giving some persons apartments because they are religious Jews, the Authority deprives others because they are not Jewish (quoted in East Side News, February 23, 1973).

He further declared "that despite federal laws that require the Housing Authority to take affirmative action to promote integration, the former renewal-area residents could not in this case be deprived of their priority standing for the new apartments" (The New York Times, February 10, 1973).

Esperon (1976) points out that during the four months following the federal court's decision, ethnic and racial tensions on the Lower East Side escalated. The newspapers captioned the decision in racial and ethnic terms---"Puerto Ricans Win Seward Park Apartments" (East Side News, February 23, 1973), and "Jewish Leaders to Fight Housing Ruling" (The New York Times, February 10, 1973), while "every political, social and educational issue festered with racial overtones. Small scale warfare broke out with Blacks/Puerto Ricans and the Jewish Defense League" (Esperon 1976:11).

The Housing Authority and the intervenors appealed Judge Lasker's decision. The United States Court of Appeals rendered a ruling on September 13, 1973, reversing the lower court's decision. In its ruling the Court of Appeals decided that the Authority, in order to promote a racially

balanced community and to avoid concentrated racial pockets, may limit the number of apartments to be made available to persons of white or non-white races. The granting of transfers to Jewish tenants on a priority basis was also deemed permissible if the Authority granted these transfers for reasons of safety because they had been subject to verbal and physical abuse to and from their daily religious services and not for reasons of religion (Joint Planning Council Report 1975:8). While the order of the District Court was reversed, the case was remanded for further investigation and proceedings, in order, as the ruling stated, "to determine the racial and ethnic mix of the urban renewal area surrounding the project to see if the project itself constituted a shift in that mix" (quoted in Esperon 1976:10).

This ruling presented a dilemma for the Housing Authority and the intervenors. The area surrounding the Seward Park Extension projects was dominated by four private housing corporations, a complex of 4,500 moderate- and middle-income cooperative apartments--East River Houses (Corlears Hook), 1,672 apartments; Seward Park, 1,728 apartments; Amalgamated Dwellings, 236 apartments; and Hillman Houses, 807 apartments. Out of a total of 4,500 apartments, only 2.4% were Hispanic, Black, and Chinese, and 97.6% were white, predominantly Jewish. How was the issue to be resolved when the surrounding area was white? In the meantime the 360

units of public housing remained vacant while the contending parties sought ways to settle the dispute.

In October 1973 the Joint Planning Council was approached about the possibility of mediation. On October 25, mediation was agreed to for the following reasons: 1) The court case could drag on for several more years, and the buildings would remain empty; 2) representatives from the Grand Street Guild development (on site 3) were participating in the mediation as a possible additional basis for a solution since there were not enough apartments in the two Housing Authority buildings and the Grand Street Guild's apartments were needed to accommodate them; 3) by the time the final decision was reached by the courts, the Guild apartments would be rented, and even if the case were won, the former-site tenants would lose. With mediation there was the possibility that all the former-site tenants might be accommodated (Joint Planning Council Report 1975:9).

By December 1973, the Institute for Mediation and Conflict Resolution had arranged a series of meetings between the representatives of the site and former-site tenants, the Housing Authority, and the intervenors. The settlement reached as a result of mediation was as follows:

Apartments in the two public housing buildings were given to families on a basis of 60% Hispanic and other minority and 40% white. One hundred sixty-one former-site tenants would get priority. The remaining 197 apartments would be parceled out

on the ethnic quota. Because 526 families were considered eligible and only 197 would make it in the first tenancy, the Housing Authority agreed to freeze approximately 200 units in the newest and best buildings throughout the city. FSOs (former-site occupants) who wished to choose those apartments would not lose their right to move back to Seward Park when additional low-income units were built. In addition, the Grand Street Guild, sponsor of moderate-income housing in the Seward Park Extension urban renewal area, made 160 rent apartments available (Joint Planning Council Report 1975:9).

The mediation settlement was agreed to by all parties, and the buildings were opened for occupancy on June 1, 1974.

During the time the legal issues were being decided in the courts (1972-1974) the Joint Planning Council expanded its involvement in the overall planning for the Seward Park Extension area. The Housing Authority's actions prompted a closer relationship with the Housing and Development Administration's officials and the respective sponsors/developers of the residential sites in the area. The Joint Planning Council's objectives were to assure that projected plans for the urban renewal area were in keeping with the social and economic needs of the residents. A number of meetings were held in the summer and fall of 1972 with various city officials and representatives of over forty community organizations, not all of whom were members of the Joint Planning Council. The Commissioner of the Department of Development of the Housing and Development Administration and his Deputy Commissioner met with representatives of the Joint Planning Council, as well as

with Arnold Kagan from Hegeman-Harris Company, Inc., the sponsor of housing on site 2, and the Chairwoman of Community Planning Board #3, to discuss the issue of broad-based community representation in the urban renewal area in accordance with the 1954 Housing Act's mandate.

On August 3, 1972, the Deputy Commissioner of the Housing and Development Administration, David Clinger, stated that the agency would be the vehicle through which a totally representative community group would be established. It was at this time that the Housing and Development Administration acknowledged the Joint Planning Council and Grand Street Settlement House as the responsible community groups in the urban renewal planning process. Shortly thereafter, Clinger contacted representatives from the Jewish community, including the Seward Park cooperatives, to form a committee to meet with the Joint Planning Council, the Housing Authority, Hegeman-Harris, and the Housing and Development Administration. On August 22, 1972, the Deputy Commissioner met with several representatives from the Jewish community who stated that they would not be able to meet until after Labor Day. At a meeting on October 2, 1972, representatives of the newly formed Essex-Delancey Neighborhood Association (representing the Jewish community) told Clinger that they would meet only with local community groups south of Delancey Street and east of Essex Street. The Housing and Development Administration subsequently solicited the help

of Marvin Schlick, Mayor Lindsay's representative to the Jewish community. However, in spite of these efforts the Essex-Relancey Neighborhood Association refused to participate.

The Joint Planning Council continued to meet with representatives from the Housing and Development Administration (Departments of Design, Development, Community Affairs, and the local project office) and the Housing Authority. As a result of these meetings, the Housing and Development Administration, Arnold Kagan, and the Joint Planning Council reached an agreement regarding site 2. A letter to Mr. Kagan dated November 10, 1972, stated, in part,

As agreed upon between HDA, Hegeran-Harris, and the Lower East Side Joint Planning Council on November 9, 1972, you are to direct your architect, William F. Pedersen, to make the following changes in the preliminary plans:...

These changes included commitments for 40% low-rent apartments (the maximum allowed by federal policy in a Section 236, federally-financed project) of which 46 apartments would be four and five bedrooms each.

Agreements were also reached between the Joint Planning Council and the Housing and Development Administration concerning site 7, the site set aside for the obsolete Lower Manhattan Expressway. At a meeting in October 1972, Olinger and McClellan from the Housing and Development

Administration stated that the expressway site would be used for public housing. The Housing and Development Administration's Internal Status Report of Urban Renewal Projects for 1972 confirmed this agreement, describing the site as in planning for 350 units of Turnkey Public Housing. However, the Board of Estimate did not designate the site for public housing and it remained as a conditional designation by the Housing and Development Administration.

In November 1972 the Joint Planning Council began meeting with the Chuck-Row developers and sponsors for senior-citizen housing on site 5. The developers had agreed with the Joint Planning Council's request to make the units in their project more compatible with the needs of the elderly. However, the 1973 housing moratorium on subsidized housing imposed during President Nixon's administration froze housing construction starts. Subsequently, Chuck-Row was dropped as the sponsor of site 5. In July 1973 the Joint Planning Council met with the Starrett Housing Corporation regarding their proposed sponsorship of Section 236 housing for site 5. This plan was opposed by the Joint Planning Council because it did not meet the design and income requirements of the elderly--only 40% of the units would be subsidized to a level most elderly tenants could afford. During the mediation sessions for the Otero case, site 5 was also the subject of discussions between the United Jewish Council, and the Joint Planning Council. Both groups wanted

elderly housing on the site, and the Jcint Planning Council proposed the co-sponsorship of the site. The United Jewish Council was reluctant to take part in a joint spncorship. No agreement was reached and plans fcr the site remained stalled.

A series of meetings in the summer and fall of 1972 with Robert Paul, representing the Archdiocese of New York, and Board members of the Grand Street Guild, spncors of the Mitchell-Lama, Section 236 development on site 3, resulted in agreement to the provision of rent supplements to 40% of the Guild's 600-unit project. Further meetings in April 1973 were necessary to insure fair renting practices, that is, a waiver of a \$50 application fee for welfare applicants, availability of applications at the renting office rather than by mail, a letter to all former-site tenants explaining the availability of rent supplements, and so on.

On May 16, 1973, the United Jewish Council filed a class action lawsuit on behalf of present and past residents of the Lower East Side against the Grand Street Guild, accusing discriminatory rental practices (the Cubero case). The United Jewish Council alleged that the Guild had adopted a policy of favoring others, particularly members of St. Mary's Church. A settlement was reached in July 1973 in which the Department of Relocation of the Hcusing and

Development Administration and the federal Department of Housing and Urban Development would monitor the renting of apartments to assure an integrated tenancy.

In sum, in 1972 and 1973, after a series of meetings and negotiations with officials from the Housing and Development Administration, the Housing Authority, Arnold Kagan of Hegeman-Harris, and members of the Grand Street Guild, the Joint Planning Council had won commitments for low-income housing on the following residential sites:

1. site 2: 40% low-income rental units in the Hegeman-Harris section 236 project.
2. site 3: 40% low-income rentals of the 600-unit Mitchell-Lara, section 236, Grand Street Guild project.
3. site 7: 100% low-income housing sponsored by the New York City Housing Authority.

However, on site 5 there was still no agreement and the Joint Planning Council continued to seek joint sponsorship of the proposed senior-citizen housing project with the United Jewish Council.

In the City Planning Commission's Year-End Report, 1973, a summary of the revised planning for the Seward Park Extension Urban Renewal Area noted these changes in non-specific ways. The plans for each site were as follows:

1. Site 1 and 4: A total of 360 units of public housing ready for occupancy now being rented upon the resolution of the Otero case.
2. Site 2: A Mitchell-Lama 236 development in the preliminary design stage, (site design problems, no 236 reservation).
3. Site 3: Sponsored by the Grand Street Guild; started renting August 1973. HDA is monitoring rent-up to insure tenancy in accordance with city guidelines and objectives.
4. Site 5: The site is cleared but sponsorship and program not firm.
5. Site 6: Is an existing commercial structure tentatively planned for rehabilitation.
6. Site 7: The "expressway" site; planned for housing and retail.
7. Site 8: A combined Police-Fire Station occupied in Fall 1973.
8. Site 9: An open space site for adjoining institution, Sages of Israel. Not disposed.
9. Site 10: The Arts for Living Center, sponsored by the Henry Street Settlement; nearing completion.
10. Site 11: A small open space site for St. Mary's Church. Not disposed.
11. Site 12: A small open space site for adjoining Bialystoker Synagogue. Not disposed.

12. Site 13: To be developed as a Nursing Home by the Beth Jacob School, former owners of Site 4A. State financing is being finalized and a construction start is anticipated for Fall, 1974 (1973:84-85).

Additional confirmation of these planning commitments is found in the City Planning Commission's Community Planning Handbook: Manhattan Community Planning District 3 issued in September 1973. In the Directory of Housing section, plans for Seward Park Extension urban renewal called for the following:

1. Site 5: 250 dwelling units in planning
2. Site 7: 350 dwelling units in planning
3. Site 2 (2A, 2B): Hegeman-Harris 618 dwelling units in planning.

In 1973 Mayor Abraham Beame appointed Roger Starr to head the Housing and Development Administration. Starr had previously been the Executive Director of the Citizen's Housing and Planning Council from 1958 to 1973, a private, public-interest organization which espoused the cause of urban renewal and Mitchell-Lama funding for middle-income housing. The Citizen's Housing and Planning Council consisted of social scientists, architects, lawyers and real estate professionals, a non-partisan expert group. It was one "do-good" group that did not support the Forest Hills low-income project planned during Mayor Lindsay's tenure

because they disapproved on the basis of the plan's merits. In their view this low-income project was too big, too dense and of poor design. In Starr's view, low-income housing is not wanted anywhere, since it reflects an unwanted and undesirable facet of social life (Interview, June 23, 1980).

During 1973 federal subsidies for low-income housing were frozen while the former federal legislation authorizing federal aid to cities was overhauled. Community Development Block Grants were introduced in 1974 as the new federal law, replacing various categorical programs of federal aid to cities. Under the program "the federal government allocates a lump sum to each city, based on an elaborate formula, and the local government decides, within very general guidelines, how that money will be spent" (Pynkos, Schafer, and Hartman 1980:522). These changes in federal policy regulating housing subsidies created uncertainties regarding the prior commitments won by the Joint Planning Council.

On February 14, 1974, the lawyer from MFY Legal Services who had represented the site and former-site tenants in the Otero case and had worked closely with the Joint Planning Council wrote Arnold Kagan regarding site 2. In part, the letter stated:

the Lower East Side Joint Planning Council was pleased to hear that you are still holding to the commitments made to it last year in regard to your site in the Seward Park Extension Urban Renewal Area.

However, other forces were operating which were working against these commitments. Among these were the following:

- 1) The Hegeman-Harris Company was running into difficulty in securing the financing (Section 236 monies) for the site. While Kagan was negotiating with Joint Planning Council members regarding low-income units for site 2, his company was at a later date also negotiating with the Housing and Development Administration for the sponsorship of a combined residential development for both site 2 and site 7. According to one Housing and Development Administration official, this new proposal for 900 units of Section 236 housing would have required \$36 million. It was at this point that Hegeman-Harris experienced difficulty in securing its financing.
- 2) The Ctero case had increased the political organization and determination of Orthodox Jewish leaders in the area. Their opposition to low-income housing on the Seward Park Extension site became more focused, and, in turn, they too began to negotiate with city officials, particularly Roger Starr, the Administrator of the Housing and Development Administration.
- 3) The dismantling of Title I programs in 1973, and their subsequent replacement with Community Development Block Grants, left to the city's discretion how to spend its federal allocation of funds. Under the new federal guidelines the city could use federal funds for a wider range of options, and with greater latitude.

Seemingly, in recognition of these factors, the Housing and Development Administration's Department of Development called a meeting of representatives from the Joint Planning Council, the United Jewish Council and Community Planning Board #3. According to the Joint Planning Council's records:

At this meeting, Barry Zelickson (Executive Director of Office of Property Development) proposed the combined development of sites 2 and 7 with stores fronting on Delancey Street and 900 apartments. The proposal would essentially have extended the agreement previously worked out for site 2 to cover both sites, i.e., the overall development would have 40% low-rent apartments, 69 four- and five-bedroom apartments, but the firehouse would be replaced by a new youth center. The Joint Planning Council agreed with the proposal as it related to site 2 but insisted that site 7 be deleted so that it could be developed as a low-income project in accordance with the Housing and Development Administration's prior commitment. The United Jewish Council opposed the inclusion of any low-income housing and threatened a lawsuit if the Housing and Development Administration attempted to proceed with development. Subsequent to the meeting, the Housing and Development Administration dropped its proposal and transferred the 900 units to the Washington Street Urban Renewal Area. The Joint Planning Council met with Administrator Starr in July to try to persuade him to return 600 units to Seward Park so that site 2 could be developed. Mr. Starr said that he would contact the United Jewish Council to attempt to secure an agreement on site 2, without which he would not proceed. Apparently nothing resulted from his efforts (Joint Planning Council Report 1975:3).

City officials, particularly in the Housing and Development Administration, were well aware of the competing claims of the Joint Planning Council and the United Jewish

Council for the Seward Park Extension site.⁶ In an internal memorandum, the Director of Manhattan Development wrote Barry Zelikson regarding this conflict. His analysis entitled "Lower East Side Controversy," dated October 31, 1974, states, in part:

The Seward Park Extension Urban Renewal Area has a history of conflict between Puerto Rican, a predominantly low-income population represented by the Joint Planning Council (JPC) and the Jewish, predominantly moderate income population, represented by the United Jewish Council (UJC)...Three out of a total of six residential sites have been completed... Three residential sites remain to be developed with a total of 900 to 1100 units. Both the JPC and the UJC have at various times requested sponsorship designation essentially to control occupancy. The JPC wants a high percent of low-income units and the UJC would rather have nothing built at this time than have any more low-income family units. Similarly there will be major resistance from the JPC if we were to build completely moderate-income housing. To date a total of 500 low-income and 300 moderate-income units have been constructed in the URA (urban renewal area).

This issue is not confined to the Seward Park Extension URA. The proposed Pueblo Nuevo URA⁷ directly to the north would ordinarily be considered to be of primary interest to the Puerto Rican community. However, because of the JPC involvement in Seward Park Extension the UJC is becoming interested in Pueblo Nuevo, probably to develop a bargaining position for Seward Park Extension...

⁶ The United Jewish Council had absorbed the Essex-Delancey Neighborhood Association by this time.

⁷ The Pueblo Nuevo Urban Renewal Area was located several blocks north of the Seward Park Extension site. It was in planning for low-income housing, sponsored by the Pueblo Nuevo Housing Corporation, a non-profit organization and a member of the Joint Planning Council.

Organized political action by Orthodox Jewish leaders was successful with regard to the low-income housing development proposed for the Pueblo Nuevo Urban Renewal Area. The United Jewish Council had been seeking the sole sponsorship of site 5 for the senior-citizen housing project designated for that site (the site abuts the Bialystoker Synagogue). During 1974-75 United Jewish Council leaders met with Roger Starr, Mayor Beame, and the Borough President of Manhattan, Percy Sutton, to negotiate for the site 5 development. The Executive Director of the United Jewish Council stated during one interview:

When we went to Sutton for this, he told us, what will I give them (Joint Planning Council) if I give you site 5. Well, when we saw that Pueblo Nuevo was scheduled on the Board of Estimate calendar for its CD or HUD monies we managed to get the item laid over. This happened a few times and when we finally got the sponsorship of site 5, Pueblo Nuevo got the project approved by the BOE (May 7, 1980).

In a New York Post article, "New Housing Row Hits the Lower East Side," the disputed sponsorship of site 5 was discussed:

But when a separate low-income development, Pueblo Nuevo, came up before the Board of Estimate this year the United Jewish Council blocked approval of it in order to win concessions on Seward Park.

The result was that Mayor Beame and Sutton agreed to give the Jewish Council sole sponsorship of a 200-unit senior citizen project in the urban renewal area. All groups favor the project, but the Joint Planning Council opposes "unilateral sponsorship" by the Jewish organization (July 16, 1975).

At the same time United Jewish Council leaders were meeting with Roger Starr to press for the commercial development of a "superblock," the remaining four-block site in the Seward Park Extension Urban Renewal Area, with the United Jewish Council as sole sponsor.

In 1975 Percy Sutton, the Borough President of Manhattan, initiated a series of mediation meetings in order to resolve the differences between the United Jewish Council and the Joint Planning Council.⁸ Half of the planned residential sites were the subject of a major controversy between these two groups. The Joint Planning Council maintained that the proposed 900 units of low- and moderate-income housing on sites 2 and 7 were necessary to meet the needs of the families displaced from the urban renewal area, as well as other low-income families who lived in an area where the low-income housing stock was being diminished by fires and abandonment. The Housing and Development Administration, responding to United Jewish Council pressure, had agreed to restudy the plan for sites 2 and 7, thus calling into question the earlier commitments it had made regarding these sites. The tensions between the two groups heightened.

⁸ It was at Sutton's request that the Joint Planning Council prepared a detailed summary of its involvement in the Seward Park Extension area and the Otero case. Copies of this report were provided to this researcher and were used extensively in the reconstruction of the history of Seward Park Extension.

According to the New York Post article the United Jewish Council's Chairman, Harold Jacob, opposed the low-income housing because it would put additional stress on the middle-income Jewish community. The article stated:

Jacob agrees that Council members would prefer no housing at all to an "infusion" of more low-income units that they believe would increase crime and other problems and endanger the stability of the middle-income, mostly Jewish cooperative buildings south of Grand Street.

Noting that so-called "middle-income" projects are being built at rents too high to be marketed on the Lower East Side, Jacob said:

"The only thing you can build is low-income. The area can't stand much additional low-income. You'll change the entire area. The business streets like Orchard will be affected. I believe the only true solution is to take that (urban renewal) area and commercialize it" (July 16, 1975:24).

And indeed, in September 1975 at the request of Roger Starr, a commercial space feasibility study was undertaken by the City Planning Commission and the Office of Economic Development (United Jewish Council Newsletter, February 1980). The general consensus was that commercial development of adequate size with sufficient parking space would be feasible on the Delancey Street site. However, the study did not include Grand Street or the entire urban renewal area as was later proposed. It also called for the development of a housing project with the Department of Housing and Development Administration (Joint Planning Council Report 1975i). However, the city's financial crisis in 1975 put an end to development plans.

Subsequently, as noted above, and as a result of the continuing dispute over the sites, the Housing and Development Administration transferred 900 units of housing to another urban renewal area in the city. Barry Zelickson told the New York Post:

Seward is in competition with a whole laundry list of projects throughout the city...It becomes easy to go where everybody is going to say you're a good guy...(July 16, 1975).

Since the Housing and Development Administration can only undertake the construction of a specified number of dwelling units per year for the entire city, because of limitations of federal, state, and city funds, the transfer of these 900 units elsewhere effectively brought to a halt further planning for housing development on the Seward Park Extension site.

At about the same time Hegeman-Harris, sponsors of site 2 and possibly site 7, were officially dropped as designated sponsors by the Housing and Development Administration. The reason given by the Housing and Development Administration was that Hegeman-Harris was unable to secure the financing necessary for the project. Plans for the completion of the Seward Park Extension area remained idle for several years, and the disposition of the three remaining residential sites was left unresolved. In fact, as early as 1974 this difficulty was foreseen by an official at the Housing and Development Administration. In the memorandum referred to above, he said:

It seems highly unlikely that any sort of modus vivendi will be voluntarily reached in the next few years between the UJC and the JPC. While the possibility of co-sponsorship of the available sites by the UJC and the JPC would be the most desirable solution, based on the above history, it appears to us to be so difficult as to be impossible. Another possibility which might have more of a chance of success would be to alternate assignment to the community groups of the various sites both within the Seward Park Extension URA and the proposed Pueblo Nuevo URA. If each group had their own specified sites they might be more willing to let each other proceed with development plans. Alternatively, Site 5, Seward Park Extension, could be given to a neutral outside sponsor to develop as housing for the elderly. Sites 2 and 7 could be developed by Hegeman-Harris under the review of a joint committee which would consist of locally based community groups.

If some arrangement of this type is not reached it seems safe to say that no new residential development will occur in the next several years and the Lower East Side will be left with a few more vacant lots but without some of the housing it so desperately needs (Housing and Development Administration Memorandum 1974:1-2).

In short, by 1975 an impasse of considerable magnitude existed and the likelihood of overcoming it seemed remote (the one exception concerned site 5, for which the city had already given the United Jewish Council sole sponsorship).

A further complication occurred during the spring of 1975, as the city slid toward bankruptcy. Facing a fiscal crisis of major proportions, the city essentially was defaulting, with insufficient funds to meet its payroll and debts (Alcaly and Bodian 1977). Severe service and expenditure cutbacks, layoffs in the public sector, and rising unemployment forced the city to reorganize and

retrench. The entire city budget, as well as city agencies, were overhauled. The city's fiscal imbalance affected housing. New housing construction was limited to projects that already had funding allocated. According to the Department of City Planning, "With the inflation-ridden private construction industry and sharply-cut Federal housing programs, housing activity fell and was below peak in 1976, when 20,648 units were completed. This was a substantial drop from 1963, when 60,031 units were completed" (1977:9). The city's housing programs were competing with the mandated expenditures of welfare, debt service and education, and capital budget funds for mortgage loans and interest subsidies were non-existent.

5.3 SUMMARY

From the reconstruction of the early history of the Seward Park Extension Urban Renewal Project, the critical issue of conflict that developed between the United Jewish Council and the Lower East Side Joint Planning Council, local organizations representing constituencies marked by ethnic/race and class differences, can be observed. The United Jewish Council sought to prevent low-income housing in a neighborhood that it considered, for historical and social reasons, to be exclusively its turf. This claim was buttressed by an ethnic ideology, as well as an objective material interest in the 4500-unit, middle-income

cooperative complex developed by the United Housing Foundation, the Amalgamated Clothing Workers Union, and urban renewal funding, under the auspices of Robert Moses' Slum Clearance Committee. These housing projects were partially subsidized by public funds in order to keep rents below market-rate, but were, however, monopolized by a predominantly Jewish clientele. Thus, the residentially segregated and ethnically homogeneous nature of the co-op projects reinforced the United Jewish Council's claims for control of this area. Moreover, an ideological bias, racist at root, against low-income public housing, housing that is perceived by the public-at-large to accommodate the undeserving poor, particularly Blacks and Hispanics, permeated the public and private discussions and hearings on the proposed plans for the Seward Park Extension site. The United Jewish Council leaders linked their parochial interests with the society-wide disdain for public housing in an effort to prevent its construction.

The Lower East Side Joint Planning Council leaders were determined to reverse the middle-income nature of urban renewal planning and sought not only the construction of low-income housing for residents displaced from the site, but also to overthrow the United Jewish Council's claim to this particular area. The conflict over the Seward Park Extension Project became a conflict over territory, over the type of housing to be built, and a conflict over what group

would benefit from public urban renewal funds. It was also a racial, ethnic, and class conflict---a conflict that pitted white, moderate- and middle-income Jews against Black, Chinese, and Hispanic low-income groups. But, more importantly, it was an organizational conflict, not a conflict that involved local residents in large numbers. Rather, organizations, and specifically a small group of organizational leaders representing large constituencies, were involved in the planning and negotiations that took place. I will return to this point in Chapter 7 where I discuss and contrast the Lower East Side Joint Planning Council and the United Jewish Council. However, this observation leads to another critical issue raised by the Seward Park Extension case study.

The planning process for the Seward Park Extension Project was undertaken by relatively few people. Organizational leaders, agency officials, and politicians constituted the key figures in this decision-making process. Broad-based participation in planning of this magnitude is limited to the few public occasions provided for in mandated hearings or to protest demonstrations when all else fails. In the urban renewal process a few privileged individuals are favorably positioned to decide issues that have major social and political consequences. If we bear this fact in mind, the structural changes that came into full view with the 1975 fiscal crisis and the subsequent policy changes

invoked by the city administration are relevant to the outcome of the Seward Park Extension Project, to which I now turn.

Chapter VI
WINNERS AND LOSERS: THE REDISTRIBUTION OF URBAN
RESOURCES

The controversial history of the Seward Park Extension Project has been reconstructed in Chapter 5 through the use of the extended case study method. This method facilitated the description of social processes over time, and highlighted the sets of interlocking relations among city officials, community organizations and leaders, as well as the forces that shaped the planning process. In this chapter I continue to use the case study method as I follow the project through the final stages of its implementation. My fieldwork experience is incorporated into the flow of events and this observed data is integrated in the material in such a way that the intersection of institutional levels of analysis and local-level events and behavior are revealed.

6.1 NEW DEVELOPMENTS

Plans for the completion of the Seward Park Extension Project were laid aside between 1975 and 1977, during which time the city underwent a major reorganization as the result of the fiscal crisis it faced. It was not until 1977 that a

renewed effort to complete the site was undertaken. Three sets of events had, for different reasons, a major impact on the decision-making process during this final stage of planning negotiations. They were: 1) changes in the City Charter, the city's legal framework of government, which specifically created new Community Boards in January 1977, and the reorganization of the Housing and Development Administration into the Department of Housing Development and Preservation; 2) the Chinatown Planning Council, a non-profit anti-poverty agency that helps provide housing and social services to Chinese-Americans, received a federal grant of \$6.5 million in 1977 to build a low-income apartment house for the elderly; and 3) the initiation of a class action suit against the East River Housing Corporation (the managing agency of the 4,500 units located on Grand Street and East Broadway) by It's Time and the Joint Planning Council and other minority plaintiffs--Huertas et al. v. East River Housing Corporation, 77 Civ. 4494 (RLC). Following is a brief discussion of each of the three events.

Charter Revisions and Community Boards. In the late 1960s, there was a significant increase in community participation, which, to a large extent, was due to a requirement calling for it in such federal programs as urban renewal, model cities, and anti-poverty legislation. Citizen participation in city government through local Community Boards had a twenty-five year history. In 1951

the first Community Planning Boards were established by the Borough President of Manhattan. By 1968, the city was divided into sixty-two Community Districts, and the role of Community Boards as advisors to city government was firmly established.

The role of Community Boards was the primary focus of the 1974 State Charter Revision Committee, which viewed them as the appropriate vehicle for the expression of local views on a wide variety of public issues. The Charter Revision Committee recommended that the role of the Community Boards be expanded, giving to them new responsibilities and duties in such matters as land use, service delivery and fiscal management. Revisions to the City Charter broadening the role of the Community Boards was approved by city voters in the referendum of November 4, 1975. As a result, in January 1977 fifty-nine new Community Boards were established with an appointed membership of up to fifty people per Community District.

Specifically, the Uniform Land Use Review Procedure (ULURP) gave the Community Boards new powers through a review and recommendation process that includes public hearing on all land use matters that affect its districts. Among the land use issues that come before the Community Boards are changes in the city map, zoning changes, and approval of housing or urban renewal plans and projects

pursuant to city, state, or federal law. The benefits of this new uniform processing assured the communities that their recommendations would be considered by the City Planning Commission and the Board of Estimate. Moreover, communities are able to scrutinize planning proposals at an early stage, thereby helping to shape their final form. When a planning proposal application is certified by the City Planning Commission, it is then forwarded to the Community Board which reviews the application and holds a public hearing on the matter within a specified time period. The Community Board's written recommendations are then forwarded to the City Planning Commission and Board of Estimate who also hold public hearings on the proposal. The new procedure guarantees all applicants that their proposals are reviewed within set time limits. From the initial certification date, to the Board of Estimate's final action on the matter, a time period of 180 days is allowed.

While a major objective of the 1975 charter revisions was to increase citizens' involvement in the political process by providing a mechanism for Community Boards to influence the decision-making process, this move toward the decentralization of city government was made at a time when the city was preoccupied with averting fiscal disaster. Thus it strengthened the role of Community Boards at a time when city government was overwhelmed with budget decisions and the cutback and delivery of services. Commenting on the

timing of the Charter's decentralization, The New York Times noted:

The relevance of decentralization to the fiscal crisis is by no means negligible...Strengthening neighborhood government could help the city cope with what will be a prolonged period of enforced austerity...Particularly at a time when city personnel and services must be curtailed, strengthened district boards can help assure that those personnel and services that remain are used most effectively in response to community needs (July 23, 1975).

The new Community Boards were used as forums of public opinion and decision-making bodies, in the midst of an acute financial crisis with its attendant political uneasiness regarding the distribution of scarce and diminishing resources. The intensification of local-level conflicts of all kinds, particularly those centered around housing, placed additional burdens on the fledgling Boards, especially in the Lower East Side.

In addition to changes in city government, concomitant changes were occurring in many city agencies. These changes reflected the city's overall reorganization precipitated by the 1975 fiscal crisis. New priorities and related policies were instituted by the new mayor and his appointees. According to one official in the newly formed Department of Housing Preservation and Development:

The major source of discontent was that the super-agencies were difficult to manage. They were large agencies with lots of departments and one person controlling the entire administration. So they were dismantled and this agency was reduced by 25%. I don't know what the reduction means in

terms of staff numbers, but in terms of just the structure there were four departments. One department was separated out. The Department of Buildings is now a separate and autonomous agency that reports directly to the Mayor, just as many other agencies that are headed by a commissioner report directly to the Mayor. Basically it was a change in name. There have been some changes within the offices, the most notable one being the Office of Property Management which was formerly the Department of Relocation. This department is still responsible for relocation of tenants in city-owned property. In addition to that, the Office of Property Management now has the responsibility of managing and maintaining residential structures that are under the jurisdiction of the City of New York.

Roger Starr, administrator of the former Housing and Development Administration, resigned his post to join the editorial staff of the New York Times, and a new housing commissioner, Nathan Leventhal, was appointed by Mayor Koch who had been elected in 1977.

The newly-elected Mayor's foremost priority of economic development was emphasized, and administrative policies were shaped accordingly. Two policies emerged at this time; one, officially sanctioned and publicly touted; the other, unofficially acknowledged and silently implemented. First, the city committed itself to economic recovery by focusing on retaining businesses, encouraging expansion and attracting new investments.⁹ At the same time, programs were designed to attract and retain the white-collar taxpayer by improving the overall "image" and desirability of the city.

⁹ Abraham Beame, Mayor, Economic Recovery: New York City's Program for 1977-1981, December 1976.

According to Levy and McGrath, "In many cities, the first two years of Community Development Block Grant funds were used for precisely such physical improvements" (1979:22). Additionally, public management was improved by attempts to make the public sector more "business-like." Corporate management techniques and the reorganization of city service agencies were undertaken to promote the efficiency and productivity of public employees.

Second, an accepted but unofficial policy of "planned shrinkage" was implemented throughout the city. Tabb writes:

The emerging strategy is that of "planned shrinkage"--the dismantling of services to lower-income communities with the goal of pushing their residents out of the city. This is an integral part of the transformation strategy--get rid of the poor, break the power of the municipal unions and reduce services, except to the business community and upper-income areas (1978:260).

Roger Starr, the city's Housing and Development Administrator, in 1976 recommended this policy.¹⁰ During an interview, Starr recalled:

¹⁰ In his article, "Making New York Smaller" (The New York Times Magazine, November 14, 1976), Starr made several suggestions as to how a policy of planned shrinkage might be carried out; for example, "reduce services," provide inducements for the urban poor to leave the city, relocate people to more viable sections of the city, and accelerate population decline by closing hospitals, schools, fire houses, "thus leaving the land to lie fallow until a change in economic and demographic patterns makes the land useful again."

During my years as Director of HDA, the fiscal crisis broke and the Mayor's policy committee meetings turned into emergency committee meetings. It was during this period and participating in these discussions that I advanced the idea, contrary to what everybody else was saying, that the city was no longer growing. In fact it was losing its basic manufacturing firms, and as a result, this loss of jobs meant loss of population. Instead of planning around an expectation of growth, the fact of the matter was, the city should be planned around shrinkage. I recommended to this group that they should be planning on what schools to close, what services to cut back, what hospitals to close. In other words, the planning should be how to trim expenditures to match income. With a loss of jobs there is a loss of population. Whether you like it or not, poor people are going to move where the jobs are. Now, in effect, this policy is being implemented, although no one refers to it as "planned shrinkage." Yet the administration is following the policy but does not say so overtly because it is politically so unpopular (June 23, 1980).

As a result of new administrative policies and priorities, housing for the city's low-income population became increasingly more difficult to obtain. Arson and landlord abandonment increased in the more deteriorated areas of the city, while gentrification and its concomitant displacement of poor people proceeded in other, more attractive central-city locations. And, as previously noted, new housing construction was at a virtual standstill. The plans for the completion of Seward Park Extension Project were embedded within this economic and political context.

Huertas et al. v. East River Housing Corporation. In September 1977 a class action civil rights suit was filed in federal court against the four cooperative housing developments on Grand Street and East Broadway. Seven Hispanic and two Black families on behalf of themselves and all similar families in the City of New York, It's Time and the Joint Planning Council were plaintiffs. In its 1979 Year End Report, the Puerto Rican Legal Defense and Education Fund, Inc. (attorneys for the plaintiffs) described the case:

The Fund's fact-finding was completed this year in Huertas v. East River Housing Corporation, a class action suit against four private housing corporations which manage almost 4,500 units on the lower east side of Manhattan. Discovery revealed that these co-ops allocate their units primarily, if not exclusively, to friends and relatives of residents, almost none of whom are Puerto Rican, other Hispanics, or Black persons. We also found that Hispanics and Blacks comprise 2.4% of the occupant population, although they comprise 19% of current applicants for these low and middle-income developments. The Fund is prepared for trial, which will be held early in 1980.

Earlier this year, in an important ruling for the case, the court determined that the two organizational plaintiffs, It's Time and the Joint Planning Council, have standing to sue because they are harmed by the claimed injuries to their members. These rulings are significant because they enable community organizations to participate actively in discrimination challenges (1979:9).

This discrimination suit intensified the Orthodox Jewish leadership's political efforts against low-income housing on the Seward Park Extension site, as well as its efforts to

gain full control over the undeveloped sites. The Executive Director of the United Jewish Council affirmed this position:

The real issue is one of turf lines. The whole thing down here is one of turf. There is only so far we can be pushed. We're being attacked externally from the Hispanics trying to move in on Grand Street via Seward Park Extension, and internally through the lawsuit against the co-ops. There's a point at which you have to say "no more," and draw the line.

Chinatown Planning Council's Federal Grant. As important as these events were to the contextual background of the issue, it was, nonetheless, a \$6.5 million grant from the federal Department of Housing and Urban Development in September 1977 to the Chinatown Planning Council that provided the major impetus for the completion of the Seward Park Extension Urban Renewal Area. Chinatown Planning Council, a social service agency serving Chinatown residents, and a member of the Joint Planning Council, had submitted a proposal to the federal Department of Housing and Urban Development for a Section 202 (of the Housing Act of 1958) loan to build a housing project for the elderly. This department makes direct loans to non-profit sponsors and also provides Section 8 rent subsidies to be used in conjunction with the Section 202 program, provided the sponsoring organization has control of a site and can demonstrate the ability to undertake developmental responsibilities.

The involvement of the Chinatown Planning Council in the Seward Park Extension controversy centered around locating a site for the housing project. The Executive Director of Chinatown Planning Council explained the agency's search for a suitable site:

Interviewer: How did you get involved in the Seward Park Extension area? Who advised you to look for a piece of that area?

Director: HPD. The Department of Housing Preservation and Development.

Interviewer: You knew that it was already a very controversial area?

Director: Well, we did and we didn't. Surprisingly enough, with all of our sophistication, having been here a long time, although we had been a member of JPC (Joint Planning Council), I had personally been a member of the organization. I really had been turned off by them. There was a nominal membership, to keep our name on the letterhead, but we hadn't attended meetings in years.

Interviewer: What turned you off?

Director: We had a number of conflicts with them as an organization. We were not happy with a lot of, they were against a number of proposals that we were interested in, but felt that overall it was not a bad thing. And really we're not involved. We had our own things to take care of, and really were not involved in plans for Seward Park housing. So when the whole thing came up and Seward Park was raised, we thought it was a dead issue, quite frankly. We really didn't even think too much about it. We anticipated a little bit of problems, but not the kind of problems that emerged.

Interviewer: But for ten years they had been fighting--

Director: Yes, that's true. And we knew about it. But we were, you know geographically, it was really out of our kind of geographical turf. And we were happy because we were involved in our own political problems. We were involved in things which we considered at that time our turf. And that was another turf. We had enough things to take care of over here without being sucked into something over there. We were friendly with the Jewish community, we were friendly with the Hispanic community. We didn't want to be dragged into it. We really forgot about it. We became so preoccupied with finding a space we hadn't planned--

Interviewer: Was that the only alternative you had?

Director: Well, it became clear after we got it that we kind of needed that land. When we put in for the grant to HUD we said we had a number of parcels. I don't mean vacant; we identified parcels which were vacant in which we thought the building could be built. There were a number in Chinatown that we wanted. When we got the grant and began going after those parcels it became clear that they were inadequate. I mean they were not large enough. There was a problem with each of the sites. And it was not just phcnyc. We really hadn't investigated before. We though we'd just get the grant and then we'd worry about it. So it became clear to us, in less than six months, that the only place we could build on was on urban renewal land.

Interviewer: Because of the cost factor?

Director: Yes. There were only three urban renewal sites that were available, and possibly a fourth: Seward Park Extension; Two Bridges; there was a third site down by South Bridge Towers; and there was a fourth site out where the new community college was built. That site the city pretty quickly said "no," they had plans for it. It turned out they built a park there which was

pretty badly needed. I don't know what the park will be named. And again there's another incident, we had conversations with the Two Bridges Neighborhood Council. I had been a member of the Board of that organization, but when it came time to negotiate, they wanted 50% of the action if they allow us to build there. That's crazy!

Interviewer: Does that mean the sponsorship?

Director: Yes. They wanted to buy into the sponsorship of the project. They said it's our turf and you want to build and we said "no" to that. That's crazy. There were not just costs involved but also control, and we felt we would lose control, and they had some specific objectives that they wanted to accomplish which were different from ours, philosophically different. So it was an impossible situation. The South Bridge Towers Site was already sewed up at that time by Trinity Church. And also about the same time some of these issues had not really crystallized. When we looked at the sites and when we took the seniors to both sites to look at it, our seniors really liked the Seward Park one because it's very close, its proximity to Chinatown. So I think the push on our part was that the seniors really preferred the Seward Park site. And about that time we were beginning to develop some facilities on Grand Street, so it all began to tie together that this would be the more desirable site. And that's how we did it. But HPD was really the ones that said, "why don't you go," you know.

But don't forget when we came on there was really nothing doing. As a matter of fact, you see what they did, and I think it was really a fault of our housing consultant, who is Black and a very knowledgeable guy, a very decent guy, but really is not that hep. He certainly didn't know this community. He took the normal standard route, which we did right off the bat, and within a month of the grant notified the Community Board which started the whole reaction. But HPD said, before we can give it to you, you really have to get clearance from the group that has the sponsorship.

Interviewer: Were there two groups involved in that--the United Jewish Council and the Joint Planning Council?

Director: The United Jewish Council, quite frankly, I hadn't even heard of at that point.

Interviewer: But in 1975 they were the ones who spoke about this commercial development--

Director: At that point the United Jewish Council to me, I knew their name. I knew some of the people, but really didn't have a sense of them. I'm not saying they were unknown, but there was not, we never really thought much of them. I don't mean that disparagingly, but we didn't really know the significance of the group.

Interviewer: So HPD was telling you to talk to Joint Planning Council?

Director: Yes, they said that you needed approval. And we did.

In October and November 1977, Chinatown Planning Council met with members of the Joint Planning Council to discuss their proposal to build 150 units of Section 202 housing on Site 2 in the Seward Park Extension. The Joint Planning Council responded favorably to the Chinatown Planning Council's plans. In a letter confirming their support and the terms of their agreement, the Joint Planning Council noted:

As you know, JPC has been eager to see more housing built in Seward Park to complete the urban renewal area. JPC has always supported low-income, integrated housing for this area. We know that Chinatown Planning Council, as a member of JPC, subscribes to these principles and also to the principle that former site tenants have first

priority to any new housing. In view of these circumstances JPC would welcome your project in Seward Park. We would also like to see as a companion project, 150 units of family housing to complete Site 2. We would push HPD to allocate the necessary Section 8 units to this site as soon as their commitment to Cooper Square is fulfilled. These family units would, of course, be available to all in the area who need housing including the Chinatown community. We look forward to working with you on both projects (November 13, 1977).

Joint Planning Council leaders felt that accepting Chinatown Planning Council's project on Site 2 would strengthen their position. One member summarized their views on the decision:

When we agreed to put the Chinatown building on our site, we did that with the full knowledge that if we wouldn't have done it we'd still be negotiating between the United Jewish Council and ourselves about moving that site. But the minute we found out that Chinatown Planning Council had been guaranteed these units, we said, "come on in," because then that adds weight to our side. That was a strategy move. We knew at the time that we weren't going to get everything that was originally offered and we also knew at the time that we'd probably be here another fifteen years or another five years with that site going empty.

Within ten days the Executive Director of Chinatown Planning Council replied to the Joint Planning Council, thanking them for their offer and agreeing to their terms. In his acceptance letter, he wrote:

We are delighted to accept the Joint Planning Council's offer for the development of the site.

We have now selected an architectural firm that will design the building. We would be delighted to work with you on the development project of 150 family units for the remainder of the parcel (November 23, 1977).

From this point on, a series of interlocking meetings and negotiations took place involving the three local organizations (Joint Planning Council, United Jewish Council, and Chinatown Planning Council), various city agencies and officials, and politicians. Each organization sought to promote and protect its interests in the urban renewal area.

Chinatown Planning Council had several problems to overcome before its project could be guaranteed. First, it had to comply with the federal regulations of the Department of Housing and Urban Development, the most pressing of which were the stringent guidelines regulating the amount of time in which the monies must be spent. Not only was site control needed, but additionally, because of the Uniform Land Use Review Procedures (ULURP), a favorable Community Board recommendation was essential to the project. Serious delays due to confrontations between the two other organizations could jeopardize the funding for the project. Second, the United Jewish Council was opposed to Chinatown Planning Council's project and challenged their plans to build a low-income senior-citizen housing project on Site 2. Orthodox Jewish leaders viewed Chinatown Planning Council's project as a threat to their own plans for housing on Site 5 and the proposed commercial development for the remaining sites. Moreover, the Chinese organization was perceived as an opponent due to its affiliation with the Joint Planning Council.

Shortly after it publicly announced its Housing and Urban Development grant, Chinatown Planning Council leaders approached Community Board #3 on the advice of the Department of Housing Preservation and Development. In June 1978, preliminary meetings were held with Community Board members and representatives of the three organizations to try to reach agreement on development of the remaining sites. On June 14 a meeting was held between representatives from Chinatown Planning Council and the United Jewish Council at the Borough President's office.

Community Board #3 established a committee to deal with the problem. The committee was called the Ad-Hoc Committee on Chinatown Planning Council's Request for Housing for Senior Citizens at Seward Urban Renewal Area, which is Challenged by the United Jewish Council.

The minutes of the meeting of this committee held on June 22, 1978, summarize the four areas of disagreement among the groups:

1) Fear that approval of Section 8 funds for Site 2 would jeopardize approval of Section 8 funds for Site 5 when it is considered.

2) There are opposing plans for the use of Site 2. The United Jewish Council plans to use the site for economic development and the Chinatown Planning Council plans to use the site for senior-citizen housing.

3) The tenancy formula for the proposed Chinatown Planning Council housing has not been completed.

4) The relationship of the proposed Chinatown Planning Council housing to other housing planned on Sites 2, 7a and 7b by the Joint Planning Council has not been determined.

After a lengthy discussion the committee members passed the following resolution:

As there is only one plan with finalized financial backing before us at this time, we recommend that Community Board #3 stand behind its original approval of Chinatown Planning Council to build Senior Citizen Housing on Site #2 of the Seward Park Urban Renewal Area. However, we also recommend that:

1. CPC and UJC continue to meet at the Borough President's office with representatives of Community Board #3 present.
2. As the total area in dispute also involves tentative plans by the Joint Planning Council, that the Borough President's office invite representatives of JPC to future meetings; and
3. If the groups in their continued discussions develop new plans prior to ULURP proceedings, that this committee be reconvened to discuss such plans (Minutes of June 22, 1978).

6.2 THE COMPROMISE PLAN

In November 1978 the Departments of City Planning and Housing Preservation and Development presented a preliminary proposal to all the concerned parties. A compromise plan was developed calling for commercial development along with residential use. The administrative plan called for two types of changes to the Seward Park Extension Urban Renewal Plan---minor changes and major changes. Anything not a change in land use and property acquisition would be a minor change and would not go through the UIURP process. Major changes, however, were subject to the UIURP procedures (public hearings and Community Board review). In this case the compromise solution forged by the administration included both minor (dividing up the total four-block area among the three parties) and major changes (changes in zoning; that is, from residential to commercial).

Each of the local organizations was informed that the compromise proposal was the first step in a process of joint discussion of the problem. However, the United Jewish Council carried its objections directly to the Mayor's office regarding the inclusion of any more low-income housing on the site. The United Jewish Council staff and Board members renewed their earlier efforts to develop an international commercial mall for the entire site. (As was previously mentioned, the concept of an international mall

was first introduced in 1975, in a meeting with Roger Starr, the Housing and Development Administrator.) This time their efforts were successful, at least temporarily. On February 2, 1979, three months after the administration's compromise proposal had been publicly announced, the President of the United Jewish Council received a letter from Peter Solomon, Deputy Mayor of Economic Development. The letter stated the administration's intent to give sponsorship designation of almost all the remaining sites to the United Jewish Council and Blitman Construction Corporation. In part, the letter read:

I am pleased to inform you that based on consultation with and agreement from the Department of City Planning, I am prepared to support your request for sponsorship of an International Mall development on the Seward Park Urban Renewal Site. As indicated in prior correspondence, this development would be performed under the joint sponsorship of the United Jewish Council and Mr. Howard Blitman of the Blitman Construction Corporation.

The designation will cover Sites 7A, 7B, and part of Site 2 of the Seward Park Urban Renewal Area. A portion of Site 2, between Grand and Clinton Streets, will be reserved for a 150 unit elderly housing project to be sponsored by the Chinatown Planning Council. We anticipate that Site 6 will be developed as a parking facility which will serve your development and also the surrounding commercial establishments (February 2, 1979).

At the same time the United Jewish Council received this letter of intent for sponsorship, the Chinatown Planning Council was notified that the site for their housing

development was going to be moved to the other portion of Site 2, which had been proposed for the Joint Planning Council's low-income housing project. On the administration's advice, their architect began to redesign the building to conform to the new site configuration.

However, within a few days of the United Jewish Council's receipt of the Solomon letter, members of the Joint Planning Council were provided with a copy of the letter from sources within the administration. They immediately protested the illegality of designating the United Jewish Council as sponsors by the Mayor's office. By law, sponsorship designation for a specific development project on city-owned land must be determined through a publicly announced, competitive bidding procedure, and a sponsor selected from the responses to the city's Request For Proposals which must be advertised for a two-week period. Solomon's letter of sponsorship designation to the United Jewish Council and Blitman Construction Corporation did not follow these legal guidelines.

In March 1979, in response to Solomon's letter, the Joint Planning Council leaders met with Deputy Mayor Herman Badillo, and Mayoral aide John LoCicero. As a result of these discussions, the commitment to the United Jewish Council was rescinded. During this same period, the Joint Planning Council was negotiating for 300 to 500 units of

low-income housing in the urban renewal area. Their primary administrative liaison was Jollie Hammer from the office of Community and Local Government Relations of the Department of City Planning. Her familiarity with the Seward Park Extension urban renewal problem dated back to 1974 when she was Deputy Borough Assistant to Percy Sutton, the Borough President of Manhattan. She was the representative selected by the Koch administration to coordinate the Seward Park Extension development plans. When Robert Wagner, Jr., left his position as Chairman of the City Planning Commission to become Deputy Mayor, Hammer subsequently followed him and continued her role as coordinator.

In an attempt to ameliorate the United Jewish Council's rising opposition to the inclusion of low-income housing in the Seward Park Extension area, the administration, through its spokesman, Jollie Hammer, made several offers to the Joint Planning Council in an effort to persuade them to give up their claims to the area. These alternatives included: 1) a 125 to 149-unit building for senior-citizen housing on Site 2, an offer which prompted one housing official to call the area "the gerontology center of the U.S.;" 2) an offer to Pueblo Nuevo for a 200-unit, low-income housing project north of Delancey Street; and 3) an offer to Joint Planning Council for 300-500 units of low-income housing to be built anywhere else. In effect the city was offering the Joint Planning Council more units off the site than they would get

on the site just to settle the issue. The Joint Planning Council refused these offers and continued to press its demands. Finally, after months of negotiations, in a letter to Hammer dated June 13, 1979, the Joint Planning Council agreed to accept the administration's offer to build only 100 units of low-income family housing on Site 2 with Grand Street Settlement House (a member organization) as the sponsor.

With this agreement in hand, the Departments of Housing Preservation and Development and City Planning on June 19, 1979, announced their proposed plan for the Seward Park Extension Urban Renewal Area. This plan was then forwarded to Community Board #3 for its informal review and consideration. The Housing Committee of Community Board #3 reviewed the plans and recommended their approval with a vote of 16 in favor, 10 opposed, and one abstention.

This recommendation was brought before the full Board membership at its regularly scheduled meeting on June 26, 1979. It was clear from observations of this meeting that the proposed compromise plan was still a bitterly contested issue. Each of the participants had rallied supporters to speak on behalf of their respective interests. The meeting hall was completely filled with people; particularly noteworthy were the number of elderly Chinese in the audience. Prior to calling for a vote of recommendation,

the Chairman of Board #3 reminded the board members that "We all have to get along here on this board;" and "Each of us has to act honestly and fairly." The proposal for Seward Park Extension was approved with a vote of 19 in favor, 10 opposed, and two abstentions. The Departments of City Planning and Housing Preservation and Development were subsequently notified of the Community Board's approval.

As politically charged and divisive as the Seward Park Extension issue was, it was not unexpected that it impinged upon other local political and economic concerns. For example, community leaders and local elected officials, working in conjunction with representatives from the Departments of City Planning and Housing Preservation and Development, were trying to have a major portion of the Lower East Side designated as a Neighborhood Strategy Area. This concept was developed by the federal Department of Housing and Urban Development as a way to insure that federal Community Development funds were targeted to neighborhoods according to well-defined, comprehensive plans and strategies. Neighborhood Strategy Area plans were designed to benefit principally low- and moderate-income people through a combination of physical improvements, public services, private investments, and citizen self-help efforts. Such a designation meant that the city was making a major reinvestment commitment to a particular area, and, as a result, Neighborhood Strategy Area designation was sought by many needy areas throughout the city.

This relationship between the Seward Park Extension issue and the Neighborhood Strategy Area designation was discussed with one leading political figure active in Lower East Side affairs. He explained the problem as follows:

I think I told you at one point when I first had arranged the meeting between the district leaders (locally elected leaders of the three political clubs on the Lower East Side), which is where we started, and Bob Wagner, Jr., right after the mayoral election. I went to school with Bobby. We were classmates together. My club had supported him in the primary. We had supported him in the general election. H.W. (the district leader from Section A, the Harry S. Truman Club) had supported him in the primary and I think also supported him in the general. A. and E. (district leaders of Section C., the New Jibaro Club) supported him. Every single one of us had a piece of Bob Wagner, if you will. Suddenly he was the City Planning Commissioner. The Mayor, we had all supported, at least in the general election and when he still had to buy some of us in the super-primary, some in the primary. We had something in common. More importantly, we had something to sell. We had a good product. Very simple, good argument. It was that, in competitive terms, the only way the city can view it; they want to spend one dollar where it is the best place to spend it with maximum impact. Bushwick, South Bronx, Lower East Side, of those three, just three examples, pick the Lower East Side and you've got an area that is bounded on all four sides by barriers, impenetrable. The Village to the west, Stuyvesant Town to the north, Grand Street to the south, and the East River to the east. The blight can only spread so far. You can deal with it. It can't be contained in the South Bronx. And it goes on and on and eats up neighborhood after neighborhood. So that was the argument that we made to Bobby.

We said, "Look, we all supported you. We're all friends; we've been friends in the past. We want to be friends in the future. There's something we want from you and it's something that on the merits we think you should seriously consider and it's this-- treating us a little better than you would some of these other neighborhoods." And he said, "Your argument is

sound, number one, and the fact that all of you are here together is very promising." And that was the Orthodox Jewish district leaders, the Puerto Rican district leaders, and my group (Section B, the Independent Democratic Club). "But," he said "the administration is prepared to write off the Lower East Side financially. We don't intend to invest, rather to appropriate money to invest, because history has shown that when money is earmarked for the Lower East Side, it does not get spent in a timely fashion because local community groups ultimately will fight over how it's going to get spent, get lawsuits that drag on for years and years and the money just sits there. Meanwhile we need money in the city badly and anything that's not spent is embarrassing to us when we go down to Washington again and say, and now this year we want another \$100 million, and they say, but you didn't spend all of what we gave you last time. They say, look, we spend everywhere but the Lower East Side where they're crazy." "All right," he said, "look, we're not going to get in that kind of a situation, unless you can prove that that won't happen. The hell with it. Friendly as I am, good as your argument is, we're not going to be put in that spot." So he said, "what you must do is come back to me with proof that you can broaden this base of cooperation."

That was behind that series of meetings where we worked in concentric circles. We started with the political people, with the ones that were most willing to compromise because they understood the process the best. And we kept adding, meeting after meeting, people a little farther removed from the tradition until we finally got to the fruitcakes. We finally got to _____ and _____, the most difficult people to work with. And ultimately we had agreement on everything except four goddamn square blocks on the Lower East Side. That's all we couldn't agree on, the Seward Park urban renewal site was left. And that's where we got hung up. And that's why we never went back to Bob Wagner. We couldn't!

Thus, to many Lower East Side leaders the Seward Park Extension issue was a thorn in their side. The controversy splintered the area along class lines, as well as ethnic and

racial ones. Clearly, there was a sizeable group of local leaders who wanted and promoted a change for the Lower East Side, a change from a lower-class neighborhood to one that was more suitable to its growing middle class---hence the upsurge in interest for a Neighborhood Strategy Area designation. For these reasons, the Seward Park Extension proposal had significant implications for more than just the three community organizations, each of whom was negotiating for their share of the urban renewal pie.

On October 18, 1979, the Department of Housing Preservation and Development submitted to the City Planning Commission the proposed first amendment to the Seward Park Extension Urban Renewal Plan, the first step in the formal certification process. Following a careful review of the plan to make sure it was complete and complied with zoning regulations, the federal urban renewal code and municipal laws, the City Planning Commission certified the amended plan which dealt with the proposed land use changes and forwarded it to Community Board #3, where a public hearing was called for, according to ULURP regulations. One week later, on December 10, 1979, the City Planning Commission certified the related Land Disposition Application (the transfer of title from the city to the developer) and the large-scale plan (development plans). The one-week delay stemmed from design changes that the federal Department of Housing and Urban Development required for Chinatown Planning Council's project on Site 2.

Five days after certification of the Seward Park Extension Plans, the ULURP time clock was begun, and the formally mandated public hearing process was underway. The negotiation and planning period was at an end. The Community Board had sixty days to hold public hearings and submit its formal written recommendation to the City Planning Commission. The Compromise Plan, as it commonly came to be known, called for the following:

The Urban Renewal Plan Amendment provides for changes as follows:

1. Land Use Changes

a) Sites 6, 7, and 13 are changed from "Public, Semi-Public" to "Commercial;"

b) Sites 7A and 7B and the Broome Street portion of Site 2 are changed from "Residential" to "Commercial;" and

2. Site Consolidation and Reconfiguration

a) Sites 7, 7A, 7B, and the Broome Street portion of Site 2 are consolidated into one site to be known as Site 7C;

b) Site 2 (less the Broome Street portion) is subdivided into Sites 2A and 2B (City Planning Commission, Comprehensive City Planning Calendar, January 30, 1980:5).

These changes to the urban renewal plan were intended to facilitate the construction of 156 dwelling units for the elderly on Site 2A, 100 dwellings units for families on Site 2B, and commercial development on Sites 6, 7C, and 13. The Land Disposition Application and the Large-scale Plan were

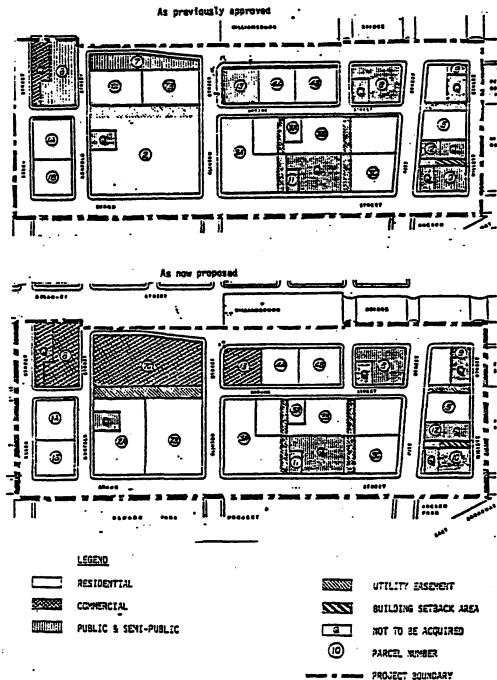
solely related to the transfer of title of the city-owned land to Chinatown Planning Council and the residential development plans for the senior-citizen project on Site 2A.

In sum, the amendment to the Seward Park Extension Urban Renewal Plan proposed that two-thirds of the undeveloped sites would be provided for the United Jewish Council's commercial mall, while the remaining one-third would be divided in half for the residential developments of Chinatown Planning Council and the Joint Planning Council. In effect, this planning decision restricted the total number of residential units that could be developed in the area by zoning two-thirds of the area for commercial development (see Figure 12).

The Compromise Plan, however, was still unacceptable to the Orthodox Jewish leadership of the Lower East Side, although at one point it seemed that its acceptance might be forthcoming. A representative from the Independent Democratic Club, also a Community Board member, discussed how this controversy was almost resolved. Commenting on the situation, he explained:

I'll tell you how close this whole damn thing came to being resolved. The Grand Street crowd--I was selling in two different directions--to the Grand Street people I was saying, "Look, why don't you do what Ernest Gruening, a senator, said about Vietnam. So we say we won and we go home. We just say we win. We go home. That's all. That's how you get out." I said, "Look, you take the goddamn 100 units and you immediately put out a flyer on Grand Street and say, this piece of

Figure 12: SEWARD PARK EXTENSION PROJECT: THE COMEROMISE PLAN



property which was zoned to accomodate 900 units, we have won this great battle and got it down to 100 units. You go home and say we won. That's it."

After a meeting with the Mayor, finally, after getting hammered away at this idea for a long time, three people--H.W. (district leader of the Harry S. Truman Club, H.J. (President of the United Jewish Council), and S.S. (State Assemblyman for the area) walked out of that meeting ready to buy that exact approach. They ran into Rabbi N. Rabbi N. said, "I am going to denounce you at the United Jewish Council, and I will fight you tooth and nail." And that was it. But those three were ready to make a deal.

On the other side, D. (district leader of the New Jibaro Club) was ready to make a deal, and said so to the other Puerto Ricans, over the 300 units that had been offered by the administration. And where the thing ultimately got screwed up--and there were other goodies involved, too. I mean I was being given a laundry list. "What do you want?" "Use this as leverage." I told the Puerto Ricans that, look, you're going to lose this fight if it goes to the Board of Estimate, understand that! Jack up the price. Get every goddamn thing you can that will help you make up the laundry list, and I will go to the city--which I did--and say, lock, John, buy them out, that's all. Everybody will come away happy. You've got to be willing to give something, and John said, "I'm willing. Let's talk about what we give." So John and Jollie Hammer were the people I was dealing with.

When the thing got screwed up ultimately was when, for whatever godawful reason, the Mayor deputized Herman Badillo to meet with the Joint Planning Council people at one point, and Herman went back to the Mayor and said, "We've got to support this 100 units." The minute that happened, that eliminated--and the Mayor bought it--that eliminated any chance for compromise. And there had to be a compromise not imposed by the city, no matter how fair. I mean, it could have been Solomon cutting the baby in half--and essentially that's what it was. And it was a good package; on the merits it was a good package. There was something for the Chinese, and we get a little mall for the Jews. It was a good package, but it was imposed. That's what made it

impossible. What had to happen was that the Joint Planning Council dealing directly with the United Jewish Council had to make that deal, not the city. The city should have let it out.

Community Board #3 scheduled its ULURP Public Hearing on the three proposals before the Housing Committee on December 18, 1979. All three proposals (the Amendment, Land Disposition Application, and Large-scale Plan) were reviewed simultaneously. However, only the Amendment position of the Hearing complied with the ULURP procedures. As it turned out, the other two proposals had not been properly advertised in the City Record for ten days prior to the Hearing. Community Board #3 was anxious to hold the hearings before January since at that time new appointments to Community Board #3 were scheduled. It was felt that a change in Board membership might be detrimental to the Compromise Plan. Prior to this first round of Public Hearings in the ULURP process, a concerted effort was made by the involved participants to influence the outcome of the decision for the Compromise Plan. This effort extended throughout the ULURP time period; that is, through the Public Hearings of the City Planning Commission and the Board of Estimate, as each of the three organizations mobilized support and lobbied public officials on their behalf.

However, a new and complicating factor emerged on the scene during this final phase of the Seward Park Extension

issue. Several buildings remained on the undeveloped sites in the urban renewal area, tenanted by approximately thirty-eight families, of which thirteen were titled-vested with the legal right to return to new residential or commercial development on the sites. The Department of Housing Preservation and Development, which had jurisdiction over the city-owned buildings, had sent "notices to vacate" to the tenants without prior notification or consultation. The buildings were now slated for demolition to make way for the construction of Chinatown Planning Council's senior-citizen project on Site 2A.

The tenants mobilized a collective effort with the help of the Metropolitan Council on Housing, a city-wide tenants' association, to prevent the demolition of their buildings. The tenants protested that their legal rights had been violated by the eviction notices. Moreover, they argued that two of the buildings were structurally sound and among the best in the City's housing inventory. Such a move, in their view, was a waste of a valuable housing resource, particularly when one building faced the wrecker's ball to make way for a parking lot. The tenants' group demanded that the new Seward Park Extension Urban Renewal Amendment be further amended to accommodate the preservation of their buildings, for which, they argued, there were precedents in other renewal areas. To this end, they joined the others in an attempt to protect and advance their interests.

6.3 THE ULURP PUBLIC HEARINGS

As a result of the recent City Charter revisions, a public hearing process for land use issue was legally mandated. In this case, the period from June 1979 to April 1980 encompassed the three public hearings through which the Seward Park Extension plan had to proceed. During these ten months, each of the local organizations intensified their lobbying efforts in an attempt to influence the planning decisions at each level.

The United Jewish Council. The most immediate concern, and therefore the primary goal, of the United Jewish Council was to block the 100 units of low-income family housing in an area that the Orthodox Jewish leadership regarded as their "turf." For this reason it also initially opposed the construction of the senior-citizen project. Secondly, this leadership pushed for the approval of its commercial development plan, an international mall, to be sponsored by their organization---a strategy designed in 1975 to prevent residential development of all kinds.

Locally the leadership of the United Jewish Council solicited support from its constituency and from Community Board members. A number of strategies were devised and implemented. One, in particular, created a serious division among the Puerto Rican community leaders, and low-income housing advocates. Prior to the Community Board's Public

Hearing, in October 1979, meetings were arranged between the Executive Director of the United Jewish Council and G.O., a Community Board member who was also a staff member of Adopt-A-Building, a housing organization that directs its services to the Hispanic population of Loisaida (a neighborhood in the northeastern section of the Lower East Side). Adopt-A-Building provides assistance to tenants living in landlord-abandoned buildings, and, as a non-profit community-based development organization, sponsors low- and moderate-income housing through a variety of self-help programs.

A deal was arranged between the two parties: If G.O., as a Board member, would abstain on the vote for the Seward Park Extension Compromise Plan at the Community Board Hearing, the United Jewish Council Board members would never oppose Adopt-A-Building's future plans when they came before the Community Board for approval. In addition, the United Jewish Council would use its political clout with the Board of Estimate to transfer their CETA funds¹¹ and would push for additional funds for Adopt-A-Building's programs.¹²

¹¹ Comprehensive Employment Training Act (CETA), is a federally-funded work program that pays for eighteen months of on-the-job-training.

¹² While the administrative staff of Adopt-A-Building approved of this deal, there were many on the planning and organizing staff who opposed it for fear that the organization would lose its credibility in its Hispanic, predominantly Puerto Rican, neighborhood.

Other Community Board members were contacted by the United Jewish Council leadership. Persuasive arguments were used in order to convince the Board members that any more low-income housing in the Seward Park Extension area would have a detrimental effect. Their arguments centered around three main themes: 1) Religious--the Orthodox Jewish population needed to preserve the integrity of its community in order for it to survive; 2) Social and Demographic--the construction of more low-income housing would create a low-income ghetto and introduce a "tipping" factor in the neighborhood, forcing young Orthodox Jewish families to move from the area. Repeatedly, the United Jewish Council leaders referred to the fact that over 14,000 units of low-income public housing had been built in, or was in the planning stage for, the Lower East Side.¹³ They argued that nowhere else in the city was there such a concentration of public housing to be found. They contended that it was time for the administration to stop this kind of planning and support programs that would be conducive to maintaining the city's middle-class population. 3) Economic--the proposed International Mall would promote the economic revitalization of the area by providing jobs and tax revenues for the city. They argued that only a large-scale commercial development proposal would be economically viable. For this reason all

¹³ No mention was made that over 13,500 units of moderate- and middle-income housing had also been built in the Lower East Side (New York City Planning Commission, Manhattan 3 Portfolio, 1977).

of the remaining sites were necessary for commercial development. At no time during this argument did the United Jewish Council refer to the fact that this development was also dependent on federal subsidies, particularly, an Urban Development Action Grant.

The two Community Board members who represented the Chinatown Planning Council were approached by United Jewish Council leaders to back off from their support of the Compromise Plan. In exchange for their cooperation, that is, by abstaining on the vote at the Public Hearings, the Chinatown Planning Council representatives were offered support for their project. According to the Executive Director of Chinatown Planning Council, a combination of blackmail and olive branches was used.

Chinatown Planning Council. The commitment of federal funds for the senior-citizen project gave this organization's leadership a tremendous lobbying advantage. The project had wide-spread administrative and local support. Federal housing funds were scarce, and practically everyone conceded that the project was a worthy one, and, moreover, was desperately needed by the Chinese community. The major difficulty, as was mentioned earlier, was to get the Compromise Plan through the ULURP process as quickly as possible in order to comply with the time constraints of the federal housing agency's regulations.

These factors formed the essential themes of the lobbying campaign directed at Community Board members, local public officials and area residents. In addition to soliciting support from local leaders, Chinatown Planning Council, with the help of allied Chinese agencies, mobilized its elderly Chinese constituency. Thus at every public meeting and hearing, many elderly Chinese turned out to speak on behalf of the project.

Chinatown Planning Council had a delicate balancing act to perform. On the one hand, it needed to influence the decision-makers, and on the other, it could not afford to become ensnared in the bitter conflict between the United Jewish Council and the Joint Planning Council. The question was how to maintain a neutral position and still live up to the commitment made to the Joint Planning Council when they agreed to share their site with Chinatown Planning Council. The Executive Director of Chinatown Planning Council explained their position:

We really didn't make a big federal case out of it. I mean there was this nominal support, but we did make it and we never backed away from that. They (United Jewish Council) would corner us and say, "All you have to do is shut up. Don't say anything." We said, "we can't do that. It's a moral commitment we made and we're going to stick to it."

Accordingly, Chinatown Planning Council tried to maintain as much distance from the conflict as possible, while still promoting its own project.

Joint Planning Council. The proposed 100 units of low-income family housing was the most vulnerable part of the Compromise Plan. Funding had not been secured for the low-income family project, and the possibility of obtaining federal Section 8 monies in the near future was remote. At best, Joint Planning Council leaders struggled for a commitment from the administration for an official designation for the site and to place their project in the "pipeline" with other projects competing for federal and city funds. Their proposal faced considerable opposition, not only from the United Jewish Council, but also from Community Board members and public officials who favored development projects more suitable to middle-class interests. Joint Planning Council leaders rallied support from Community Board members, allied organizations who serviced low-income minority populations, and from elected officials. Their campaign stressed the following points: 1) the need for low-income housing for residents who had been displaced from the urban renewal site; 2) the right of return for these residents; 3) the racist and discriminatory opposition to non-white, low-income people by the United Jewish Council, which was expressed through their opposition to low-income housing; 4) the non-integrated, middle-class nature of the adjoining Seward Park Urban Renewal development; and 5) the need to redress this type of urban renewal planning by redeveloping the Seward Park Extension

Urban Renewal Area as an ethnically and racially balanced and integrated community. Their arguments were based on a combination of civil rights issues and the need for low-income housing, and it was with this appeal that Joint Planning Council leaders sought support for the Compromise Plan locally and at the city level. The locally elected City Councilmember strongly supported the Plan and worked for its approval.

The On-site Tenants' Group. The tenants' position was simply to prevent the destruction of their buildings. They sought support from the three organizations, urging each to help them have the Compromise Plan amended further to accommodate their buildings. The United Jewish Council welcomed the delay that such a modification would entail, while Chinatown Planning Council and the Joint Planning Council were fearful that any changes would endanger the painfully worked-out Compromise Plan. The help of other tenants' associations was solicited, particularly the Metropolitan Council on Housing, which had a city-wide affiliation and a fifty-year history of fighting for tenants' rights. Locally, the tenants found support in Adcpt-A-Building. Community Board members were also contacted and asked for their help, as were local public officials and representatives from the Department of Housing Preservation and Development and City Planning Commission.

6.3.1 Community Board #3---ULURP Hearing

The public hearing on all three proposals of the Compromise Plan was held before the Housing Committee of Community Board #3 on December 18, 1979. The meeting was extraordinarily well attended. Those in attendance were a representative from the Department of Housing Preservation and Development, approximately 15-20 on-site tenants, elderly Chinese, representatives from Joint Planning Council, Chinatown Planning Council, the United Jewish Council, concerned local residents, and the local City Councilmember.

Speaking in opposition to the Plan were representatives of the United Jewish Council, who protested that the date of the hearing fell during the Jewish holiday of Hanuka. They claimed they had not been involved in the planning and negotiating that resulted in the Amended Urban Renewal Plan, and, in fact, knew nothing about Chinatown Planning Council's senior-citizen project. They were, therefore, unable to comment on the proposal, and asked for an adjournment of the hearing until a later date. The tenants' group also spoke in opposition to the Compromise Plan. They repeated their claims and joined with the United Jewish Council in their request to postpone the hearing until sometime in January.

Both Chinatown Planning Council and Joint Planning Council leaders spoke in favor of the Plan, citing the city's neglect of the Chinese community and the need for low-income housing, respectively. They opposed any decision to reschedule the hearing. Joint Planning Council members expressed their displeasure with the tenants' group over their opposition, and their apparent lack of understanding of the complicated history behind the Compromise Plan.

Finally, after everyone had spoken on the issue, the Committee members voted on a motion to postpone the hearing to a date in January 1980--11 in favor, 9 opposed, and one abstention. The abstention of G.O. from Adopt-A-Building caused a near turmoil among the low-income housing advocates.

On the following evening, December 19, 1979, Community Board #3 held its regular monthly meeting. The attendance was heavier than usual. During the Public Session, an allotted time period when issues of concern are brought before the Board by the general public, a staff member from Adopt-A-Building read a prepared statement from his organization, denying the allegations and rumors which accused Adopt-A-Building of "deal-making" with the United Jewish Council. The statement reiterated Adopt-A-Building's concern for the plight of the on-site tenants, and stressed Adopt-A-Building's track record of honesty and integrity.

The Housing Committee's report on the Public Hearing was given, and the Committee's recommendation to postpone the Public Hearing to a date in January was placed before the entire Board for its approval. The Committee's recommendation that the Public Hearing be postponed was defeated, and a vote was taken on a motion to continue the hearing at that time: 11 in favor, 9 opposed, and 4 abstentions. Once again, the Adopt-A-Building representative abstained.

A heated discussion followed, with the same arguments called forth again by the participants. Chinatown Planning Council's speakers tried to convey the urgency of approval for their project, pointing out that their architect had already amended its floor plans and any more delays would seriously jeopardize their funding. A motion was made to approve the Compromise Plan and a roll-call vote was taken: 15 in favor, 8 opposed, and 8 abstentions. (Adopt-A-Building's representative abstained again.)

Once the vote was taken, United Jewish Council's Executive Director, also a Board member, declared the Board's actions invalid, charging that the two Board members associated with Chinatown Planning Council should have abstained since a conflict of interest existed due to their organization's sponsorship of the senior-citizen project. The Community Board By-laws prohibit a Board member from

voting when there is a conflict of interest. Additionally, he questioned the vote since 15 in favor did not constitute a majority of the 31 votes cast. These procedural objections were forwarded to the city's legal body, the Corporation Counsel, for resolution.

Community Board #3 forwarded its recommendation to the City Planning Commission, which in turn scheduled its hearing on the Compromise Plan for January 30, 1980. As neither the Land Disposition nor Large-scale Plan Applications were properly advertised in the City Record, the Community Board's hearing was non-complying regarding these matters. Accordingly, the City Planning Commission had to wait the full sixty-day requirement under the ULURP guidelines to hold its public hearing which was scheduled for February 27, 1980.

Prior to this new level of public hearings, the community groups were actively engaged in strengthening their respective positions. The tenants on the Seward Park Extension site continued to mobilize support among local leaders, the Housing Committee of Community Board #3, and officials from the Department of City Planning and the Department of Housing Preservation and Development. Petitions were circulated and press releases prepared.

Meetings were held with the Joint Planning Council and Chinatown Planning Council in an attempt to get both

organizations to support a change in the Compromise Plan that would save the two, structurally sound, buildings with more than 50 units. On February 7, 1980, Joint Planning Council members met with the tenants who were represented by the Metropolitan Council on Housing. The tenants accused the Joint Planning Council of promoting their own interests by selling out to the city for a few units of new housing. In an attempt at mediation, the Metropolitan Council on Housing suggested that the two organizations join forces and push for a change in the Plan that would include the two threatened buildings, and at the same time not disturb the other parts of the Compromise Plan previously worked out. Joint Planning Council members pointed out that federal guidelines required a certain amount of open space and parking facilities. But, more importantly, the Joint Planning Council was unwilling to risk taking this position, fearing that any change to the Plan might mean the death of the entire Amendment. It was at last agreed that the Joint Planning Council would help the tenants' group and Metropolitan Council on Housing explore possibilities for saving the buildings as long as this did not constitute a threat to the Plan.

In the meantime, Joint Planning Council members were outraged over the abstention of Adopt-A-Building at the Community Board hearing. They felt betrayed by one of their own kind and demanded a meeting with the Executive Policy

Committee of Adopt-A-Building. Several meeting dates were arranged but cancelled, and it was not until February 6, 1980, that they met. At this time Joint Planning Council told Adopt-A-Building that they knew of their meetings with United Jewish Council the previous fall, and the deals that were made. Adopt-A-Building responded that these meetings were necessary for their organization's programs. Joint Planning Council proceeded to detail their long struggle with the United Jewish Council over the urban renewal site, and described the strategies the United Jewish Council had used to drive a wedge between the Puerto Rican community north of Delancey Street and the one south of it. They reminded Adopt-A-Building that, from the perspective of the Puerto Rican community, their position looked bad. They urged the Policy Committee to reverse their stand and support the low-income family housing and the Compromise Plan.

The Executive Committee of Community Board #2 met the evening of February 6, 1980, to discuss the Corporation Counsel's letter which informed the Board that their vote of approval for the Amended Urban Renewal Plan (the Compromise Plan) and the two related proposals did not constitute a majority vote and therefore did not constitute a formal recommendation. Invitations to this meeting were sent to Chinatown Planning Council, United Jewish Council and Joint Planning Council. The Adopt-A-Building representative was

also the Third Vice-President of the Community Board and, therefore, a member of its Executive Committee. Hence it was essential that Joint Planning Council get Adopt-A-Building to reverse its previous position. In this regard they were successful. The Executive Committee, replying to the Corporation Counsel's letter, stated in the form of a resolution, that while noting the Corporation Counsel's opinion, nevertheless they believed that the Community Board vote reflected the support of the community for the Compromise Plan, and therefore the Board maintained its recommendation. G.O., Adopt-A-Building's representative, supported the resolution.

Additionally on March 21, 1980, Joint Planning Council received a letter from Adopt-A-Building's Policy Committee acknowledging their full support for the Compromise Plan "with the modifications suggested by Chinatown Planning Council which includes the building at 384-6 Grand Street and 195 Broome Street." The letter expressed their desire to be actively involved in working for the passage of the project.

The United Jewish Council's strategy was multifaceted. First, they continued to mobilize opposition locally. In February 1980, a special edition of their newsletter was mailed to over six hundred of their constituents. The newsletter described their position on the Seward Park

Extension Plan, and stressed the point that the city had reneged on its commitment. It urged everyone to write the Mayor and the Borough President to express opposition to the Plan. Second, the United Jewish Council, in conjunction with its attorney, pursued its legal objections to the Community Board #3 hearings and the conflict of interests of the two Community Board members. In short, they wanted the ULURP hearing rescinded and referred back to the Community Board. Third, they moved from local-level organizing to a city-wide level. The articulation of these two levels proved to be their most successful strategy.

In February 1980, the Executive Director of the United Jewish Council and other members, along with G.O., from Adopt-A-Building, met with Roger Starr, who was now on the Editorial Board of The New York Times. At this meeting they asked Starr to write an editorial on the merits of economic development for the Seward Park Extension Urban Renewal Area. The impetus for this meeting may have been provided by a story in The New York Times on January 18, 1980, which detailed the fight between middle-income and low-income groups over the controversial West Side Urban Renewal project. In any event, according to Starr, the New York Times decided not to do an editorial on the Seward Park Extension site because of its controversial nature. However, a lengthy, unsigned article on the Compromise Plan, entitled "3 Ethnic Groups Disputing Plans for Lower East

Side," appeared in the March 12, 1980, edition of The New York Times.

Spreading outward from their local base, the United Jewish Council began to contact other Jewish organizations. They engaged the support of a number of rabbis with large congregations. In turn, these allies began to lobby elected officials and administration personnel on behalf of the United Jewish Council.

The Metropolitan Council on Jewish Poverty was contacted and the United Jewish Council's position was discussed at their January Council meeting and February Board meeting. The Coordinating Council on Jewish Poverty activated its network of member organizations. In a memorandum to its member organizations from Rabbi David Cchen, dated March 6, 1980, each of the organizations was asked to review the enclosed report from the United Jewish Council. In part, the memorandum stated,

It was proposed that we forward this report to the members of the Council upon the recommendation of the majority of the Board. We are being asked to express our opposition to the city's plan for the Seward Park Urban Renewal Area, as outlined in this report. We would appreciate your returning your organization's vote on this issue as quickly as possible to enable us, if so decided, to communicate with the relevant city and Borough Officials.

The Federation of Jewish Philanthropies of New York was a member organization. Its Committee on Public Programs and Policy scheduled this item on the agenda for its March 27,

1980, meeting. The United Jewish Council also solicited the support of the Anti-Defamation League.

In addition to the enlistment of city-wide Jewish support, the United Jewish Council began to tap its political resources. The local State Assemblyman from the 63rd Assembly District, representing the Lower East Side, served as counsel for the United Jewish Council. His political connections were used on their behalf. The political clubs on the Lower East Side were interlocked in a complex web of exchanges in kind. Locally, the three Democratic clubs supported the United Jewish Council directly, as in the case of the Independent Democratic Club, by voting in opposition to the Compromise Plan at the Community Board hearing, or indirectly by not participating, as was the case for the New Jibarc Democratic Club. At the city level, the Democratic machine is dominated by the political clubs. Enmeshed in a pattern of reciprocating obligations and favors which they traded with one another, it was easy for the United Jewish Council to activate these political networks on its behalf (for example, see the discussion of the Democratic Party in Chapter 7).

6.3.2 The City Planning Commission ULURP Hearings

On January 30, 1980 the Public Hearing on the Amended Urban Renewal Plan (the Compromise Plan) was held. The

related Land Disposition Application and Large-scale Residential Development Plan hearing was scheduled for February 27, 1980, due to the non-complying hearing of Community Board #3.

On the day of the hearing, the large auditorium at One Police Plaza was almost filled. The auditorium is divided into three distinct sections. Interestingly, the participants arranged themselves, seemingly, according to the politics of the issue before them. On the left were representatives of the Joint Planning Council, Metropolitan Council on Housing, and the on-site tenants, and other minority and "liberal" spokesmen. In the center section were representatives from Chinatown Planning Council, with approximately 300 elderly Chinese mobilized for the occasion, and other representatives of Chinese agencies. On the right were representatives of the United Jewish Council.

Testimony from the participants was heard by the City Planning Commissioners. It seemed that the tenants' demands were of primary concern to them. After several hours of testimony, a motion was made and carried by the commissioners to continue the hearing on February 13, 1980, two weeks later. In part, this decision was made so that the Commissioners would have more time to study the tenants' position and to consult with the Department of Housing Preservation and Development. The City Planning Commission

asked the housing agency to study the feasibility of retaining these buildings.

The hearing on the Compromise Plan continued on February 13, and subsequent to it the City Planning Commissioners, at their Executive Sessions of February 19 and February 25, discussed the controversial aspects of the Compromise Plan, focusing on the preservation of the Grand Street buildings. The Executive Sessions of the Commission are planning sessions involving the technical staff of the Department of City Planning, as well as other city agencies and personnel whose knowledge and expertise are required for the project under discussion. Serious objections were raised by the Department of Housing Preservation and Development regarding retention of the two buildings on Grand Street. After extensive evaluation of the issue, the City Planning Commission accepted the judgment of the Department of Housing Preservation and Development, and concluded

that these two structures cannot be excluded from the redevelopment site, given the advanced stage of the senior citizen project and the numerous complex issues that could arise as a consequence of the exclusion of these two buildings from the urban renewal plan (City Planning Commission Corrected Report, February 25, 1980).

The City Planning Commission certified its unqualified approval of the Amended Urban Renewal Plan (the Compromise Plan) on February 25, 1980, and filed its resolution with the Board of Estimate. The public hearings for the Land

Disposition and Large-scale Residential Development Applications were held on February 27, 1980. Both applications were approved and certified by the City Planning Commission on March 12, 1980, and their resolution was filed with the Board of Estimate.

6.3.3 The Board of Estimate ULURP Hearing

Unlike the City Planning Commission which scheduled three dates for hearings on the Seward Park Extension project, the Board of Estimate set a single hearing date for the three items for April 24, 1980. Long recognized as the center of power in City government, the Board of Estimate is directly linked to the political process. Each member--the Mayor, the President of the City Council, the Comptroller, and the five Borough Presidents--is an elected official (see Chapter 4). In this capacity each member became a point of access to the participants involved in this bitterly contested struggle.

A concerted lobbying effort was made by the local organizations to influence the vote of the members of the Board of Estimate. During March and April the Joint Planning Council held a number of meetings at which they developed their strategies for their final lobbying effort. A brief position paper and history of their involvement in the Seward Park Extension issue was prepared by one

committee. Another committee arranged meetings with every member of the Board of Estimate, at which a delegation from Joint Planning Council presented their case and its merits.

During this time they tried to arrange for a number of influential persons to testify at the Hearing on their behalf. Herman Badillo, former Congressman and Deputy Mayor of New York, was contacted, as was Congressman Robert Garcia. The local City Councilmember agreed to speak, as did the City Councilmember from Staten Island.

Additionally, Joint Planning Council members tried to counter the United Jewish Council's lobbying effort. For example, they met with one representative of the Anti-Defamation League in an attempt to persuade them not to speak out in opposition to the low-income family housing. Locally, Adopt-A-Building had reversed its position and was cooperating with the Joint Planning Council. As previously mentioned, the organization had pledged its support and had also notified the City Planning Commission of its approval.

The leaders of United Jewish Council and a delegation of rabbis also lobbied for their position with the members of the Board of Estimate. Manhattan's Borough President, Andrew Stein, received telephone calls from a number of other rabbis, urging that he vote against the Compromise Plan. The press was also involved in the issue. In addition to a feature article in The New York Times (March

12, 1980) which discussed the disputed plan, The Jewish Week--American Examiner carried a lead article in its April 20, 1980, issue, "Tipping of Lower East Side Against Resistant Jews Seen Peril in Rival Ethnic Plans." Local publicity was gained by distributing flyers door-to-door in the four cooperative apartment buildings on Grand Street and East Broadway. In a call for support and attendance at the Board of Estimate hearing, the leaflet read:

IMPORTANT NOTICE

on Thursday, April 24, 1980

at 11:30 a.m.

The Board of Estimate will decide whether to accept the city's plan to build low-income housing on Grand and Clinton Streets. An Alternative Plan has been proposed to build a shopping mall which would mean jobs for our community, safer streets and the beginning of a revitalization of our area. If you are concerned about the future of your life on the Lower East Side, you must attend the Hearing at the Board of Estimate at City Hall, Thursday, April 24th, 11:30 a.m. Show your opposition to the city's plan. For further information call 233-6037, United Jewish Council.

As for Chinatown Planning Council, it still maintained as neutral a posture as possible. Their representatives continued to urge the approval of the Compromise Plan, stressing the costs of the delays so far (\$2 million) and the possibility of a total loss of federal funds if the project was not approved. Fearing they might lose the vote at the Board of Estimate if they actively supported the Joint Planning Council's portion of the Compromise Plan,

they remained quiet. The continued reluctance of Chinatown Planning Council to become involved in Joint Planning Council's struggle exacerbated the tensions and hostility between the two community organizations. In the end, communication between the two was almost completely disrupted.

April 24, 1980, the day of the hearing, was marked by an overwhelming turnout of people who had come to participate in the public hearings. The Board of Estimate had scheduled two of the most controversial and emotionally charged issues before the city on the same day---the Seward Park Extension Urban Renewal Plan and the state takeover of the prison complex of Riker's Island. City Hall was surrounded by police barricades. Spectators and speakers struggled to make their way to the second floor of City Hall where the hearing was held, only to find that the room was filled, and only those scheduled to speak would be admitted. Those who were refused admittance waited in anterooms and hallways as the hearings took place.

Following the prescribed agenda for public hearings, the proponents and opponents of the issue were allocated twenty minutes of alternating time in which to present their views. Each speaker had three minutes to make a presentation before the Board members. The ten years of argument and debate over the Seward Park Extension sites was relived by the

nearly forty speakers in three hours of testimony. Boos and cheers rang out and spectators for and against the Compromise Plan traded insults with each other.

Testimony by individual spokesmen revealed the fundamental conflict and cleavages among the participants. The following representative examples illustrate this point. Speaking in opposition to the 100 units of low-income housing were: A representative of the National Council of Young Israel (the parent body of 150 synagogues in the United States, 85 of which are in New York City) who said, in part, "Commercial development makes for safer neighborhoods." And "The community can be better served by commercial development." Another representative from the United Jewish Organization of Brooklyn posed this question to the Board of Estimate members, "Will you support the request of the United Jewish Council for the preservation and stabilization of that community, the first Jewish community to be established after World War II and before that, or will you drive them out by virtue of today's action?"

A Lower East Side resident expressed his opposition to the Compromise Plan, suggesting that it was not just an issue of 100 units of housing but an issue much broader. In his opinion, politicians should choose between "progress versus regression; the survival of a community versus its destruction." He noted in his statement:

Grand Street is unique in a sense that it represents an oasis in an area of destruction. Anyone who is familiar with Grand Street is aware of the desolation that surrounds it. Grand Street represents a middle-class group of people. It is the stability of these people that has kept the Lower East Side still viable and acted as the bulwark against ever-spreading deterioration surrounding it. Grand Street represents a delicate balance on the scale between survival and deterioration of the community. Yet there are those who are willing to gamble with that balance. One hundred units of low-income housing will not relieve the housing shortage because one hundred units is a drop in the bucket. Yet this drop may be enough to turn the neighborhood.

The Chairman of the Lower East Side Businessmen's Association spoke for commercial development, asking the Board members "to keep this area a commercial core, to provide jobs and make the city flourish as it did in the past." In a similar vein, the Executive Director of the East Side Chamber of Commerce made it clear that

the Chamber of Commerce feels very strongly and has tried to implore the City fathers to stop the decay of our area. The item on the calendar today lends itself to development for commercial use. The East Side Chamber of Commerce favors housing north of Houston Street and the area now on the calendar today for commercial enterprise.

A resident of Seward Park co-ops called for the commercial development for the benefit of the city asking that "the entire area be devoted to commercial enterprise and housing placed north of Houston Street where it is badly needed." Another co-op resident representing a women's group of over one hundred members spoke for commercial development that "will get young women off the welfare

rolls." She stated she was not against low-income housing, but new projects should be built around the school where she worked. In concluding her statement she reminded the Board members, "All of us will remember who voted for this issue on election day."

The United Jewish Council representatives addressed the Board. In particular, Rabbi S.N. asked the Board members, "Could you tell me, and this is just a simple question, why must housing be build on Grand Street when there is a vast wasteland north of Delancey Street to 14th Street? Why are you determined to disrupt the Grand Street site?" H.J., President of the United Jewish Council, recalled that the original plan was to redevelop the area for middle-income housing. He said, "Take the low-income housing and put it a block or two away with no opposition." Another speaker from this organization stated that a large commercial site was needed, and while there was also a "need for low-income housing, twice the amount of housing was offered to Joint Planning Council, but they had refused it."

The tenants on the site also spoke against the Compromise Plan, in view of the fact that their buildings would be derolished if it were approved. The contradictory position they were placed in was illustrated by the testimony of the representative from Metropolitan Council on Housing, who spoke in favor of the Compromise Plan at the same time he

spoke against the demolition of the tenants' buildings. In its present form the amended urban renewal plan could not be supported by this group.

In turn, those in favor had their chance. According to Board procedure, the proponents of the plan were given the same amount of time to present their views. A prominent member of the Board of Directors of Chinatown Planning Council and local community spokeswoman spoke poignantly about the controversy in which they had become embroiled--"The New York Times spoke about the bitterness on the Lower East Side. Only recently have we found out about it." She urged the approval of the Compromise Plan and reminded the Board members of the needs of Chinatown's elderly.

The Director of Grand Street Settlement House, proposed sponsors for the 100 units of low-income family housing, stated "that the major issue is housing for the improvement of the quality of life." The director of the Settlement Housing Fund, consultants for the low-income family housing project, further pointed out that "the opposition stems from a bias to low-income housing, housing that will accommodate people of low- and moderate-income background. The Lower East Side was and remains a gateway to America."

Harry Zelikson, the former Executive Director of Office of Property Development of the Department of Housing

Preservation and Development, spoke in favor of the Compromise Plan, recapitulating in his statement the key issues in planning for the area; the fact that it has been "one of the most expensive urban renewal plans undertaken by the city with \$28.8 million in costs, and twenty-three years later the plan is still less than half-finished;" and "that there are relatively few things that can be done in the area. The Compromise Plan seems to be reasonable, the 100 units of housing fair and consistent with planning for the area."

Joint Planning Council speakers argued for the Plan's approval. In particular, one of the original members of the organization declared that the opponents to the low-income housing were "racist" and "there will be no more Warsaw Ghettos; we're going to have a community that's going to be integrated."

The local City Councilmember, an active supporter of the Plan, also addressed the racist bias which marked the opposition to the low-income housing. She stated, "Yiddishkeit is friendship, a philosophy I learned from my grandfather who was a rabbi. It is a philosophy that should be applied to the Lower East Side." And the Councilmember from Staten Island remarked, "The tragic truth is that government is failing to apply the resources sufficient to rectify the problem. Each pressing need has fostered competition and acrimony among neighbors."

After this long and emotional meeting, the Board of Estimate closed the hearing on the Amended Seward Park Extension Urban Renewal Plan. Before a vote could be taken, Andrew Stein, Borough President of Manhattan, read a prepared statement in which he offered an amendment to the resolution (the Compromise Plan) before the Board. Reading from the statement that had been prepared and distributed before the testimony had been completed, Stein said:

After listening to today's testimony, one fact remains quite clear and that is that the issues remain unclear to many. The issue before this Board is not whether there is a need for good low- and moderate-income housing on the Lower East Side. That need is clear.

The issue before us is not whether one ethnic group has exclusive right to live in a particular area. For anyone who knows the Lower East Side must be familiar with the healthy and vibrant mix of groups that comprises this community. And let there be no doubt, no ethnic or special interest group can lay sole claim to any particular area or street in this Borough. And, this is particularly true on Grand Street.

Then what are the issues--they are simply whether this Plan as proposed by the City Planning Commission and H.P.D., is a good one. And, I believe the answer is clear.

What appears before this Board today represents the efforts of many people. It represents hard work, good faith and an effort to resolve a difficult problem through attempted compromise. And while we may have before us a good compromise we also have before us an example of bad planning. For through compromise as often is the case principle has been subordinated to expediency.

The Plan before us today offers a unique opportunity, an opportunity to bring jobs and economic growth to the Lower East Side. The Plan offers us over 100,000 square feet of vacant land on a major thoroughfare adjacent to the

Williamsburgh Bridge on Delancey Street to be set aside for economic development. It holds out hope of jobs and a new vitality to part of this Borough too often overlooked in Manhattan's renaissance. I strongly feel that this effort must be given every opportunity to succeed. For its success will benefit all New Yorkers on the Lower East Side.

However, this Plan also places a low- and moderate-income housing adjacent to this proposed economic development without ample consideration of its effect on the viability of the economic development especially in light of the abundance of vacant land already existing just one block away.

We must use housing as a means of fighting decay on the Lower East Side. We must also recognize the unique nature of economic development and how unlike housing, it is often site-specific.

It is for these reasons that I offer my amendment to this plan so to delete low- and moderate-income from Site 2B and strongly urge the parties involved to get on with work at hand, including the building of quality low- and moderate-income housing upon the ample amount of additional land on the Lower East Side.

Stein's amendment was quickly adopted by a vote of 7 to 4. A vote was then immediately taken on the amended resolution which included the economic development and the elderly housing, but eliminated the low-income family housing. The resolution was passed by a vote of 9 to 2, with only the Mayor's office dissenting.

As Stein left the hearing chamber, cries of "racist Jew" rang out and a chant of "Racist! Racist!" spread among the spectators.

While the disputed low-income housing proposed for Site 2B had been eliminated by Stein's amendment, it had left the site zoned for residential use, but exclusively for low-income elderly. The fate of the two buildings in the area remained undecided. Commenting on the issue, a Deputy Commissioner from the Department of Housing Preservation and Development stated, at a latter date:

We're still committed to the original goals of Seward Park Extension, but as it stands now, the amendment bars any low-income housing on that site other than elderly. It is too politically charged a situation to amend the plan again. We'll have to look at other sites for housing (City Limits, May 1980:15).

Stein was later quoted in an early edition of The New York Times, "It is ludicrous to suggest that economic development and lower-income housing could coexist. Every experience with low-income housing shows it creates numerous crime and social problems" (April 25, 1980:25). Stein's deputy, Jessie Masyr, denied that political considerations were behind the deletion of the low-income housing. He noted:

We believed it was a unique opportunity to do commercial development and we didn't think it essential or wise to place on top of economic development a low-income project. The area north of Delancey Street needs stabilization much more; around Avenues B and C there's just a lot of rubble" (City Limits, May 1980:15).

6.3.4 An Administrative Maneuver

Several months after the Board of Estimate Hearing, an interview with Herman Badillo was arranged. As former Deputy Mayor and as a well-known minority spokesman in the city, his opinion on the outcome of the Seward Park Extension controversy was sought. He said that he did not testify at the hearing because it would have been a waste of time. His contention was that Mayor Koch had sold out to the Jews. In his view the Seward Park Extension issue was a totally racist operation. A deal had been made among Herb Sturz, Chairman of the City Planning Commission, Bobby Wagner, Jr., Deputy Mayor, and Mayor Koch to block the low-income housing on the site. It was agreed that Stein would take the rap, but it was clear from meetings he attended at City Hall that Koch had made a deal with the Jewish bloc. Because of this and the bad feelings that existed between the Mayor and himself, it was pointless for him to appear at the hearing.

Confirmation of Badillo's information was obtained almost a year later. An administrative source repeated a somewhat different version of how the administration's strategy to defeat the low-income housing was put together. Jessie Masyr, Stein's Deputy Borough President, told this source that Mayor Koch, Andrew Stein and Sylvia Deutsch, one of the City Planning Commissioners and Director of the New York

Metropolitan Council of the American Jewish Congress, did not like the idea of low-income subsidized housing on the Seward Park Extension site. It was agreed among the three that the Mayor and Deutsch had to vote for the Compromise Plan but Stein did not. Stein would therefore propose the amendment that would remove the low-income housing element from the Plan. Since there exists an unofficial policy of "horse rule" (senatorial courtesy) among the five Borough Presidents, in which they vote in accordance with the Borough President whose Borough is affected by the issue before them, it was assured that Stein's amendment would carry. Moreover, Stein's assistant had consulted with Corporation Counsel, the city's legal counsel, regarding the legality of Stein's proposed amendment. In their opinion, the amendment was legal since anything not a change in land use or property acquisition is considered a minor change and therefore exempt from ULURP and urban renewal codes. Minor changes need only the approval of the City Planning Commission. On the basis of this legal technicality, the administration blocked the low-income housing portion of the Compromise Plan.

6.3.5 Epilogue

On May 24, 1980, Joint Planning Council, represented by Puerto Rican Legal Defense and Education Fund, filed a lawsuit to challenge the amendment, stating that the Board

of Estimate had no power to modify a City Planning Commission recommendation. They believed the Board's action violated the law and the Board's own procedures. The motion for a judgment against the Board of Estimate was heard in Manhattan Supreme Court, where it was ruled that the Board had acted within its rights. There was no further legal redress for Joint Planning Council.

The Huertas Case trial was completed and the judge determined that a ruling of discrimination against the East River Housing Corporation would be made unless the two parties reached a settlement out of court. As of this date the plaintiffs have not accepted the court-imposed settlement, which they felt did not provide adequate compensation.

In 1982 the on-site tenants won their battle with the City. The Department of Housing Preservation and Development agreed to rehabilitate the two buildings and remove them from the urban renewal plan. Under a community management program, Chinatown Planning Council assumed the management responsibility for the two buildings.

Chinatown Planning Council's senior citizen project, totally subsidized for low-income elderly, was completed in the Fall of 1982 and is fully occupied, mostly by Chinese.

United Jewish Council's international mall has yet to be built. The long-contested sites remain vacant, awaiting the urban development action grant which would have partially subsidized its creation.

In January 1983, a proposal for Site 2B was before the City Planning Commission for the development of 100 units of middle-income condominiums, selling for \$75,000 per unit, for families with incomes from \$25,000 to \$45,000 per year. The sponsor for the development is Housing Partnership, the housing development arm of the New York City Partnership, which is a consortium of the city's most powerful banks, corporations, and trade unions and headed by David Rockefeller. According to the Executive Vice-President of Housing Partnership:

We are trying to serve a population that is not currently being served in New York City--anybody who earns less than \$50,000 and wants to own a house. We are hoping to build houses for people out of the inventory of city-owned land, most of which is in areas that require subsidies" (City Limits, February 1983).

While this proposal awaits approval from the City Planning Commission, the staff of Pueblo Nuevo, a community management housing organization (a Joint Planning Council member), has been trying to serve the increasing housing demands of the poor, mostly minority, residents in their area. At a recent meeting with staff members and over 100 tenants of the public low-income housing projects nearby,

the serious problem of overcrowding was discussed. Multiple families share apartments in the projects, and in one case eighteen people live in one apartment. According to Pueblo Nuevo's Executive Director:

I have mothers with their children sitting in my office. They're so f----- desperate, they come here with a few hundred dollars they saved from God knows where, and they want to rent an apartment in a vacant, city-owned building with no heat, no water, no toilets. I tell them the buildings can't be lived in, but they're so desperate.

On August 18, 1983, the Board of Estimate approved a plan by the City's Department of Housing Preservation and Development that would allow Site 2B in the Seward Park Extension Urban Renewal Area to be used for moderate-income and market-rate cooperatives. Stating that the federal government would frown on another low-income housing project for the elderly since there are two similar projects nearby, the city's housing agency plans the construction of 136 units of moderate-income housing with federal monies for subsidies, and 104 units of market-rate housing (New York Daily News, August 19, 1983).

6.4 CONCLUSION: THE APT ILLUSTRATION

From the Seward Park Extension Urban Renewal Project two significant observations, relevant to this data, can be made---the relationship between policy and politics, and how this relationship is played out in local affairs.

First, the dynamic relationship between policy and politics in the context of the city's changing economic base, particularly in Manhattan, and its negative effect on low-income groups can be discerned. The details of the restructuring of the nation's economy in which the 1975 fiscal crisis of New York is embedded have been analyzed elsewhere (Alcaly and Mermelstein 1977). It is sufficient to note here the attendant changes in housing policies at the federal and city level, and the subsequent shift in the intent and purpose of urban renewal planning (Starr 1980). The 1973 federal moratorium on subsidized housing and the newly formulated Housing and Community Development Act of 1974 radically affected subsidized housing programs in New York City. Urban renewal funding was phased out and with it the legislative gains of the 1954 Housing Act that provided for low-income housing on urban renewal land and protected the rights of displaced residents. Section 8 funding for public housing was not only reduced, but additionally, the goal of the new program was to provide "economically-mixed" housing by providing monthly payments to landlords on behalf of eligible tenants. Federal Section 8 rent subsidies for new housing construction also provide for the federal government to pay rent directly to a developer, and it guarantees a profit for the developer. The privatization of the new housing policy was based on the familiar, but ill-advised, premise that the private sector of housing

would more naturally house low-income families without the major social and political disruptions that were perceived to be associated with traditional public housing programs. New construction of public housing projects was halted until new mortgage and investment strategies were devised by municipal housing agencies. The New York City Housing Authority changed its program of "superblock" construction of public housing projects to decentralized projects that were planned to break down the image of public housing as a "walled city."

The series of incremental planning decisions that characterized the Seward Park Extension Project were embedded in this overarching policy change. In retrospect, it seems safe to say that the appointment of Roger Starr as Administrator of the Housing and Development Administration in 1973 may be taken as an indication of the city's shift in policy toward low-income public housing. In particular, we may note the introduction of the proposal for the development of a commercial mall on the Seward Park Extension site in 1975 and the transfer of 900 housing units to another urban renewal area in the city, which indicated that the city's housing agency had dropped its support for housing development on the Seward Park Extension site.

The restructuring of the city's economy with its emphasis on finance, insurance, and service-related jobs and

increased white-collar employment (60.7% of the city's total in 1982, The New York Times, May 1, 1983) figured prominently in the shifts in the city's housing policy. Tax abatement programs (J-51), private and publicly aided gentrification of low-income neighborhoods, and middle- and upper-income housing developments on urban renewal land formed part of the city's new housing policy, a policy with few provisions for low-income families. From the administration's point of view there was no longer a need for low-income housing to shelter a superfluous low-skilled, low-wage labor force. According to a New York Times editorial the city should "help the urban poor escape" (December 8, 1980).

Second, the Seward Park Extension Project illustrates the role of government in regulating or mitigating the contradictions emanating from these economic and policy changes. The city, as a form of government, has been increasingly delegated managerial responsibility in this process (Hill 1978). Elected officials and agency administrators thus, by necessity, adjust to structural changes through a complex and variable system of political imperatives. Historically and culturally determined, the political game in New York City is that of ethnic politics. In conjunction with this fact, and as Katznelson notes:

Since welfare, housing, police, and educational services are distributed in residence communities by local governments, they act as organizing incentives for ethnic and racial groups to behave

as interest groups, much as the ward organization of party politics historically has acted to solidify group consciousness and perpetuate the divisions of the city, demographically and politically, into ethnic components. This was especially the case for urban blacks, whose collective situation came to be defined in large measure by their relationship to the schooling, housing, welfare, and police bureaucracies. The differential pattern of party and bureaucratic institutions thus overlapped with and reinforced the racial divisions of the city (1981:133).

As we have seen in Chapter 3, the distribution of the Lower East Side's population and housing reflects this fragmented pattern. As we shall see in Chapter 7, these ethnic and racially distinct neighborhoods are not represented equally in the city's political system. Competitive struggles over scarce resources are endemic to city politics. The local conflicts that arise from the distribution of scarce and public resources such as housing are experienced as ethnic and racial conflicts rather than as systemic contradictions. The parcelling out of resources, especially housing, along ethnic and racial lines not only contributes to this divisive pattern, but prevents individuals and groups from discovering the conditions they have in common. The divisive differentiation that results is politically significant for another reason.

Ethnic politics in New York is closely linked to the party machine. As Bresnick points out:

The political machines operate as exchange mechanisms. In return for votes and monetary support, party favors were dispensed, including access to government decisions, especially those affecting the award of contracts and jobs (1977:135).

In the organization of electoral power the political machine regulates and links city-wide economic and political interests with local ethnic bloc voting and parochial interests. For example, in the outcome of the Seward Park Extension conflict the administration literally "killed two birds with one stone." By eliminating the low-income housing project from the plan, the city continued to implement its overall housing policy in which the construction of low-income housing remained at a minimum. Simultaneously, the Board of Estimate's decision repeated the traditional pattern of patronage politics. The decision to remove the 100 units of low-income family housing from the Seward Park Extension site was a favorable decision for the United Jewish Council and the constituency it represented; in exchange the elected officials that comprised the Board of Estimate were assured of the electoral support of this group (see the discussion of the 63rd Assembly District and the Democratic Party organization in Chapter 7).

In the next chapter the political structure of the Lower East Side is examined through an analysis of four key institutions and the relationship of the organizations that played a role in the Seward Park Extension Urban Renewal Project to this local political system. Linkages to the city's political structure will be highlighted thus increasing our understanding of the variable relationship of politics to planning.

Chapter VII

THE POLITICS OF PLANNING

This chapter examines the local political context in which the Seward Park Extension Urban Renewal Project is embedded. The political infrastructure of the Lower East Side is analyzed by focusing on four key institutions---the local Democratic party organization, Community Board #3, the Area Policy Board, and the local School Board. The common thread running through these four institutions is that they are representative institutions. Each has a function or serves a need that benefits the residents of the Lower East Side, while at the same time incorporating local residents into the larger sociopolitical system. Thus through the election process or through the appointment process local populations or constituencies are represented by officials who act on their behalf. Frequently, however, political representation for certain groups is thwarted or otherwise inadequate, and when this is the case struggles over housing, education, government funds, and the electoral process also become struggles for incorporation and representation, as well as the expression of antagonistic intra- and inter-class differences.

The relationship of the Seward Park Extension Urban Renewal Project and the role of the three organizations that were involved in this issue to the political process are more clearly understood by setting out the interconnections between this event and its institutional framework. Rather than viewing the Seward Park Extension issue as an isolated event, the following analysis examines the multiple ways local organizations and institutions are linked to wider social and economic processes and planning decisions.

7.1 THE LOCAL DEMOCRATIC PARTY ORGANIZATION

Historically, New York City has been dominated by the Democratic Party, with the exception of Richmond County. In turn, as Sayre and Kaufman (1960) point out, the formal party machinery of the major parties is dominated by the Assembly District Leaders for two reasons.

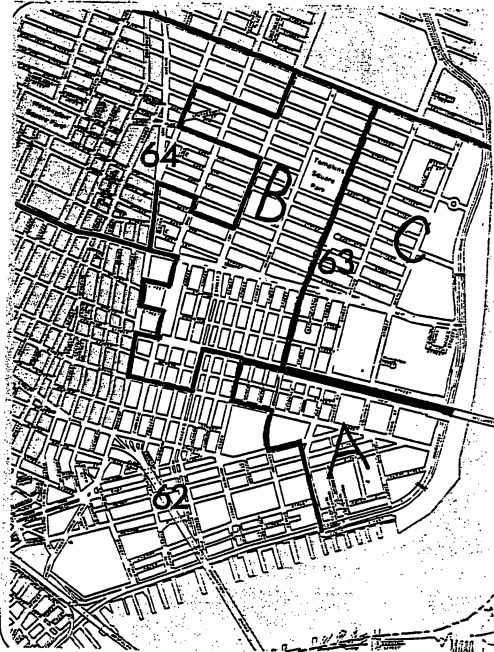
First, the Assembly District is the unit of representation in the powerful county executive committees and in the full state committees, and the Assembly District Leaders and their female co-leaders are practically always chosen to represent their districts. Second, the field workers--the captains--who do much of the weary but apparently essential legwork for nominating and election campaigns are appointed and supervised by the District Leaders. The District Leaders, in their multiple party roles, combine functions corresponding to high command, general staff, and field command in the military (1960: 134-135).

At the heart of the political infrastructure is the Assembly District, that represents the smallest unit in the

state system in which there are political contests for elective office. Because of their size they are easily managed by a political clubhouse and are thus highly convenient units for party organization (Sayre and Kaufman 1960:135). New York City contains sixty-five of the one hundred fifty State Assembly Districts. Each Assembly District has a population of approximately 120,000, according to 1970 census figures.

On the Lower East Side it is the 63rd Assembly District which predominates. However, the 63rd Assembly District is not coterminous with the entire Lower East Side, parts of which fall into the 64th and 62nd Assembly Districts, respectively (see Figure 13). Maps of the Assembly Districts, the Councilmatic, Congressional, Community and local School Board districts, if superimposed upon the Lower East Side's geographic boundaries, reveal a political mosaic instead of a unified political entity. The criss-crossing of political boundary lines, resulting from past gerrymandering, fragments the political unity of the Lower East Side and presents major political problems. Chinatown, for example, lies within the jurisdictional domain of the 62nd Assembly District while in other respects it is connected with the Lower East Side through the Community Board, School Board and Area Policy Board.

Figure 13: STATE ASSEMBLY DISTRICTS



The 63rd Assembly District simultaneusly links local and city levels of government to the electoral process. The Board of Estimate, and in particular, the Borough Prsidents are the most directly affected by local voting patterns. The 63rd Assembly District is divided into three sections, each with an established political club represented by two elected District Leaders, a male and a female. The 63rd Assembly District is also divided into sixty election districts. In theory, each election district has a male captain and female co-captain appointed by the Assembly District Leader. The election districts and the territorially appointed captains form the basic units of party organization. The captains are charged with the responsibility of getting out the party vote, while at the same time establishing personal liaison with as many voters as possible, which includes, among other things, the dispensation of favors and jobs (See Sayre and Kaufman 1960:135-136).

Section A of the 63rd Assembly District most closely approximates this model of party organization, particularly in the four cooperative apartment complexes along Grand Street and East Broadway. In Section B the model is also applied in certain newer housing complexes such as Village View. In general, Sections A and B are more pclitically organized than Section C.

7.1.1 Section A

Section A of the 63rd Assembly District comprises the area south of Delancey Street, and includes election districts 1 and 2 (Gouverneur Gardens, a Mitchell-Lara middle-income housing project), election district 3 (Vladeck Houses, a public housing project), election districts 4-12 (East River Houses, Amalgamated Houses, Hillman Houses and Seward Park Houses--4,500 units of moderate- and middle-income cooperative apartments (overwhelmingly Orthodox Jewish), election district 13 (St. Mary's Guild Houses, an integrated moderate-income project and one building of the public housing projects of Seward Park Extension) and election district 14 (the other public housing project of Seward Park Extension).

Section A is controlled by the Harry S. Truman Club which is closely allied to the United Jewish Council. Members of the political club are active on the Board of Directors of the United Jewish Council and on the Community Board. The Truman Club participates in the elections of members of the School Board and the Area Policy Board and lobbies the Borough President for the appointment of Community Board members. The State Assemblyman of the 63rd Assembly District is a member of this club and serves as legal counsel for the United Jewish Council.

7.1.2 Section B

Section B includes the area from 14th Street to Delancey Street, from Avenue B to an irregular western boundary which approximates Second Avenue (see Figure 13), encompassing the neighborhood of the East Village. The Independent Democratic Club represents the area and its male district leader serves on the Community Board, as does another prominent member and political organizer of the Club.

Section B contains twenty-two election districts. They are as follows: Election districts 15, 16, and 17 are tenements, overwhelmingly Hispanic, and in the 15th is the public housing project of Raphael Hernandez Houses; election districts 35, 36, 37, and 38 are tenements with 38 having some "better" types of buildings, low-rise (5 and 6 stories) with "three of the election districts between 4th and 5th Streets that are entirely Jewish and account for a big chunk of the vote, although it's a very small population."¹⁴ Election district 39 is dominated by Max Meltzer Houses, a senior citizens project; election district 40 is First Houses, integrated although mostly white, and Egelcoff Towers which is a middle-income high-rise building, and two of the Village View, Mitchell-Lama, middle-income cooperative projects (Village View is primarily Jewish and forms the center of the Independent Democratic Club's power base); the

¹⁴ Information for Section B is taken from an interview with a representative of the Independent Democratic Club.

41st election district consists entirely of three Village View buildings; the 42nd is dominated by two Village View buildings plus one block of tenements that are substantially Polish; the 43rd election district is entirely tenements with a combination of Italian and Hispanic populations; the 44th, 45th, 46th, 47th, and 60th are better-class tenement buildings, mostly white with a substantial sprinkling of Slavs, Poles, and Ukrainians (the 47th is the most Polish district of all and the 45th has two luxury high rises on Second Avenue); the 48th, 49th, and 51st are tenement buildings. The 49th and 51st are the Cooper Square urban renewal sites, city-owned buildings largely occupied by Hispanics although at one time the area was a heavily Italian neighborhood; the 50th and 52nd are tenement election districts and the 53rd election district is primarily Hispanic.

The leaders of the Independent Democratic Club view themselves as mediators between the minorities, predominantly found in Section C, and the Orthodox Jewish conservatives of Section A. The campaign manager of the district leaders of this club explained his club's position:

My people were serving as, and have, for an extended period of time, on the School Board, in local politics, things like the Seward Park thing, in sort of the fulcrum of activity. Whenever there was a compromise needed, we were actively engineering. When D.F. was the guy that D.G. wanted to chair the School Board for a second term rather than letting it go back to the hard-assed, right-winged UFT people, we arranged it. We were asked to and we did it. The Seward Park Extension

situation was a similar one, although in that instance, not successful.

This particular political leader was formerly a legislative aide to the State Assemblyman from the 63rd Assembly District, who, as previously noted, is a member of the Truman Club and serves as legal counsel to the United Jewish Council. Both he and the district leaders maintain close and reciprocal ties of mutual aid and political support in the nominations and election process.

7.1.3 Section C

Section C extends from Avenue B to the East River and from 14th Street south to Delancey Street. The Hispanic neighborhood of Loissaida is within its boundaries. Section C has twenty-four election districts. They are as follows: Election district 18 is the public housing project of Gorpers Houses; 19 and 20 are Masaryk Houses, a Mitchell-Lama project; election districts 21, 22, 23, and 59 are the Baruch Houses; 24, 25, 27, and 54 are Lillian Wald Houses; while 30, 31, 32 are Jacob Riis Houses, all of which are public housing projects; election district 26 is exclusively tenements in Loissaida; 28 is tenements with the small public housing project of Marianna Briacetti Houses; election districts 29, 34, and 56 are entirely tenements; 55 is also tenements but unusual for Loissaida because it includes 7th street between Avenues C and D, the "Street of the Flower

Boxes" in which resides a substantial white middle class; election district 33 is the Mitchell-Lama cooperative project of Village East Towers and 58 is Haven Plaza, a Mitchell-Lama rental project (both election districts 33 and 58 are integrated with the white population essentially Jewish); election district 57 is a combination of tenements, plus Tania Towers which is Mitchell-Lama rental for handicapped people who are almost exclusively Jewish; and election district 52, the Pueblo Nuevo urban renewal site, which is tenements and primarily Hispanic.

The New Jibaro Club represents the Hispanic population in Section C. This political club was founded approximately ten years ago by a group of Hispanics who had been associated with the former Lower East Side Community Corporation (the local branch of the federal anti-poverty program). The election of the two Hispanic district leaders in 1973 was the first time Hispanics were able to gain a small measure of political power. At that time both District Leaders were active in the local School Board controversy which politicized many Lower East Side residents. According to local sources, this period seems to have been the high point of the New Jibaro Club's political activity. The male District Leader from Section C is a Community Board member.

The 63rd Assembly District has a total Democratic enrollment (registered voters) of approximately 25,000 in 1979. Political power on the Lower East Side derives from the Truman Club's and the Independent Club's control of approximately 12,000 to 13,000 votes. The seat of this political power base rests on two small residential enclaves located on Grand Street (the cooperative housing projects) and First Avenue (the Mitchell-Lama, Village View projects) where stable, well-organized white communities hold power (see Krasner 1980). A prominent religious leader and local School Board member explained the local political structure:

Behind this control are two forces--the Harry S. Truman Club and the Independent Democratic Club. This power is exercised by the control of 12,000 votes, the majority of which come from the Grand Street community, the rest from ___ and ___'s Independent Club, centered around Village View Houses. These political clubs act as conduits for patronage jobs. They do not keep out Blacks and Hispanics because they have them minimally funded and represented. They exercise control over State Assemblyman ___ and Congressman ___. They are additionally tied in with the state and national Democratic apparatus through the number of their controlled votes.

New York City's Board of Election official returns from 1976 and 1980 reveal the following election data: In 1976 for the State Assembly seat the total count for the Truman Club's candidate was 14,343 in the November general election. In the primary election of 1976, at which time the candidates for the general election were chosen, the same candidate received 3,539 votes, only a 40% plurality of

a total primary vote of 8,921. (In the electoral process it is the primary vote that determines who will get the party nomination for a specific elective office. For this reason the primaries are the key election in heavily Democratic New York City even though the total number of votes cast is much lower than in the general election. As a result primary elections are more easily controlled by political clubs.) The remaining votes were split among four candidates (one Black, two Puerto Ricans, and one White).

The defeat of the Seward Park Extension urban renewal compromise plan by the Board of Estimate galvanized a number of Hispanic leaders from the Joint Planning Council to organize politically. Recognizing that there was no Hispanic in public office from their Assembly District or in city government, a political action group was formed with the purpose of trying to elect an Hispanic candidate to the 63rd State Assembly seat. This new political action group worked outside the formal political structure. Formal political recognition is gained only after a candidate has won election as a district leader. The New Jibaro Club, because of internal problems with its male district leader and its political obligations to the Truman Club, reluctantly agreed to support the maverick Hispanic candidate and promised not to run another Hispanic, which would have split the Hispanic vote. The new political action group and the New Jibaro Club had a strained and

tense relationship. Distrust and suspicion marked their negotiations and dealings. The New Jibaro Club's political position on the Lower East Side was threatened by the emergence of this new group. The candidate received no significant campaign help from the New Jibaro Club, and no formal endorsement from the Democratic Party or any elected official. Lacking political skills and the extensive resources, including party organization support, necessary for election victory, the Hispanic candidate received less than half of the primary vote in September 1980.

The 1980 election returns are indicative of the continued political strength of the Truman Club, and illustrate the difficulties newly emerging political groups encounter in their struggles for political power. In the September primary election, the incumbent won the nomination for the State Assembly seat with 5,071 votes, while the new Hispanic candidate received only 2,441 votes. In the November general election the Truman Club's candidate won with 14,722 votes (New York City Board of Election Returns, September and November 1980).

The stability and continuity of this controlled vote has given the Truman Club an unusual degree of power in New York City politics. In fact, according to the local City Councilmember, "the Truman Club is an extremely strong club, the only one left in Manhattan like it." This power is also

recognized by the local leadership. The Executive Director of the Jewish Council explained the political networks of the Truman Club and how they function:

For example, just for the sake of discussion, the Bronx Democratic leader _____ will need two votes from the Lower East Side for the appointment of a judgeship. He will know that he can court on the support of the district leaders from the Lower East Side. This is so because the Jewish community represents a stable political unit and there is continuity in dealing with the same political people over time. The grassroots political activism and the political networks of the Jewish community have been established over the years. The Hispanic population, in contrast, is ridden with factionalism. One woman asked me--"Who are the leaders?" Meaning the Hispanics don't even know who their leaders are. This is not the case with the Jewish community whose leaders are well known and articulate the views of their constituency.

Recognition of the Truman Club's political power also comes from other community and political leaders.

A prominent political leader from the Independent Club (Section B of the 63rd Assembly District), prior to the Board of Estimate hearing on the Seward Park Extension urban renewal plan, stated:

If they (the Truman Club) defeat this compromise plan at the Board of Estimate level they will have done it on their own. They have tremendous political power and connections. Don't be surprised if it doesn't go through the Board of Estimate.

When this same leader was elaborating on the Seward Park Extension conflict eight months after the Board of Estimate hearing, he made the following comments regarding the political negotiations that took place in an attempt to settle the Seward Park Extension conflict:

Now as an example, the reason why the Seward Park Extension urban renewal area, the most recent one, as seen by me anyway, is a civil rights fight rather than a housing project fight--very different issues--was that offers were made, one by the United Jewish Council, and one by the City, to provide assistance with getting, securing more units of housing for people in need of housing on the Lower East Side through means than were ever going to be available, than were even being debated for the urban renewal site. Both of these offers were turned down. The initial offer which took place at a meeting which I organized and chaired where _____ (the President of the United Jewish Council) came in and said, "All we want is to be left alone." And that's an important point, too, by the way.

The Grand Street (Truman Club and United Jewish Council) posture is defensive. They have something. They want to keep it. It's not imperialistic, just defensive. They're not trying to take anything from somebody. It is the other side that is in that position; it's on the offensive. They made a businessman's offer which was--Leave us alone. We don't want anything. Therefore the City need not spend a dime on us. We will help you get a substantial chunk of whatever money is available, new money in the neighborhood for your projects in other locations within the Lower East Side. This was his offer, a credible offer to anyone who understands the political clout that Grand Street has today, if you understand who's on the Board of Estimate, how they got there and how they're wired. It's that simple.

The New Jibaro Club functions as a dependent satellite to the political clubs in Sections A and B. The New Jibaro Club, in contrast to the Truman Club and the Independent Club, controls approximately 2,600 to 3,000 votes. The New Jibaro Club is closely associated with two organizations in Section C, a multi-service anti-poverty agency and a housing development agency. Members of the staff and Board of

Directors of the two organizations are also members of the New Jibaro Club. The male district leader was formerly the Executive Director of the anti-poverty agency. He is also a Community Board member. The close relationship between these two organizations and the New Jibaro Club illustrates the dependency/patronage relationship between minority political power and encapsulating funding and political structures. The New Jibaro Club's power base is centered around these two organizations. In turn the two organizations are dependent on government funding. Local organizations frequently need the support of established political connections in order to obtain federal and city monies for their programs. Through these organizations the New Jibaro Club has established a constituency, but it is a constituency which is dependent on jobs and funding from outside sources. This dependency makes the New Jibaro Club vulnerable at two levels. First, it is subject to criticism and attack from other Hispanic organizations and leaders, since the Club advances the specialized interests of the organizations rather than the overall interests of the Hispanic population. This has led to factionalism, competition, and distrust among Hispanic leaders on the Lower East Side, thus reducing the political unity and strength of the Hispanic vote. Second, the New Jibaro Club's dependence on established political sources of support acts as a constraint on the Club's ability to

function independently. In effect, the New Jibaro Club functions as a sub-political machine to the dominant political machine of the Truman Club. (The Independent Club also may be viewed as a sub-machine on the lower East Side, since it is dependent on the Truman Club's control of the electoral process rather than direct ties to funding sources.)

The dependent role of the New Jibaro Club was further demonstrated at the public hearings on the Seward Park Extension issue. Prior to the hearings, the New Jibaro Club did not solicit the formal political support of other Puerto Rican and Hispanic leaders in the city. Not only did the District Leaders of the New Jibaro fail to support publicly the compromise plan, but also other outside minority political leaders failed to testify on the minorities' behalf at the public hearings at the City Planning Commission and the Board of Estimate.

Moreover, at a series of closed-door meetings held prior to the Board of Estimate hearings (meetings which were arranged by the political leaders of the Independent Club) the female District Leader of the New Jibaro Club supported the United Jewish Council and the Truman Club's proposed plan which would have guaranteed three hundred units of low-income housing anywhere north of Houston Street. The New Jibaro's position on the Seward Park Extension issue was

taken by members of the Joint Planning Council as evidence of the collusion that existed between the New Jibaro Club and the Truman Club.

In sum, the Truman Club's political power base rests on its control of the Democratic vote on the Lower East Side and on the dependent and subordinate political position of the New Jibaro Club. As a result, it is able to place elected officials favorable to its interest in many key public positions at three governmental levels. For example, the State Assemblyman, the Borough President of Manhattan (whose amendment defeated the public housing on the Seward Park Extension site), and one of the two Congressmen who represent the Lower East Side are elected with their support. The Truman Club is influential in other areas where power positions are at stake--the judicial system where judges are either elected or appointed, the public school system where school board members are elected, and the Community Board where the appointment of members is determined by the Borough President. Furthermore, it is through this control of the electoral process that the Truman Club has gained the political legitimacy to determine and implement public policy favorable to its interests. This control provides the most direct and important linkage to the City's political system.

7.2 COMMUNITY BOARD 13

In November 1975, New Yorkers voted on a number of revisions to the City's Charter (its basic compact of government). These recent Charter revisions followed similar reformist tradition in New York City, and were a response to the growing dissatisfaction of citizens with municipal government, and the realization on the part of city and state legislators that the City Charter had not kept up with the times. The decentralization of government followed other similar trends intended to broaden the base of political participation--- the decentralization of the school system and the community control movements of the late 1960s and early 1970s.

The Charter revisions were specifically designed to "encourage genuine citizen participation in local city government, ensure that local city government is responsive to the needs of its citizens, and achieve effective local city government" (New York City Charter Revisions Commission 1973). The establishment of fifty-nine Community Boards in the five boroughs of the city and their use by residents in the corresponding community districts were seen as the key to effective local self-government (Community News 1978). Each community district has a population base of 100,000 to 250,000 residents, with the exception of the two mid-town districts (business centers of the city).

The Community Boards, as they are now structured, have only an advisory role in city government. They do not have final authority, nor can they veto projects or planning decisions with which they disagree. However, it is through the Uniform Land Use Review Procedures (ULURP) that Community Boards are legally mandated to review and make recommendations concerning land use changes and plans for government-aided housing in their districts. These recommendations are forwarded to the City Planning Commission and the Board of Estimate where they are considered as serious statements of the community's interests.

Each Community Board is made up of fifty volunteer members, all of whom are appointed by the Borough President, although half of the appointees must be selected from a list of candidates chosen by the local City Councilmember and the two Councilmembers-at-large for the borough. A Community Board member must have a residence, business or professional interest in the district, and must have shown interest or support in community affairs. During a discussion with the local City Councilmember regarding Community Board #3 members, she stated:

As far as the membership of the Board is concerned, it is, in some cases, strictly political, and in others involves community leadership. In either case, even with the political appointments, there is now increasing pressure to show some connection and relationships to community issues and to a constituency.

Community Board #3 is coterminous with the Lower East Side and includes the neighborhoods of the East Village, Loisaida, the Lower East Side, and Chinatown. However, the composition of the Board does not reflect this diversity. Nor is there "adequate representation from the different geographic sections and neighborhoods within the community district" as legally mandated in the City Charter. The By-Laws of Community Board #3 state, "Membership on each Board shall as much as possible have such diversity of interests as shall be representative of the community."

An analysis of Community Board #3's membership reveals that there is not adequate representation in terms of geographic and neighborhood subdivisions, nor adequate representation according to class, race, and ethnicity. Census data show that tracts 10.02, 14.02, 20, 22.01, 24, 26.01, 26.02, 30.01 and 36.01 are all over 50% Hispanic, but they are not "adequately" represented. There are only four Board members from these tracts, only one of which is Hispanic. These tracts, however, comprise approximately 27% of the population of the district. In tracts 10.02, 20, 22.01, 26.01 and 30.01, which comprise about 19% of the population, there is no Community Board representation. By and large, these tracts represent the Hispanic neighborhood of Loisaida.

On the other hand, the data also reveal that census tracts 14.01, 12, 10.01 and part of 2.02, which represent the Orthodox Jewish community located on Grand Street and East Broadway, have eighteen representatives but only 11% of the population. White residents from the Grand Street co-ops alone account for 32% of the Board's membership.

If "diversity of interests" encompasses ethnicity, only five Board members, or 10%, are Hispanic although 35% of the district is Hispanic. However, there are a number of white appointees to Community Board #3 who "represent" minority constituencies as leaders of housing organizations and settlement houses. Another way to view the Community Board's composition is to compare ethnic and racial census data for the Lower East Side with the membership of the Community Board. This reveals that 72% of the Community Board is white, while only 32% of the population is white. Additionally, twenty-three Board members, or 47% are Jewish. These figures indicate that Asian, Black and Hispanic segments of the population are inadequately represented on Community Board #3; for example, see Table 15 and Figure 14 for the distribution and composition of Community Board members. It is also significant that the membership of Community Board #3 is overwhelmingly middle class. Almost without exception, white Board members are college-educated and hold traditional middle-class occupational positions---professor, lawyer, pharmacist, administrator,

teacher, journalist, accountant, school principal, middle-level manager, financial analyst, clergy, businessman, and urban planner.

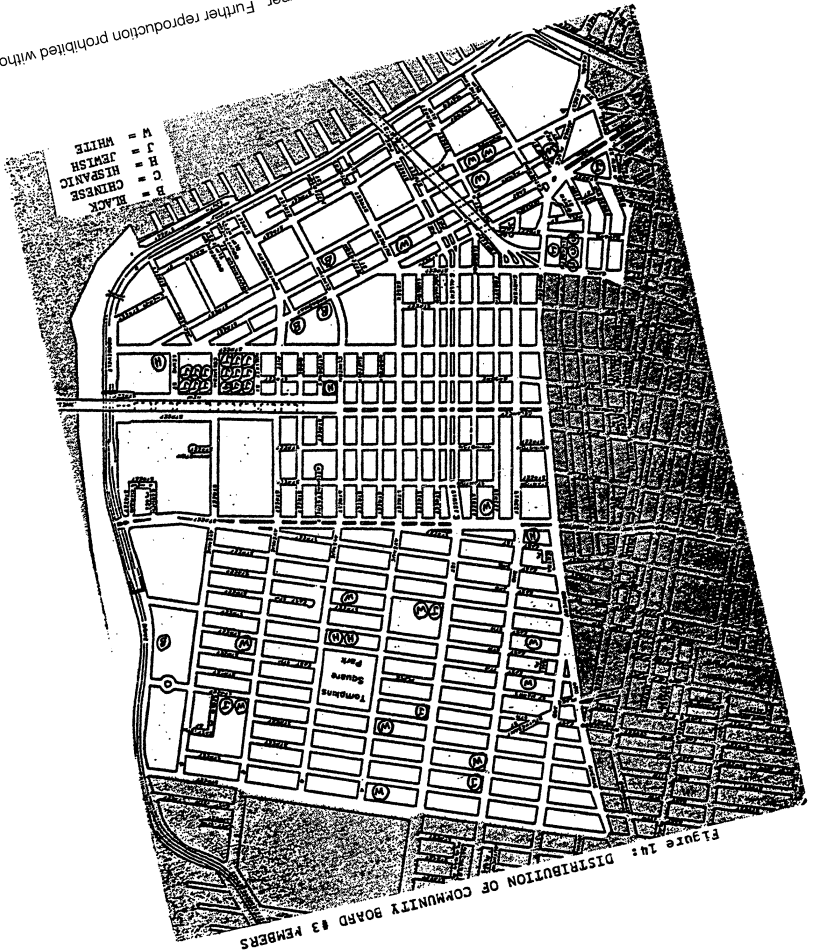
Observations of Community Board meetings reveal that bloc voting is commonly practiced. The major splinter lines center around low-income minority (i.e., Hispanic) interests and white, predominantly middle-class, interests. The Seward Park Extension urban renewal issue was one of the most dramatic examples of this type of ethnic and class division. The ethnic, racial, and class composition of Community Board #3's membership further illustrates the government's role in promoting and maintaining local-level divisions which exacerbate existing tensions. Moreover, the basic objectives of the decentralization of city government as outlined in the 1975 Charter Revisions are thwarted by the political pressure which is brought to bear on the appointment process.

It is through the electoral process that political leverage is exercised by local special-interest groups. As one Board member stated, "The special-interest groups are determining the future of this community. The common man-in-the-street doesn't have an in with Andrew Stein, the Borough President." In particular, the appointment process reflects this political power. The Borough President is responsible for the appointments of Community Board members,

TABLE 15
COMMUNITY BOARD #3 MEMBERSHIP

February 1981			Ethnic/Race Background
<u>Name</u>	<u>Address</u>	<u>Organizational Affiliation</u>	
LA	230 Clinton St	Henry Street Settlement House	Black
PA	212 East Broadway	-	Hispanic
VA	212 East Broadway	Two Bridge Neighborhood Council Hamilton-Madison House	White/Jewish
BA	Non-resident	LES Chamber of Commerce	White/Jewish
DB	570 Grand Street	United Jewish Council/Bialystoker Synagogue	White/Jewish
SB	577 Grand Street	Educational Alliance	White/Jewish
DB	229 East 4th Street	Pueblo Nuevo, Joint Planning Council	White
DB	711 FDR Drive	President, Tenants Assoc., Lillian Walk Houses	Black
EB	139 Henry Street	Church of Navitros, LES Catholic Area Council	White
NB	573 Grand Street	House Committee, Bd. of Dir., East River Houses	Black
RC	170 Avenue C	President, East Village Tenants Association	White
LC	145 East 16th Street	-	Chinese
AC	Non-resident	Chinatown Planning Council	White/Jewish
JC	26 Second Avenue	Coalition Housing Development	Hispanic
JKC	96 East 7th Street	-	White
SLD	243 East 7th Street	7th St. Block Assoc., Liberal Party	White
ME	212 East Broadway	Young Israel of Manhattan	White/Jewish
FF	230 East 5th Street	GOLES-Cooper Square	White/Jewish
MF	32 Monroe Street	Knickerbocker Neighborhood Association	White
CG	524 East 6th Street	Charas	Hispanic
SG	208 East Broadway	Bialystoker Synagogue	White/Jewish
HH	212 Forsyth Street	Forsyth Housing Development Corporation	Black
JH	131 Broome Street	Action for Progress	Hispanic
AJ	7 St. James Place	Hamilton-Madison House	White
LK	327 East 12th Street	Pueblo Nuevo; JPC; Coalition For Housing Dev.	White/Jewish
VK	19 Oliver Street	United Democratic Club; Chinatown Plan. Council	Chinese
HK	453 FDR Drive	-	White/Jewish
CK	475 FDR Drive	Dir-Hillman Houses Corp; Education Alliance; UJC	White/Jewish
AK	East 20th Street	Boy's Club	White
PL	506 East 13th Street	-	White
JL	170 Second Street	Independent Democratic Club	White
LL	411 East 10th Street	10th St., Block Assoc., Treas. Village East Towers Tenants' Association	White/Jewish
PM	105 Madison Street	United Democratic Club; Chinatown Plan. Council	Chinese
AJM	170 Park Row	Chairman, Chatham Tenants' Association	White/Jewish
FM	Non-resident	Hamilton-Madison House	White
SN	268 East Broadway	United Jewish Council	White/Jewish
AP	550 Grand Street	Rabbinical Alliance of America	White/Jewish
RR	60 First Avenue	Board of Dir., Village View Houses	White
FR	Non-resident	Educational Alliance	Black
ER	573 Grand Street	-	White/Jewish
PS	268 East Broadway	-	White/Jewish
NS	550 Grand Street	Truman Club	White/Jewish
WS	475 FDR Drive	Truman Club	White/Jewish
MS	550 Grand Street	Truman Club	White/Jewish
AT	453 FDR Drive	United Jewish Council	White/Jewish
TV	524 East 6th Street	Adopt-A-Building	Hispanic
RV	40 Monroe Street	-	White
PH	60 First Avenue	District Leader, Independent Democratic Club	White/Jewish
HW	208 East Broadway	-	White/Jewish

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and as an elected official he is most vulnerable to political pressure. The influence of the Orthodox Jewish leadership's political power on the Lower East Side is demonstrated by the composition of Community Board #3. At the time of the Seward Park Extension Urban Renewal ULURP process (1979-80), the Orthodox Jewish Board membership consisted of eleven members, all of whom resided in the cooperative apartments on Grand Street and East Broadway. Even with the use of bloc voting and the lobbying for other Community Board members' vote, their combined strength was insufficient to prevent a favorable recommendation from the entire Community Board for the Seward Park Extension compromise plan. After the compromise plan was defeated at the Board of Estimate Hearing the Orthodox Jewish leadership was further able to augment its numbers on the Community Board. For example, the 1980-81 membership list reveals thirteen co-op residents as Board members, and for 1981-82, a total of sixteen co-op residents as members. As a result of the increase in Board members, the Orthodox Jewish leadership has sufficient voting strength at the Community Board to insure that its interests are advanced and protected. The decline in Hispanic and other minority membership seems to reflect the current city administration's policy toward low-income people. Through the political process and with the increased promotion of economic development programs that favor the middle class,

the city government has diluted the effectiveness of Community Boards to act as a representative form of local government.

7.3 AREA POLICY BOARD 13

In 1978 the Community Development Agency, the city's representative agency for administering federal anti-poverty funds, restructured the Community Action Program. From its inception in the mid-1960s the Community Action Program has focused its resources on those areas of the city in which poor and low-income families and individuals were concentrated. In 1967, twenty-six poverty areas were designated in the city, each with an established Community Corporation. Community Corporations in local poverty areas were established under the auspices of the Council Against Poverty, the city agency through which federal funds were channelled. The Council Against Poverty was the policy-making unit for all anti-poverty agencies in the city. Each Community Corporation hired professional staff to implement its programs and was run by a local Board of Directors elected by the community. In general, the Community Corporations were controlled by Blacks and Hispanics, the predominant population in poverty areas. The Community Corporation on the Lower East Side was controlled by Hispanics, primarily Puerto Ricans. The federal "War On Poverty" programs had the net effect of linking race with

economic status, in many ways paralleling the federal public housing programs. White resentment to both policies was widespread and figured prominently in the political rebirth of ethnic identity.

The functions of the Community Corporations included fiscal management of the area funding allocation, providing technical assistance to delegate agencies, as well as to establish plans, priorities and program strategies for the area (Community Development Agency 1978:11).

The need to reorganize the city's Community Action Program stemmed from major changes and developments within the city and from a number of internal problems with the Community Action Program. According to Draft II of the Community Development Agency, among the more significant of the problems that the reorganization of the program addressed were the following:

- 1) The poor had not been able to participate in the development of the program because public elections of Community Corporation board members had not been held and there had not been open submissions for funding proposals.

- 2) The management and control of a number of the community corporations became concentrated in the hands of small groups of individuals, increasing the potential for abuse and corruption.

- 3) Prime sponsorship by community corporations of all Community Action Programs has not produced the benefits for which it was intended.

- 4) The program has come to be seen primarily as a vehicle for employment (and in some cases for patronage employment) in poor communities instead of a vehicle for change and development.

5) The city was negligent in delegating in 1966 all of its powers and authority in connection with the Community Action Program to the Council Against Poverty without insuring the integrity of the process by which community corporations and the Council Against Poverty were constituted and without monitoring the expenditure of city and federal funds.

6) The problems and abuses of the Community Action Program have made it a target for attack, diminishing the many positive accomplishments of dedicated, low-paid, community-based organizations and staff. In part, because of its poor image, the program has ceased to be an effective advocate on behalf of the city's poor (1978:1-2).

The reorganization of the Community Action Program resulted in the creation of Area Policy Boards which replaced the former community corporations. These Boards were established in each poverty area. The Boards are legally required to have thirty-three members, seventeen to be representatives of the poor and elected to the Boards by area residents. Eleven members are elected public officials or their representatives. One member is a representative of the Community Board and the remaining seats are appointees designated by the representatives of the poor and the public officials on the Area Policy Board.

The Area Policy Board has direct responsibility and authority for the setting of priorities and the development of plans and programs for its area. The Board insures that all interested community-based groups have the opportunity to submit funding proposals under an open admissions policy conducted yearly. Delegate Agencies (community-based

organizations) are the means through which the Board policy and programs are carried out. According to the Community Development Agency rules, "the majority of the Board members of such agencies must be poor persons who are residents of the designated poverty areas"(1978:5).

Under the restructured Community Action Program, the Mayor exercises major policy-making powers and is responsible for the final approval of the contracts awarded to the local Delegate Agencies proposed by the Area Policy Board. Additionally, the Mayor appoints the Commissioner of the Community Development Agency.

Area Policy Board #3 is coterminous with the boundaries of Community Board #3, the Lower East Side. Pursuant to the provisions of the Community Development Agency, elections for Area Policy Board #3 were held in 1979.¹⁵ The elections resulted in a white, middle-class majority representing the Lower East Side poverty board. The Final Plan approved by the federal agency, the Community Services Administration, required that Area Policy Boards consist primarily of representatives of the poor. Area Policy Board #3 fails to meet this requirement. In a letter to the Commissioner of the Community Development Agency, the local City

¹⁵ Information for this section is taken from legal documents and letters prepared by the Puerto Rican Legal Defense and Education Fund, Inc., and from a letter to Commissioner Roger Alvarez of the Community Development Agency from Miriam Friedlander, City Councilmember, dated October 31, 1980.

Councilmember made the following statement:

My original challenge of the electoral process was based on the inadequate number of poverty representatives out of a possible 33 members. The present Board number is only 27, and is overbalanced by elected middle-class representatives, elected officials and private sector organizations who have a total of 18 seats. This creates a non-poverty "majority" of 18 and a poverty "minority" of 9. Although the remaining 6 members should have been filled by poverty community members, no such move has been made (nor would even this number--15--give the Board the proper balance). This disproportional representation has resulted in a pattern of decision-making by "majority" vote disregarding all other arguments for fairness and equity--affecting procedures, reviews, choice of proposals and funding (October 31, 1980).

Other irregularities in Area Policy Board #3 are numerous and are directly related to the domination of the Board by a white, middle-class majority. This in turn is related to the political power of the Orthodox Jewish leadership within the Truman Club and the United Jewish Council and its ability to act as an organizational vehicle for the implementation of the city's policy goals. Specifically, Area Policy Board #3's political machinations, discussed below, illustrate the interlocking interests of government and local special-interest groups who can exercise their power directly through the electoral process and indirectly through city agencies. Thus the crux of the issue is to deny poor minority residents representation in the institutions that were designed for them. The implementation of the City's unofficial policy of "planned

shrinkage" extends into the institutional framework of the Lower East Side and systemically removes low-income minority citizens from participating in the political process, while at the same time circumvents funding programs that were intended for their use.

The Seward Park Extension urban renewal conflict was a local event that triggered other reactions. Within certain prescribed institutional structures, local-level conflicts continued to be played out and the Seward Park Extension issue was no exception. It was after the defeat of the compromise plan at the Board of Estimate in April 1980 that the Orthodox Jewish leadership continued its push for political dominance on the Lower East Side, but not without the help and encouragement of the Mayor and his appointee, the Commissioner of the Community Development Agency, Roger Alvarez.

The Seward Park Extension conflict had been the major reason for the discrimination suit brought against the four cooperative apartment complexes in an attempt to integrate the 4,500 units. It's Time and Action For Progress, two anti-poverty agencies with specialized housing and tenant programs, were among the plaintiffs. Moreover, both agencies were members of the Joint Planning Council. Increasingly these agencies were becoming a more effective base of political and social action south of Houston Street

as a result of their involvement in the 1980 political campaign to elect an Hispanic as the State Assemblyman from the 63rd Assembly District. For these reasons the white, middle-class majority on Area Policy Board #3 and Roger Alvarez of the Community Development Agency (Major Koch's appointee) decided to defund It's Time altogether, and to reduce the funding for Action For Progress by one-half of its former allotment. (Chinatown Planning Council's funding was also reduced by one-half.)

These decisions were reached in a series of three closed-door meetings held during August and September 1980, meetings that were organized and chaired by Commissioner Alvarez. There it was decided which community organizations on the Lower East Side would be funded and which defunded. Attending these meetings were the former President of the United Jewish Council, the Executive Director of the United Jewish Council, the District Leader of Section C who is also the Chairman of the Board of Directors of The Association of Community Service Centers (an anti-poverty agency located in Loisaida), and the Executive Director of the same agency, RN, an Hispanic, noted for his long-time involvement in various anti-poverty programs and in the Puerto Rican Parade Committee, and who is also the director of two anti-poverty agencies south of Houston Street.¹⁶

¹⁶ A number of people I interviewed referred to RN as a "poverty pimp" and they viewed him as acting on behalf of the United Jewish Council, the Truman Club and

At these meetings, held in the Commissioner's office, it was decided to defund completely It's Time and cut drastically the funds for Action For Progress. Representatives from The Association of Community Service Centers were told that it would not receive the full amount it had requested in its proposals. However, the Commissioner indicated that surplus program monies might be subsequently allocated provided that the Association staff and Chairman would not involve themselves in the repercussions to follow from these decisions. In other words, similar retaliatory action would be taken against the Association if it, any of its staff, or its Board of Directors supported the defunded agencies in their expected protests of the Community Development Agency's actions.¹⁷ The decisions reached at these meetings were passed on to the Open Submissions Committee of Area Policy Board #3, who have the responsibility to rate the funding proposals of

Commissioner Alvarez. He has a small political base centered around his control of patronage jobs through the two anti-poverty agencies he controls and through the tenants' association of Baruch Houses. At the suggestion of Commissioner Alvarez he became a member of The Association of Community Service Center's Board of Directors and subsequently he and a few of his associates gained control of the Board of Directors of the Association, thus expanding his power base. In effect, RN now controls four of the anti-poverty programs on the Lower East Side which service a predominantly Hispanic population with funding of almost \$1,000,000.

¹⁷ This information was obtained from a letter and package of information sent to community leaders dated August 26, 1981, prepared by the Chairman of the Board and the Executive Director of The Association of Community Service Centers, Inc.

community organizations in a fair and equitable manner.

Among the funding recommendations of the Open Submissions Committee of Area Policy Board #3 on September 28, 1980, were the following: It's Time completely defunded; Action For Progress, \$77,037, down 54% from the previous year; The Association of Community Service Centers, \$298,590, down 30%; and United Jewish Council, \$150,766. This was the first time that United Jewish Council had ever received anti-poverty monies.

Because of these actions, It's Time and Action For Progress initiated legal action against Area Policy Board #3. Among the irregularities stated in their complaint dated October 17, 1980, are the following: Area Policy Board #3 operates without By-Laws as mandated by the Community Services Administration's regulations; the Board has illegal members serving on it, one of whom is a resident of the co-ops on Grand Street and a member of the United Jewish Council; a conflict of interest exists between It's Time, a plaintiff in a civil rights action against the Grand Street cooperative (Huertas v. East River Housing Corp., et al., 77 Civ. 4495 R.L.C.), and five cooperative shareholders in defendant corporations who are members of Area Policy Board #3; all five Area Policy Board members voted against an amendment to include It's Time in the primary schedule of funded programs, and all five voted to approve the

recommendation of the Open Submissions Committee; the Board failed to fill its vacancies; and the actions of the Open Submissions Committee were improper, arbitrary and capricious.

In sum, Area Policy Board #3 as a whole, and the Open Submissions Committee in particular, contravened mandates of the Final Plan and violated the Community Services Administration's regulations. The dominance of the Board by the political power of the Truman Club is contingent upon the support of the Commissioner of the Community Development Agency, the Administrator of the Human Resources Administration and the Mayor of the City of New York, all of whom ignored the federal anti-poverty officials instructions to invalidate the Area Policy Board elections because they did not assure the maximum participation of the poor (see "Ed Koch's New Poverticians," The Village Voice, February 4, 1981).

The reorganization of the Community Development Agency and the creation of new Area Policy Boards were planned with the sole purpose of correcting the problems of the old Community Corporations. However, as we have seen, Area Policy Board #3 has failed to address these problems. But more importantly, the restructuring of the Community Action Program has effectively broken the Hispanic control of the anti-poverty agencies of the Lower East Side.

7.4 THE LOCAL SCHOOL BOARD: DISTRICT #1

In 1969 the state legislature passed the School Decentralization Act, designed to alleviate the failure of the public schools to educate adequately for large numbers of children, particularly minorities. The long-range goals of school decentralization were, according to a report published by the city,

to improve pupil competency, to obtain professional accountability, to reconnect schools with communities, and to end parent alienation from the schools. However, the bill's proximate goals were largely political and social--in particular, to end City-wide confrontations and polarization over educational issues" (School Decentralization in New York City 1974:46).

The passage of a weakened school decentralization act in 1969 resulted from the teachers' strike in 1968, a reaction to New York State's 1967 legislative step requiring the Mayor to submit a plan for educational decentralization to the 1968 Legislature. The United Federation of Teachers (and other school unions) actively opposed a strong decentralization plan. The consequences of the teachers' strike for school decentralization were summarized in the State Charter Revision Committee's report. It noted:

1) The United Federation of Teachers emerged stronger than ever, with even more powerful allies, and determined to use its influence to block any attempt at political decentralization or "community control."

2) The polarization between white middle-class communities and black and Puerto Rican communities increased the difficulty of passing any strong decentralization bill (1974:40).

As a result of these factors, and as Krasner points out:

In 1969 the state legislature passed the Decentralization Act, which was ostensibly designed to increase community control of public schools. In practice the act did just the opposite. White, middle-class majorities supported by the United Federation of Teachers (UFT), the Regular Democrats, and organized religious groups, have dominated the community school boards created by the act. In alliance with the newly empowered district superintendents, these groups have acted to preserve their own power, and have deferred to professionals in making policy (1980:58).

In 1970 the first school board elections were held. District One, the Lower East Side, was noted for the hostility and bitterness of its school board elections. District One has "a history of racial strife between Black and Hispanic families whose children account for an estimated 90% of school enrollment and a white, largely Jewish population that has remained usually in control of the nine-member school board" (The Other Paper, April 21, 1980:9).

Special-interest groups have dominated community school board elections. The United Federation of Teachers, the churches, local poverty organizations, and the Democratic and Republican clubs represent well-organized groups that are more successful in bringing out the vote than local parents' groups (State Charter Revision Committee Report 1974:65). In District One the United Federation of Teachers and other school unions have dominated the election process.

Candidates endorsed by union organizations are assured of a well-financed, well-organized campaign for their election. As in the political campaigns the traditional campaign devices ("in-kind" assistance) were ever more important than money. The use of office space, telephones, clerical services, publicity and political networks, exchange of information, printing, door-to-door canvassing and circulation of petitions are highly effective in any election process.

As a result of these factors, for almost ten years District One has had a white voting majority on its school board. In 1973 six of the candidates backed by the United Federation of Teachers won election, regaining control of the community school board. Krasner (1980) observed that the election success in District One was dependent on the support of the school unions and their allies, the Democratic club, and Jewish organizations and various synagogues who conducted very intense canvassing and pulling operations in the cooperative buildings along Grand Street and the housing projects on First Avenue (Village View). Krasner noted "twelve election districts, including the Grand Street Co-ops and the First Avenue projects, contributed two-thirds of the UFT vote" (1980:66).

The May 1980 school board elections in District One saw a slight gain in minority (Black and Hispanic) representation.

Three of the nine contested seats were won by the Parent/Community Team, a coalition of minority candidates and community organizations. The Brotherhood slate, made up of members of the United Federation of Teachers and the Council of Supervisors and Administrators, won six of the nine seats. The Brotherhood slate was also endorsed by the Jewish press and the Organization of Orthodox Jewish Teachers. One of the newly elected school board members from the Brotherhood slate had connections with the Harry S. Truman Club, and another was linked to the Community Board and the United Jewish Council. Attempts were being made by a well-known and respected minister (and a newly elected school board member from the Parent/Community Team), in conjunction with the moderate Chairman of the School Board, to reduce the tensions and hostility between the minority and white, middle-class factions on the School Board.

7.5 THE INSTITUTIONALIZATION OF PLANNED SHRINKAGE

The preceding analysis of these four local institutions reveals the mechanisms by which political representation is denied certain groups on the Lower East Side. A politically dominant white group in the Lower East Side, in conjunction with elected politicians and administrative officials, effectively realigned the institutional framework through which local residents were incorporated into larger political structures. Since 1975, the city's retrenchment

programs and the reorganization of the city's resources for the Lower East Side has come about, in part, through the implementation of the unofficial policy of "planned shrinkage" in two ways. First, on the municipal level, service cutbacks to low-income neighborhoods have closed schools, hospitals, fire and police stations, and curtailed or eliminated vital social services. Job layoffs and attrition in the public sector and in manufacturing have also added to the hardships faced by residents in these areas. The Hispanic neighborhood of Loisaida provides the most dramatic and vivid example of the deteriorating effects of these city-wide cutbacks.

Second, in the Lower East Side, institutions have been effectively restructured to deny low-income people, particularly minorities, representation, thus underscoring their economic and political disenfranchisement. Low-income groups, the poor and the working poor, were systematically excluded from the local institutions which were designed to encourage their political participation and incorporation. For example, we have seen this process at work in the Area Policy Board, the Community Board, the local School Board, and the Democratic party. Thus, the "institutionalization of planned shrinkage" refers to the way the electoral process, with its middle-class bias, joined local political structures, systems of class relations, and government policies. In concert with the city administration, a

stable, politically well-organized, white population was able to direct the major planning and policy decisions favorable to its own local interests. New York City's 1975 fiscal crisis produced the economic climate and ideological rationale for the transformation of the city's economy in order to accommodate the changing demands of the growing service industries. The city administration encouraged programs that would attract new businesses, middle-class and white-collar employees, and provided appropriate housing through subsidies and tax abatement programs. At the same time, the superfluous blue-collar workers and the residential communities in which they live were neglected by the city through the administration's policy of planned shrinkage.

7.6 THE ROLE OF LOCAL ORGANIZATIONS

In this section I return to the three organizations that took part in the Seward Park Extension Urban Renewal Project in order to examine their role in the planning process. At this point I look at them in relation to the local political structure discussed above and the more encompassing city-wide policy changes that occurred during this event. The political integrating functions of local organizations are of special importance because organizations operate at the critical interface between local populations and higher-level institutions. A political perspective necessarily

looks at organizations as instrumental political institutions, as mechanisms for coordinating collective effort in the pursuit of group goals (Rich 1980). This perspective follows from the fundamental premise that shared interests, in general, promote group action. In this case these interests are shaped by ethnic and class identities, struggles over scarce and valuable housing resources, and struggles over urban space. They are expressed through organizational activity.

Local organizations provide important linking functions in many ways. However, the linking roles organizations play and the strength of the linkages are dependent on and determined by a number of factors. For the purposes of this study I single out two sets of characteristics which affect the ability of an organization to carry out its objectives. First, I note the internal characteristics of the organization: that is, what type of structure or form does it have, and what are the resources available to it?

Second, and related to my first point, are the external factors which act on organizations. The dynamic articulation between an organization, its membership and neighborhood conditions, and the ways organizations are linked to wider political and economic processes form part of the political arena in which policy formulation and its subsequent implementation are carried out. Urban planning,

particularly urban renewal, as Castells pointed out (1977), is an example of state intervention in the organization of space and in the production of social conditions in urban localities. For these reasons state policies are also included in the framework of political arenas.

In a very fundamental sense, the strength of a local organization depends on its ability to link the interests of the population it serves with the larger political system through which it must operate and by which it is constrained. For example, the outcome of the Seward Park Extension Urban Renewal Project illustrated the complex relationship among local organizations, political power, and planning decisions. In the following discussion I look at and contrast the United Jewish Council and the Lower East Side Joint Planning Council with these factors in mind. Chinatown Planning Council is not included in this analysis at this point because it lies outside the political jurisdiction of the 63rd Assembly District and is not governed by the same political structures.

The United Jewish Council. This organization's role in the Seward Park Extension issue was to prevent the construction of public low-income housing in an area that it claimed as its own. The middle-class life-style that its leaders were struggling to gain and maintain was perceived to be threatened by the proposed project. Through a

combination of ethnic and class arguments the United Jewish Council lobbied elected officials, particularly Board of Estimate members who were politically sensitive to this organization's electoral clout. For the duration of the Seward Park Extension issue, the United Jewish Council activated its diverse resource networks. It pulled together local support and city-wide affiliational support that it was then able to link with its command of the Democratic vote on the Lower East Side. Indeed, the power of the United Jewish Council was the result of these interorganizational ties, and this formed its resource network that rested upon the cohesiveness and stability found in its ethnic identity, electoral strength, middle-class interests, and residential characteristics.

The strength of this organization derives from its interlocking sets of local interests, that is, its ethnic identity, religious affiliations, residence, and various neighborhood associations. The United Jewish Council represents an organization that is linked through its leadership and membership to a local neighborhood, a residential enclave, in which local leaders and their constituency are joined in their residential relationship to the 4500-unit publicly subsidized cooperative apartment complex located on East Broadway and Grand Street. This neighborhood consists of a primarily white, Jewish moderate- and middle-income population organized around a single and

unifying ethnic identity. The merger of the Essex Delancey Neighborhood Association with the United Jewish Council in the early 1970s was an important strategy move, for it gave this community a single, unified political voice. It was during this time that the United Jewish Council and its ally, the Harry S. Truman Club, began actively to build a political machine. Such ethnic and political cohesiveness is one of the most important social resources this group possesses.

The organizational strength of the United Jewish Council also derives from other sources. It has a well-informed and active constituency that derives from its residential propinquity ("turf") and the sharing of an ethnic identity which, while not always activated, nonetheless provides a latent source for group action and identity. The United Jewish Council provides leadership which is representative and highly integrated with other aspects of community life---schools, synagogues, political parties and businesses. Because of this the organization's accountability to its constituency is well developed, as are its communications functions (it also publishes a newsletter). In short, the United Jewish Council represents a "community of interests," that is, direct links through residence, associations, and community institutions provide an interlocking structure through which the leadership of the United Jewish Council effectively promotes and protects the interests of its constituency.

The leadership of the United Jewish Council is Orthodox Jewish, although Orthodox Jews represent only part of this population. This leadership is middle class and is defined as such by the traditional criteria of education, income, and occupation (as we have noted for the Community Board membership). Secured in middle-class jobs, this leadership has a consistent and enduring quality to it. The knowledge and expertise acquired over the years remains within the same group of political actors. The economic and political interests of the United Jewish Council are also aligned with middle-class interests elsewhere on the Lower East Side and in the city-at-large. This is so, even though as a social service agency it provides services for elderly poor and newly arriving immigrants.

Indeed, one of the strongest characteristics of the United Jewish Council stems from the fact that it is a multi-functional organization. It serves as an umbrella organization, coordinating the activities of its member organizations, while simultaneously functioning as a social service agency with a professional staff. Thus, it couples the provision of social services to a local population with economic and political planning for the neighborhood. Through its Board of Directors and paid staff, it acts to protect and advance the interests of the community through frequent interaction between its local networks and administrative links. In addition, by linking its middle-

class interests with other Lower East Side organizations and institutions, as was frequently observed during Community Board meetings, as well as administrative and city-wide policies favorable to these interests, it solidifies its control over the area.

This control over the locality is maintained through a complex system of network and organizational interaction. The United Jewish Council or one of its allied members has representatives serving on each of the four local institutions discussed above. The same sets of actors maintain prominent positions in overlapping political roles. The Board of Directors of the United Jewish Council is linked to local religious organizations, settlement houses, political clubs and politicians, commercial and businessmen's associations, professional associations, administrative agencies, as well as national and city-wide Jewish organizations. The United Jewish Council serves as the nodal point for horizontal and vertical network interaction along which flow access to decision-makers and other organizations, information, and political and economic support.

These network linkages are primarily reinforced and strengthened by the political system, particularly the electoral process (as noted in the analysis of the 63rd Assembly District). Longtime residency in the Lower East

Side provided a political advantage for this ethnic group because it was able to revitalize the old party machine for its own purposes. This was not an uncommon occurrence; as Katznelson notes, "the political clubs and parties became the defense apparatus of the old group" (1981:133). Thus, the intertwined relationship of the United Jewish Council and the Harry S. Truman Club, and its control of the Democratic vote in the Lower East Side is the single most important source of this organization's power. However, this control of local politics is derived from the complex interplay among the revitalization of ethnic identity, state policies, and their conjunction in struggles over education, housing, and funding. Many events over the past thirty years have contributed to this highly politicized environment. Here, we note the in-migration of poor, unskilled immigrants, primarily Chinese and Puerto Ricans, the lack of decent and affordable housing, and the government policies which were designed as remedial measures for low-income groups. These factors heightened the tensions between various groups in the Lower East Side and encouraged the political organization of ethnic populations.

Three public policies are noteworthy for the local political response they provoked---urban renewal, the federal "War on Poverty", and the 1969 School Decentralization Act. All three policies politicized local group differences because of the allocation of government

funding and the threat to local systems of community control. White ethnic response to programs in which federal monies were targeted for inner-city populations, people who were not only poor, but Black and Hispanic as well, produced a series of local-level conflicts over the use of public resources. These conflicts were ultimately resolved through the City's traditional pattern of ethnic politics, historically associated with the party machine (Bresnick 1977, Katznelson 1981). Katznelson's comments regarding urban politics and class patterns are pertinent here. From his research he observed:

In this institutional context, city struggles came to revolve, first around two territorial based political blocs---white ethnics vs. Blacks and Hispanics--and, second, around the ways these blocs were tied to the party and bureaucratic institutions of local government (1981:130).

As I have shown, ethnic and class conflicts in the Lower East Side were intimately linked to state policies and the formal political system of the City. This analysis has demonstrated that the electoral system favors middle-class interest groups who can use the power of their collective vote as a potent sanction.

Acting as the spearhead for a local constituency, whose political activism was due in no small part to the protection of its entrenched interests, particularly its claim to one of the best housing resources in the city, the United Jewish Council in concert with its political arm, the

Truman Club, continually mobilized and activated political support along ethnic and class lines. The political participation of stable well-organized groups has been generally associated with levels of education and occupational status. However, as Rich (1983) points out, recent research indicates that participation is statistically related to demographic variables that indicate the degree to which people are rooted in their community (home ownership, length of residence, and anticipation of continued residence in the neighborhood). The redevelopment of the neighborhood along Grand Street and East Broadway through garment-union pension fund financing and urban renewal funding and its subsequent monopolization by white, Jewish, moderate- and middle-income residents established the ethnic/class foundation upon which the United Jewish Council's organizational success was built. As Gittell observes, "Ethnic organization in American cities has provided a political basis for improved mobility" (1980:24). Federal, state, and city governments and their bureaucratic agencies not only facilitate ethnic organization, but additionally link ethnicity with class processes through participation in the electoral process and through the distribution of public resources (Castells 1977, Katznelson 1981, Piven 1974).

Residential propinquity, a congruity of ideological, religious, and class interests, as well as a common vision

of the community, found their organizational expression through the United Jewish Council. The articulation of this organization and the population it served with other white middle-class groups on the Lower East Side and the city administration was achieved through the formal political party organization (the party machine), that is, through its local extension, the Harry S. Truman Club. In turn, the City, through its elected and appointed representatives, reinforced the political strength of the United Jewish Council. It yielded to its demands on the Seward Park Extension issue because of this group's electoral strength. But even more importantly, it augmented the power of this group through the failure of city agencies to uphold federal laws. For example, the Area Policy Board allocated anti-poverty funds to the United Jewish Council, a social service agency with a non-poverty Board of Directors (a violation of federal guidelines upon which a formal complaint was filed with the Community Development Agency). Additionally, the City's housing agency failed to enforce the Fair Housing Law thereby allowing the non-integrated occupancy of the 4500-unit cooperative project. Thus, the strength of the United Jewish Council derives not only from its internal resources, but also from the benefits it derives from the state, particularly its elected government.

The Lower East Side Joint Planning Council. When we turn to examine the Joint Planning Council, a very different

organizational picture emerges. As we have pointed out, the United Jewish Council was marked by its organizational cohesiveness and stability, reflecting the socio-economic characteristics of the neighborhood and population it served. In contrast, the Joint Planning Council was an advocacy organization, forged in the heyday of the Civil Rights and Community Control movements. The leadership and members of this organization were drawn from a wide variety of local, neighborhood-based organizations (particularly housing activists). Thus, it only had indirect ties to a local population. The Joint Planning Council did not serve a specific local population rooted in a single ethnic identity.

As an advocacy group, the Joint Planning Council served a set of ideals rather than a special-interest group. The Joint Planning Council represented all low-income people in the Lower East Side who were in need of decent and affordable housing. Moreover, it advocated a vision of the city in which the rights of low-income people were preserved and maintained, a city of diversity and social justice. These ideals characterized the organization, attracted its membership, and set its goals.

However, such ideals are not easily translated into a unified political power base. According to Piven:

We mean by "political power" the ability to control actions of the body politic (i.e., actions of the community expressed through its political

institutions). We mean by "political resources" the attributes by which individuals and groups gain power, or exert influence in these community actions (1974:73).

A number of factors contribute to the low level of political participation and their lack of political power and resources. Low-income people in the Lower East Side did not control local institutions, as we have discussed above. Aside from the realignment of these local institutions to suit white middle-class interests, we may also note that low-income people are marked by their fragmentation and instability (the instability that accompanies the lack of material resources, that is, stable, well-paying jobs and decent housing). The fragmentation of this group runs along several major axes. Low-income people constitute a heterogeneous population. They comprise ethnically and racially diverse groups---Blacks, Chinese, Puerto Ricans (other Hispanics), as well as, Whites. Moreover, these groups are residentially and geographically dispersed. As a result, no common ethnic, racial, or neighborhood identity binds this particular group of people into a single, cohesive entity. The commonalities of their class position are masked by language, racial, and cultural differences, as well as the ethnic factionalism generated by the claims of many organizational leaders who represent specific ethnic interests. A case in point was the schism that developed between Chinatown Planning Council and the Joint Planning Council over the Seward Park Extension Project. The

manipulation of ethnic differences by local political groups and the city administration was a partial reason for the inability of these two groups to resolve their differences and work together for a common cause---low-income housing.

In the Lower East Side, low-income groups are also politically fragmented. For example, the Chinese live in the 62nd Assembly District, and generally do not vote. Yet planning decisions, as we have seen from the Seward Park Extension case study, are implemented through Community Board #3 which is located in the 63rd Assembly District. A political mosaic marks the Lower East Side and, in general, low-income residents are underrepresented at all levels of government. This lack of representation can be explained, in part, by the failure of the traditional party system to incorporate and socialize the contemporary poor, and by the development of parallel political institutions fostered by the federal anti-poverty programs (see Katznelson 1973). The participation and incorporation of low-income minorities through local anti-poverty agencies has removed them from formal party organization and has essentially placed their leadership in dependent and subordinate political positions. Many of the leaders of the Joint Planning Council were drawn from anti-poverty agencies, a factor which seriously impaired the development of their formal political networks. The one minority political club, the New Jibarco Club in Section C that represented the Puerto Ricans of Loisaida,

fell under the political dominance of the stable, well-organized white power-bloc of Section A and Section B. No one from this Club was a member of the Joint Planning Council, nor did this club support the Joint Planning Council on the Seward Park Extension Project.

The marginal economic position of low-income people in the Lower East Side also has political implications. Forced, by necessity, to find housing they can afford, wherever it is available, many live in the most deteriorating areas. The buildings in these areas are also subject to landlord abandonment and arson that further reduces the number of housing units available to this group. In more favorable low-income areas gentrification displaces many poor residents. Depressed neighborhoods such as Loisaida find their population in decline, and preliminary attempts at political organizing are frustrated by a shifting population base.

Housing for low-income people is a scarce commodity in the Lower East Side, and where it is available, it is primarily in tenements. Public housing apartments are limited, turnover is minimal, and thousands of applicants are placed on extremely long waiting lists. Overcrowding prevails in the public housing projects. It is not uncommon for several families to share a single apartment. The lack of decent and affordable housing, a basic human need, is a

daily problem for people trying to improve the quality of their lives. Under these conditions politics is of secondary importance, a fact many Joint Planning Council members and community organizers have noted.

When I speak of the instability of low-income people I am referring to their lack of material resources, that is, their marginal economic and social status, their loss or lack of jobs, and their lack or need of housing. Unlike the United Jewish Council's constituency, the poor lack the resources necessary for organization: money, organizational skill and professional expertise, and personal relations with officials (Piven 1974:80). These conditions undermine the ability of community activists to organize low-income neighborhoods. But even more importantly, the social service support systems targeted for these areas are also declining. Local social service agencies are suffering from the loss of federal, state, and city funding. Services and programs are seriously curtailed or eliminated. After years of community work, many social service agencies have closed their doors, and their community organizers have left the area.

This type of fragmentation and instability is reflected in the organizational structure of the Joint Planning Council. Its leadership and core members are a diverse group of volunteers, made up of liberal Jews, Puerto Ricans,

and others who are united in their advocacy goals. Diversity marks its membership, as does fragmentation. For example, the Black leadership in the Lower East Side has remained outside the membership of the Joint Planning Council. Several Black leaders stated that they did not think their interests would be advanced by the Joint Planning Council which they regarded as a Puerto Rican organization. Therefore, they organized separately, and did not participate in Joint Planning Council activities. Even among the Puerto Rican leadership ethnic interests were fragmented. The New Jibaro Club and the Joint Planning Council distrusted each other, and cooperation on matters of mutual interest was never achieved. The Joint Planning Council also has no funding, except for nominal membership dues, and no paid staff. The scope and nature of this organization's work was limited by these factors. With the exception of a small number of long-time core members, the general membership ebbed and flowed due to the changing economic and political conditions experienced locally and city-wide. Because of its internal structure and the external conditions affecting the low-income population it spoke for, the Joint Planning Council remained an advocacy group rather than a political organization. The political organization of the class interests of the Lower East Side's low-income population remained outside the collective capacities of the Joint Planning Council.

As a consequence of these factors, the Joint Planning Council's advocacy role was limited by its inability to back up its demands with an effective and enduring electoral bloc vote. The Joint Planning Council promoted its interests through a limited set of administrative links. For the Joint Planning Council, the political process consisted primarily of relations among its leadership, agency personnel, and official decision-makers. But even these linkages were neither consistent nor enduring. Agency personnel, particularly the administrators of the City's major bureaucracies, must carry out administrative policies. And, certainly, since 1975 these policies have been inimical to low-income people's interests. The important planning gains made by the Joint Planning Council in the Seward Park Extension Project were achieved prior to 1974. At that time changes in the national housing policy and the city's slide toward bankruptcy signaled an end to the serious involvement of local organizations advocating more subsidized housing. My data reveal that since 1974, under a number of the city's housing administrators, the early gains made by the Joint Planning Council have been completely removed, revealing one of the ways the housing agency implemented the city's policy of planned shrinkage. Even more recently, many of the Joint Planning Council's organizational members have systematically had their funding reduced or they have been defunded completely. It's Time, Action For Progress, Cooper

Square Committee, Pueblo Nuevo, and Adopt-A-Building have suffered financial crises which have had an impact on the resources available for the Joint Planning Council. Financial uncertainty has diminished the time and energy Joint Planning Council members have to pursue their housing goals.

Lacking formal political support (the local City Councilmember was the one exception), the Joint Planning Council used the judicial system, where possible, to achieve its goal of integrated housing (for example, the Huertas and Ctero cases). But court cases, in general, are expensive and time-consuming. Years of delay marked the legal process, and, in the meantime, diminished the collective energies of the Joint Planning Council membership. Another resource used by this organization was the press. Whenever it was timely, the Joint Planning Council initiated news conferences and issued press releases pertinent to the issue at hand.

The Joint Planning Council's resource networks were limited compared to the United Jewish Council's. Constrained by the lack of funds, personnel (full-time, paid staff), and political power, their networks were more vertically oriented, that is, geared to linkages outside the area--the press, the administration, and the legal system. The Joint Planning Council lacked city-wide support from

other housing and ethnic organizations and political groups. Its local horizontal networks were limited to the leaders of neighborhood organizations and community activists, rather than the population-at-large. Participation at several publicly held meetings by local residents was poor and a local communications network remained undeveloped.

Acting as the spokesman for all low-income people in the Lower East Side, the Joint Planning Council, for practical purposes, spoke for none. It could not use an ethnic identity to organize politically, and the development of a class consciousness was dependent, in part, on the recognition of similarity, rather than differences. Unlike the United Jewish Council's constituency, who used their ethnic ties to activate a collective class response to the Seward Park Extension urban renewal conflict, low-income people in the Lower East Side differentiated themselves along the lines of ethnicity, race, and status (welfare recipients versus the working poor). In turn, the city's political system encouraged this divisive differentiation. Commenting on this subject, Katznelson observed:

Ethnicity is used as the basis for the allocation of new urban rewards; where a sense of ethnic consciousness is lacking it is sometimes created to provide authorities with manageable, manipulable constituent links (1973:477).

The political organization of class interests for the Joint Planning Council was never possible because of the conjunction between ethnic and racial differences and the

state's (elected government) response to it. The Janus-like characteristics of ethnicity can be observed by contrasting the United Jewish Council and the Joint Planning Council. In the former, ethnicity was used as a vehicle for class formation, that is, ethnicity was used to cement class ties. In the latter case, ethnic and racial divisions were used to fragment low-income people's attempts at coalitional movements in opposition to administration policy. Moreover, the political parcellization of urban rewards along ethnic and racial lines, and the unequal distribution of public benefits exacerbated local differences and fostered competitive and conflictual patterns of group interaction among the poor and working class. Here we may also note the systematic attack on local organizations representing the poor. The Joint Planning Council provides an example of the way federal, state, and city governments act against groups advocating reform and remedial measures for those who are economically and politically disenfranchised. Because such organizations are dependent on external funding, they are vulnerable to policy changes that curtail or eliminate their sources of income. Many of the Joint Planning Council's constituent members have been recently defunded by the city's Department of Housing Preservation and Development (Community Management Programs) and the federal anti-poverty programs (Area Policy Board's allocation). Thus the continuance of the Joint Planning Council as a viable community organization is seriously threatened.

7.7 THE DUAL ROLE OF LOCAL ORGANIZATIONS

When we reconsider the dynamic interrelationships among the three local organizations and their interaction with various levels of government in the Seward Park Extension urban renewal conflict, the dual role they play is striking. On the one hand, local groups, with specific interests to advance, frequently organized around issue-specific problems. And, as we have seen, these issues are further linked to the ethnic, racial, and class dimensions of community life. By class I am not only referring to the structural positions people occupy in the economy, but also I include those neighborhood characteristics, or quality of life issues, such as housing, service delivery, and other associational and communal activities that are instrumental in promoting the development of class consciousness through political activity. Here, too, I would include the policies of state intervention in the organization of urban space and in the production of social conditions in urban localities. In general, community organizations have been viewed by social scientists, urban planners, and activists as vehicles for social change, their main dynamic springing from local energy and initiative, whether federally prompted as in the "War-On-Poverty" programs or indigenously generated. Collective organization and local action were seen as key factors in successful urban planning. In this view, commonly held by pluralists, community organizations were

charged with the responsibility of promoting and protecting the interests of their constituencies with the help and mediation of a benevolent and neutral government.

But, on the other hand, and less directly perceived, community organizations are used by the state as local vehicles to carry out and implement administrative policies. The Seward Park Extension urban renewal conflict illustrated the way the city managed the implementation of its policies of economic development and planned shrinkage through the manipulation of the involvement of the United Jewish Council, the Joint Planning Council, and the Chinatown Planning Council. Transformations in the city's economy were paralleled by policy changes in which subsidized low-income housing was no longer even a minor priority in the economic recovery programs launched by the City since 1975. City government, in an attempt to maintain some semblance of legitimacy and acting as a buffer between competing ethnic, racial, and class factions, did not act directly against its low-income constituency. Rather, the resolution of these conflictual demands were played out locally through organizations representing these different interests. Local residents, the press, and even politicians and agency personnel perceived the Seward Park Extension conflict as an ethnic conflict----Jews against Puerto Ricans----and, in a lesser sense, as class conflict---the poor vs. the middle class. Yet, in its deus ex machina role, the city

administration, through its elected government, orchestrated the outcome of the Seward Park Extension controversy by concealing its function of maintaining the status quo, that is, the system of class relations upon which it is dependent. By encouraging the organizational development of ethnic and racial factionalism, governments mask their real role and continue to divide local groups by fostering competitive struggles over scarce resources. The United Jewish Council's victory was, in reality, a triumph of the state's ability to resolve the contradictions of class conflict by politicizing local ethnic and racial differences.

Chapter VIII

CONCLUSION: URBAN RENEWAL AND ALIENATED POLITICS

The nature of the relationship between state and local-level domains has long been of interest to a number of anthropologists. However, the impact of external forces on the social organization of communities (localities), especially the local political responses that emerged from changing political and economic conditions, has raised many questions. These questions are concerned with the nature of class relations in advanced capitalist societies: that is, how are class relations manifested at different social levels? How is power institutionalized and expressed? And, finally, how do these factors affect the social and political integration of subordinate or exploited groups? This study has attempted to address these issues, and has focused on the economic and political processes that structured the interrelationships among class, ethnic, and racial groups in a complex urban setting. Some of the dimensions of state/local relations are revealed by examining the sets of linkages that joined diverse neighborhood-based groups with urban political systems and the state interventionist policies of urban renewal.

Since World War II state expansion of its sphere of activity into urban localities has played a crucial role in the shaping of urban environments and also in the way local groups respond to state policies and planning decisions. The allocation or distribution and consumption of state (public) resources has prompted a variety of political responses, one of which was the Seward Park Extension urban renewal conflict. With the onset of national and city-wide fiscal crises in the mid-1970s, this political activity has been dramatically intensified as planning and policy decisions have been modified to suit new sets of economic imperatives. This study has attempted to integrate a political analysis of a local urban renewal conflict with the supralocal processes of capitalist development and accumulation in the belief that urban localities and the diversity found within them could be better understood by looking at the external forces that impinged upon them. In particular, this thesis was concerned with the effects of government policies that tend to emphasize the separateness of different social groups.

Following the holistic tradition of anthropological inquiry and using a political-economic perspective, I selected certain sets of strategic relationships as significant for this study. The relationship of class processes to patterns of ethnic and race relations was of primary importance. My initial assumption was that a class

analysis of ethnic conflict would yield more significant insights than standard cultural explanations of the same phenomenon. More importantly, it was necessary to move away from purely categorical formulations with their inherent static and bounded limitations and look at the processual dynamics of this urban renewal conflict and its effect on local behavior. For this purpose certain conceptual aspects of a Marxist theory of the state were integrated with the traditional ethnographic study of localized events. To this end two analytical concepts were used, state intervention and collective consumption, both of which imply the notion of change, process, and variability in their application. These two concepts point to the linkages between capitalism and urban development and highlight the class aspects of conflict situations. State intervention refers to the role government has in influencing or determining local affairs. Collective consumption is related to one aspect of state intervention, the distribution and use of public resources by individuals and groups. With these theoretical concepts in mind, my research focused on the Seward Park Extension urban renewal conflict in Manhattan's Lower East Side as a vehicle for illustrating and explaining the intertwined relations among class, ethnicity, and race in a contemporary urban context.

8.1 SUMMARY OF RESEARCH FINDINGS

The most general finding of this research was that urban renewal, like many government policies and planning decisions, continues to create a state of alienated politics at the local level. By alienated politics I refer to the definition put forth by Wolfe, who writes:

Politics in general represents the social relationships among people, the ways they co-operate and refuse to co-operate with each other. But in capitalist society politics is replaced by alienated politics, which can be defined as the process through which people in similar positions are separated from each other, forced to compete instead of co-operate (1974:148).

Alienated politics in the Lower East Side is also produced by a number of other social and policy forces (see below). The implementation of the Seward Park Extension Urban Renewal Project was one of the more dramatic of the processes that splintered local residents and organizations.

Urban renewal policy, as described in Chapter 4, developed during the worst financial crisis this country has experienced, the Great Depression of the 1930s. Designed to remedy a national problem, to help municipalities rebuild their central-city slums, urban renewal policy combined contradictory objectives. It was assumed by planners and politicians alike that slum clearance and the construction of low-rent housing would not only address the problem of housing the nation's poor, but would also stimulate the economy by providing jobs and bolstering the faltering

construction industry. The inherent contradiction between the collective and social goals of urban renewal legislation and the individualistic profit-oriented drive of market production was the source of much confusion and debate over what constituted the objectives of urban renewal. From its inception urban renewal was a politically fragmenting phenomenon.

Urban renewal policy also illustrates the necessary role the state assumes in capitalist development. Conceived in crisis and designed to ameliorate one of the many contradictions generated by the accumulation process (for example, the private marketplace cannot provide adequate low-rent housing), urban renewal policy reveals the dual trajectory of the expansion of state activity. On one level the state acts to insure the conditions under which capitalist accumulation can take place, and indeed, the state's intervention in capitalist production is becoming more and more direct. On another level, the state has a parallel function to perform, contributing to capitalist reproduction of the labor force. State budgetary expenses flow from these necessary functions. Government, therefore, provides a variety of services such as subsidized housing, transportation, schools, and other social services required to help maintain the labor force. Because these goods are collectively provided and used (the distribution of allocation of public resources), Castells (1975) has labeled

this process collective consumption. Urban renewal policy was embedded in this structurally necessary state function. Its programs reached into the very center of neighborhood life, altering the material and social conditions found there.

The preceding analysis of the implementation of an urban renewal project on Manhattan's Lower East Side uncovered three distinctive patterns, which are related to this overall finding of a general climate of alienated politics: (1) residential segregation, (2) differential resource distribution, and (3) political fragmentation. These patterns reveal and underscore the repetitive and dominant nature of the divisive and antagonistic relationships commonly found among local groups and reinforced at many levels of social and political life within the Lower East Side.

Residential Segregation. In Chapter 3 we have seen that the Lower East Side is a residential area that is marked by diversity. Many cleavages exist among local residents, the most important of which are centered around class, ethnic and racial distinctions. Neighborhoods reflect these differences and are further characterized by the types of housing stock available to local groups. In general, low-income groups (the poor and the working poor) and, in particular, Chinese, Blacks, and Hispanics, tend to cluster

in those areas that have the worst housing (deteriorating Old- and New-Law tenements) or they are located in the publicly subsidized low-rent housing projects. Whites predominate in the newer publicly subsidized moderate- and middle-income housing developments and better older buildings. The minor income distinctions found in housing policy guidelines were used to further differentiate local populations. Income, in addition to race, became another tool in facilitating residentially segregated neighborhoods.

It has been observed generally that urban populations tend to distribute along the lines of income and race (Rich 1980). Historically in the Lower East Side, newly arriving immigrants tended to establish and settle in ethnic communities, in part explaining the area's population distribution. However, the thrust of this research has been to demonstrate that the residential patterns I observed did not result solely from individual preferences or choices. Rather, this pattern is significantly determined by government housing policies, funding, and planning decisions. The development of residentially homogeneous neighborhoods was facilitated by planning decisions that favored some groups over others. The case study of the Seward Park Extension urban renewal conflict (Chapters 5 and 6) has shown that the implementation of government housing policies, particularly those associated with urban renewal development, was linked to local systems of political

control and the control of the decision-making process by a select and limited number of people. The fact that below-market-rate housing became the captured prize of select groups is related to the city's system of patronage politics, the parcellization of housing resources along class, ethnic, and racial lines, and the circumvention of federal housing guidelines. Noteworthy here is the unique relationship that developed between the sponsor/developer guidelines of federal housing policies and party politics. Sponsoring organizations and developers have been frequently aligned with specific class, ethnic, and racial interests. The construction of large-scale housing projects by private developers and community organizations allowed these special interests to be reflected in the selective occupancy of their buildings by controlling tenancy. Housing resources, to the extent that they are publicly subsidized and are distributed or allocated in this way, produce ethnic/racial or class enclaves. Moreover, the non-enforcement of the Fair Housing Law and the city's urban development policies that favor middle-class interests (for example, economic development programs, J-51 legislation for luxury housing conversion, planned gentrification, and planned shrinkage) placed distributive pressures on the city's population. Certain selective groups, because of their economically and politically advantageous positions, receive a disproportionate share of housing resources compared to

other groups who are excluded on the basis of discriminatory rental practices, or are ignored in planning decisions because they are marginally integrated in the political economy of the city. This relationship between politics and planning decisions was pivotal to the outcome of the Seward Park Extension conflict as I demonstrated in Chapter 7. In short, this research has shown that in the Lower East Side, government housing policies and local politics have been intertwined with shifts in the city's economic base and have contributed to a pattern of residentially segregating local populations on the basis of income, race, and ethnicity.

Differential Resource Distribution. The disparities that exist in the distribution of material and political resources among residents in the Lower East Side are, in many ways, related to the competitive and conflictual pattern of interaction found among local groups. This study was primarily concerned with the distribution of housing resources and secondarily with external sources of funding related to housing and community development. The availability of these material resources augments, in crucial and determinant ways, the political resources of individuals and groups. Government policies are pivotal since they determine the criteria for the allocation of public resources. At the same time they precipitate a variety of political responses, a situation that may be characterized as government action and local reaction. By

focusing on the urban renewal process, this analysis emphasized the relationship between government policies and local political behavior in the regulation and distribution of resources.¹⁸

This study, as well as others (see, for example, Bellush and Hausknecht 1967, Cans 1968), has shown that urban renewal programs did not benefit the poor and the disadvantaged. Slum clearance, in effect, was the removal of one class of people---the working class and the poor, primarily Blacks and other minorities---and their replacement by another---generally, middle- and upper-class whites. However, this study attempted to move beyond these commonly shared findings by linking New York City's urban renewal development programs in the Lower East Side to other administrative housing policies and to demonstrate their relationship to transformations in the city's economic base. The data revealed that since 1974 the construction of new low-income housing and the rehabilitation of existing housing for low-income groups decreased dramatically, reflecting the abrupt halt in federal housing subsidies and the city's shift in policy, a policy emphasizing economic

¹⁸ The occupational structure and labor market processes are recognized as crucial in the overall distribution of material rewards. However, this research focused on government-sponsored programs because they are conditioning factors in the structuring of the material and social environment and the sets of social relationships found among local groups. These, in turn, act to reinforce economic processes.

development. As a result competitive pressures for housing escalated, accompanied by pressure group and demand-oriented local political responses.

Specifically, this study demonstrated that subsidized housing (below-market-rate) in the Lower East Side is distributed along two paths: publicly subsidized low-income housing is provided for a predominantly poor and working-class minority population (Blacks, Chinese, Hispanics), while publicly subsidized moderate- and middle-income housing projects are occupied almost exclusively by whites. Government housing policies exacerbate existing private dual housing market trends by allocating housing to different groups on the basis of invidious income distinctions. Minority groups are eliminated from moderate- and middle-income housing on economic grounds rather than racial grounds, thus contributing to the discriminatory rental practices that plague the private housing market. This pattern is further compounded by the failure of federal, state, and city agencies to enforce Fair Housing legislation. Certain groups, generally Blacks and Hispanics, were denied equal access to the collective (public) resources of housing, a factor that provided the recipients of these resources with a definite material and political advantage.

This study focused on housing as a primary and essential resource and as a basic and necessary factor in conditioning the social environment for individuals and groups. The planned introduction of economically-mixed housing in the Lower East Side and its differential distribution contributed to the highly divisive nature of local patterns of interaction. Class differences joined existing local patterns of ethnic and racial relations, adding yet another dimension to the organization of group interest. Urban renewal fostered this process. And, as we have seen, under the auspices of Moses' Slum Clearance Committee and the United Housing Foundation, select numbers of middle- and lower middle-class members, united in a single ethnic identity, monopolized one of the best housing resources in the city. Other minority groups, similarly situated, were denied equal access. The social inequalities that grew out of this differential pattern of housing occupancy were, in part, responsible for the rise to political dominance of members of this residential enclave, reflecting the ways in which ethnicity and class are intertwined in the political organization of this group. In part, residents in this homogeneous and segregated area were placed in a politically advantageous position by their control over the best, low-cost housing in the area. This housing advantage reinforced the group's position in the labor market and provided an environment that was conducive to improved social mobility, as well as an incentive for political mobilization.

By way of contrast, low-income housing advocates and community organizations are forced to compete at two levels for adequate housing resources. On the one hand, local opposition from stable, well-organized white middle-class groups confronts their demands for integrated housing. On the other, the city's response to the poor, particularly minorities, is measured on a scale that somehow must balance the availability of federal housing and community development funds with local political power and administrative priorities. Frequently, as this case study illustrated, this combination produced overwhelming odds against local organizations and groups promoting low-income people's interests. But, moreover, public low-income housing is ethnically and racially segregated, stigmatized as housing for the undeserving poor, or the "housing of last resort." Public enthusiasm for it has steadily eroded and with it, as Gans (1968) has noted, badly needed political support. As a result public funds for housing are skewed toward upper-income groups, reflecting the society-wide disdain toward the poor.

External funding sources for low-income areas have diminished in the face of national and city fiscal crises. Anti-poverty funding, as well as community management funds for city-owned (In Rem) housing, has been drastically cut back, thus undermining the decade-long activities of housing activists and community organizers in their quest to

revitalize deteriorated neighborhoods. The competitive pressures for public funds have intensified, and low-income groups are seriously hampered in their efforts to improve their neighborhoods and to compete in the political arena. Trapped in a vicious cycle, the poor lack the necessary resources to claim their share of public funds allocated through government programs and reverse the pattern of differential resource distribution. Destined to competitive struggles over the distribution of public funds and services, low-income groups direct their collective energies to conflicts that challenge the relations of distribution rather than the relations of production. These secondary or derivative attacks leave the fundamental core of production, upon which capitalist class relationships are based, untouched and unchallenged.

Political fragmentation. Public policies that distribute funding and services, particularly those that advance low-income interests, are divisive in two ways. First, from a societal perspective, such government policies are viewed by the public-at-large, as Piven observes, "as compensatory in nature, taking from some groups in the community and giving to others" (1974:84-85). Second, they underscore local social differences and promote the development of issue-specific interest group organization.

By way of illustrating this first point, subsidized public low-income housing falls into a broad category of distributive welfare programs, and since it is directly aimed at benefiting the poor, it has become, as Bellush and Hausknecht (1967) noted, "the target for public criticism and legislative hostility." Moreover, public housing has become stigmatized since the 1950s because it particularly benefits poor racial minorities. So prevalent is this view that public subsidies that underwrite the housing costs for moderate- and middle-income groups are euphemistically referred to by planners and politicians alike as "publicly aided," a less pejorative term, even though they are based on the same types of financial support.

Federal urban renewal programs dramatically illustrate the divisive nature of government interventionist policies. For example, the Housing Act of 1949 specifically called for federal aid to assist in slum clearance projects and low-rent public housing construction. Political opposition to the low-income housing component of urban renewal legislation was enormous. As a result, and as we have seen in the Lower East Side, urban renewal housing projects primarily came to benefit white moderate- and middle-income groups and contributed to the development of residentially homogeneous and segregated neighborhoods. Bitter protests to this type of planning arose from displaced poor minority residents and low-income housing advocates. But, at the

save time, opposition to low-income housing in certain areas met fierce resistance from neighborhood residents. Local conflicts flared, exaggerating and politicizing existing racial, ethnic, and class cleavages.

Nor is this pattern restricted to urban renewal policy that allocated very visible material rewards. I show in Chapter 7 how public policies and their institutional counterparts, designed to redistribute political power and funds, have produced new spheres of competitive and conflictual interaction. The creation of the local School Board, Community Board, and Area Policy Board stimulated the political mobilization of diverse individuals and groups who sought to enhance their control over the conditions that affect their environment. However, local politically dominant groups, threatened by the emergence of these new contenders, circumvented or blocked the legislative intent of many federal policies. (In many ways the resurgence of white ethnic identity, a defensive political response, can be attributed to this type of state intervention.) The net effect of such government policies in the Lower East Side has been to place a premium on power and control rather than on a collective and cooperative search for common goals.

Second, public policies are divisive because they underscore local differences and facilitate socio-political fragmentation. Locally, the political fragmentation that

marks the Lower East Side has been exacerbated by public policies that act to deepen the fracture lines created by the jurisdictional boundaries of Congressional, State Assembly, City Council, School Board, and Community Board districts. Representation and participation are organized in overlapping and inconsistent patterns, thwarting the development of a cohesive political entity. Underlying this political mosaic are the divisions found in ethnic and territorial-based neighborhoods. Further, within these neighborhoods, individuals and groups have organized around a diverse number of issues---housing, health care, community development, elections, and so on. Thus, the proliferation of locally-based special interest groups stems from the increased role of government intervention, that is, through policies that allocate monies for specific urban problems and segments of the population.

Funding has become one of the predominant means by which local groups are set off from each other. Federal, state, and city funding sources have promoted the organizational development of special interest groups and have fostered a climate of increased competition and hostility (see Jones 1972). Monies are targeted by legislative mandate to specialized segments of the population for selective purposes within specified territorial areas, thus creating an ever-widening schism by segregating and isolating one group from another. The dependence of local organizations

on external sources of funding has led to a pattern of distinguishing and separating segments of the population (particularly the leadership strata) into constituent units bound to the state rather than to other similarly situated neighborhood groups. The collective potential resource of people related to each other as integrated groups or communities is thus undermined by public policies that divert attention away from the conditions they share in common, and direct attention and energy toward issue-specific problems with well-defined constituencies. In this way the state, through its elected government and administrative agencies, intercedes directly in urban localities by making and enforcing decisions affecting the very nature of urban environments and patterns of group interaction found there. Local diversity, whether indigenously grounded or artificially created by public policy, is organized and manipulated to prevent the formation of broad-based coalitional movements that pose a political challenge. By deflecting participation away from policies that deal with core economic and political functions, governments insulate and protect capitalist class relationships from attack.

8.2 STATE/LOCAL RELATIONS

A central concern of this study was to demonstrate how economic and political processes affect the interrelationships among class, ethnic, and racial groups. Here, I would like to return to this problem in order to make a few general points based on this research.

First, it seems obvious that individual, subcultural, or even structural conceptualizations of the social categories of class, ethnicity, and race fail to capture their fluidity and dynamic on-going processual nature. Relational and interactive modes of analysis, while more difficult to grasp and explain with quantifiable variables, nonetheless direct attention to the multiple forces that act on and frequently become integral dimensions of the very categories we are seeking to explain. We need only to look at the concept of class, which because of its complexity seems to slip away from precise analytical formulations. In part, this stems from the fact that within the Marxist tradition class has been treated on a number of different levels of abstraction (see, for example, Katznelson 1981:200-209). This study has been guided by three distinct notions of class: (1) at the macro-level, the class relations lying behind the accumulation process and state activity, (2) the pattern of class relations objectively lived and experienced in residential communities, and (3) the processes of class

formation at this level, that is, the ways people become conscious of their class positions as they enter into struggles with other groups and politically organize and articulate their objectively determined interests. Thompson's view of class as a "happening" grows out of his conviction that "to reduce class to an identity is to forget exactly where agency lies, not in class but in men" (1978:296). Politics, from this perspective, becomes the medium through which class and class consciousness is actualized, the self-making under given conditions. This study attempted to integrate these three heuristic levels by looking at class as a process that operates at both the national and local levels, and which could best be understood by focusing on the political aspects of class, that is, the manner in which people are joined in cooperative, accommodating, or conflictual modes of interaction within a public arena. Political organization and action could thus be viewed as systems of group relationships geared toward the attainment of issue-specific goals. Moreover, this political process can take place in several broad areas, through formal government structures, office-holders, politicians, and agency personnel, local organizations and groups, and informal network patterns. Class processes infiltrate all these levels and in different forms depending on the historical period and the variety of local conditions. It is these multiple aspects of class

that were highlighted in the extended case study of the Seward Park Extension urban renewal conflict.

In brief, by following the trajectory of the urban renewal process, that is the flow of events from the national level to the city, and to the locality, I tried to show how class operates at these levels and how they are related. Macro-class processes are revealed by examining the nature of federal urban renewal legislation. By focusing on the state's need to ameliorate the worst of the social disruptions produced by the contradictions inherent in capitalist production, it was possible to locate urban renewal programs within these necessary state functions and corresponding expenditures. From its inception, urban renewal legislation was the battleground for contradictory class forces, in the broadest sense, capitalists against workers. The privatization of the public resources of Title I write-downs and federal housing subsidies resulted from this underlying class relation in advanced industrial capitalism.

Nor were these class forces restricted to the national level. In New York City, under the powerful hand of Robert Moses, urban renewal primarily benefited private developers and the white middle class. In Moses' opinion, Title I was never designed to produce housing for people of low income, even though the 1949 Housing Act called for federal

subsidies to underwrite the costs of valuable central-city land, while at the same time it called for the construction of 810,000 low-income housing units. By 1967, as Castells notes, only 480,000 units were built (1977:290); thus showing how class forces acted against the social expenditure programs for low-income groups. Additionally, the legislative intent for the provisioning of low-income housing was further compromised by modifications to the 1954 Housing Act. Further, under the 1974 Nixon moratorium, federal subsidies for low-income housing came to a halt, and when they resumed they were at a fraction of their former levels. Federal and city-wide fiscal crises, marked by economic contractions, have resulted in severe cutbacks of social consumption expenditures, while social investment expenditures increased, maximizing public benefits for upper-income groups, especially business interests.

The repercussions of fiscal crises are also experienced at the local level, and in different ways. Downward swings in the economy heighten the tensions and disparities between classes. The competitive struggle for socially valuable goods increases, and with these struggles patterns of class relations at work and in the community tend to sharpen and crystallize. Approached from a developmental point of view, or through the medium of time, class formation, at the ethnographically observed level, seems to flow from a diverse number of sources. Nowhere is this more apparent

than in the Lower East Side, where several crucial factors merged to produce the particular pattern of class relations, a pattern characterized in its own special way by the discordant interplay among immigration trends, access to and need for housing, and the organization of group interest along class, ethnic, and racial lines, which were further charged by the political issues of School Decentralization and the Anti-poverty programs. The clash of interests between middle-class whites and lower-class minorities (Blacks, Chinese, and Hispanics) for housing and political control of the area polarized Lower East Side residents, Blacks against Whites, Jews against Puerto Ricans, and the Chinese, caught up in the fray, and seemingly bewildered by the intensity of their neighbors' conflicting claims, tried to remain apart from the conflict as a way of serving their own interests.

Underlying the ethnic and racial hostility that marked the Seward Park Extension Project are the macro-class processes that intruded upon local affairs, shaping and activating the common bonds of ancestry and culture around which ethnic groups in the city have historically organized politically. At the same time the processes of class formation are affected by ethnicity and race. Class formation can be facilitated or inhibited by these factors. For example, Orthodox Jewish leaders mobilized their constituency around the defense of their community, their

way of life, and the exclusivity of their homes. Under the auspices of the United Housing Foundation and the power of Robert Moses, the Jewish community had gained access to and control of one of the best housing resources in the city. This residentially homogeneous and segregated community reinforced this group's ethnic identity and privileged position; in Giddens' (1973) sense they formed a classic distributive grouping. Moreover, this group's control of a subsidized housing resource tied them to the state through the processes of social consumption and distribution. Long-term residency on the Lower East Side, middle-class positions, and a stable, well-organized political base enhanced their position vis-a-vis the other groups, newcomers to the area. Ethnic identity and organization were used to solidify and maintain the cohesion of this group, and thus was a potent factor in their formation as a class during the past thirty years.

In contrast, race and ethnicity were used to divide the Chinese and the Hispanics, even though both populations shared similar needs and conditions. Historically, culturally, and politically the Chinese had remained isolated from other ethnic groups in the Lower East Side. Fearful of losing their federal housing grant, and also fearing political reprisals, the Chinese leadership remained aloof. The Hispanic leadership was unsuccessful in forging a coalition with the Chinese, and, for that matter, the

Blacks. Each of these groups formed vertical networks and alliances, directing their political energies at the city administration and elected politicians, rather than uniting with others who shared their interests and goals. In contrast, the Orthodox Jewish leadership reached out to other middle-class whites in the Lower East Side, forming coalitions that increased their political control and reinforced their dominant position in the area. Blacks, Chinese, and Hispanics lacked the resources to compete successfully, and because they did not act collectively to further their shared interests they failed to gain control over the channels through which resources are distributed and maintained. Racial discrimination, exclusion from equal opportunity on the basis of race or national origin, also works against class formation at this level. Segregated job and housing markets, as well as segregated territorial-based institutions, restricted the political participation of many low-income groups. Internal colonialism, the social model put forth by a number of social scientists, reflects these discriminatory practices. To the extent that federal and local governments participate in this process, this pattern will continue, not only "reinforcing prevailing patterns of segregation but also giving them a permanence never seen before" (Hirsch 1983:254).

From this case study, ethnicity can be seen to serve a dual function, and it is affected by class in quite

different ways. Ethnicity takes on a Janus-like character. On the one hand, ethnic identity acted as a powerful force in cementing the class position of the Jewish community. On the other hand, for Blacks, Chinese, and Puerto Ricans, ethnicity and race were divisive, serving to separate each group from the other, leaving them vulnerable to government manipulation.

The articulation among class, ethnic, and racial groups was analyzed in this study by looking at a number of government policies as a mechanism of state intervention, common in advanced capitalist societies. The state, through its governing apparatus, has a dual and contradictory role to perform. While assuring the conditions necessary for economic growth and accumulation to continue, it acts on behalf of a dominant capitalist class. Yet, at the same time, the state must legitimate that activity, claiming, in its own defense, that it acts on behalf of all its citizenry. Part of the state's legitimating activity is to ameliorate the worst conditions arising out of the social costs of accumulation (the quest for private profit). Public policies (state expenditures) are part of the mechanisms by which the state attempts to deal with the local symptomatic expressions of the inherent contradiction between its economic and social functions. Urban policy and planning, particularly the provisioning of collective resources for social welfare programs and urban

redevelopment, ties localities to the state in intricate patterns.

Locally, there is a multiplicity of groups competing for these resources. It is generally agreed that competition is an inherent facet of capitalist production, but, as this case study has shown, competition also inheres in the distribution of public resources, that is, the demand for the high level of collectively consumed services such as housing, education, tax benefits, and so on. Government policies thus continually produce a state of alienated politics by creating situations in which individuals and groups compete for public goods. Local populations, especially in urban settings, that are categorized by class, ethnic, and racial distinctions, are drawn into antagonistic and segmented relationships among themselves, while responding to the state as discrete units subject to manipulation and control. In the process of creating a climate of alienated politics, locally, the state blurs the class character of its own apparatus by fostering struggles over distributive policies rather than core productive functions. At the same time, the parcelling out of resources along ethnic and racial lines perpetuates a divisive politics based on social differentiation. This socio-political fragmentation further obscures the commonalities of objectively determined conditions and shared interests upon which class formation is predicated.

Thus when state/local relations are analyzed from a class perspective, their dynamic and intertwined relationship is more clearly demonstrated. The state is dependent on alienated politics for its survival, both as a mechanism of social control and as an aspect of legitimation. The politicizing of ethnic and race relations in the conflict-generating situations produced by the expanding role of state activities deflects attention away from class inequalities and reifies primordial bonds of common ancestry and culture as explanatory variables, as the natural order of things. In reality, ethnicity and race are aspects of class relations in advanced capitalist societies.

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