Jersey City’s Morris Canal CDC: Persistence Pays Off

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I last reported about the Morris Canal Community Development Corporation (MCCDC) in June 2006. (See http://www.cpeo.org/pubs/MorrisCanal.pdf.) Seven years after its creation to conduct community-based brownfields redevelopment in Jersey City’s Lafayette Neighborhood, the CDC appeared on the verge of success. I believed that the grassroots group would succeed because area residents turned out at its meetings and workshops, and they stayed until the end. I reported that EPA had threatened to pull Jersey City’s Brownfields grant unless the city lived up to its promises of community involvement.

Today, more than a dozen years after its formation, the MCCDC really is on the verge of verifiable success. Its Pacific Landing project, containing eight affordable housing units plus a new office for the CDC, is almost completed. The new building is a testament to the persistence of MCCDC President June Jones, its board and staff, and their financial, development, and legal advisers.1 The tortuous process of designing, funding, and winning approvals for the project has prepared the group for larger projects that are on its horizon. It also stands as a warning to other communities: One has to be prepared for a continuing barrage of unforeseen obstacles to build one’s own project.

Pacific Landing construction site, August 2012
The Pacific Landing property is less than an acre on Pacific Avenue, sandwiched between two other buildings. The apartment building formerly on the premises had been abandoned for decades, serving as a drug den, pit-bull ring, and an overall blight on the community. Though the neighborhood contains numerous properties with severe hexavalent chromium contamination, the parcel only had relatively minor environmental problems, such as an underground fuel tank, lead paint dust, and asbestos. The state Department of Environmental Protection presented no obstacles. In fact it funded sampling to enable the project to move forward.

Pacific Landing site, July 2006

The city had taken ownership for unpaid taxes and transferred the land to the Jersey City Redevelopment Agency. The City designated the MCCDC as the developer in 2000, and the CDC took ownership in 2011, just before its July groundbreaking ceremony. I attended the groundbreaking, a love fest between the CDC and community leaders, including a wide range of elected officials. But the road to construction had not been smooth.

The CDC had to submit its plans multiple times, delaying the project and costing it money. The Planning Department said the development should have no parking, and that it needed to complement some of the older and historic properties in the neighborhood. The Department of Community Affairs ruled out granite countertops and required a new procedure for Energy Star certification. At the last minute, the Redevelopment Agency required that the CDC revise its affordability mix.
The CDC financed the $2.2 million project from several local, state, federal, and private sources, including grants from the state Department of Community Affairs, the Federal Home Loan Bank of New York, and Jersey City, through its federally funded HOME program and its Affordable Housing Trust Fund. It also received a municipal tax abatement. The project’s reliance on these multiple funding sources, as well as reviews by various City and State agencies, made it subject to the external micromanagement.

Based on the CDC’s robust planning effort and outreach, BCB bank of Bayonne, New Jersey provided construction and permanent loans to the project early on in the process, proving to be a key private lender in this redevelopment initiative. Monthly rent payments are expected to cover the permanent loan debt service payments and provide the means by which the building can be operated properly. And the CDC will be occupying its new offices rent free!

Finally, after groundbreaking the CDC faced problems with both its original architect and general contractor, before bringing in the team that is doing the work. Such challenges are typical in the world of construction, but they stretch the capacity of a grassroots organization with few reserves.

“Seasoned” by its Pacific Landing experience, the MCCDC is looking ahead to the development of two, larger properties in the neighborhood, where it plans “rent-to-own” housing. As a community-based corporation, it isn’t just building. It is offering
subsidized housing, working to separate residential properties from industrial uses, and doing its best to provide local jobs.

Meanwhile, directly across Pacific Avenue from the housing development the CDC sponsors a community garden. Also sandwiched between two buildings on a small vacant lot, the garden has over 50 volunteers. Built on raised beds, the lush garden distributes produce free of charge. Local artists have painted an impressive mural on one of the adjacent buildings. In August 2012, as I visited the busy garden and took pictures of Pacific Landing undergoing the finishing touches of construction, it was easy to see how the Morris Canal Community Development Corporation offers hope to the residents of Jersey City.
Other Morris Canal CDC Board Members are Tina Senatore, Otto Moss, and Sr. Julia Scanlan. Its Financial Consultant is Stuart Portney of The Metro Company, and its Legal Advisers are George Garcia and Vincent D’Elia.