

Hoboken is Burning: A Conversation on Gentrification, Arson, and Displacement

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BY DYLAN GOTTLIEB ON DECEMBER 12, 2019

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This photo shows the aftermath of the fire at 131 Clinton Street, in Hoboken, New Jersey, which killed twenty-one people in January 1979. Courtesy of Hoboken Historical Museum.

American cities in the 1970s and 1980s are usually understood as sites of decline and abandonment. But as Dylan Gottlieb reveals in the [September 2019 issue of the *Journal of American History*](#), some areas were already experiencing another sort of crisis: one of rising real estate values and residential displacement. As financial and

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professional employment surged and antipoverty programs gave way to market-rate redevelopment, landlords in the New York City area used arson to drive out low-income Latino tenants before converting their buildings to condominiums. The resulting fires killed fifty-five people and displaced thousands more. Postindustrial cities, Gottlieb argues, were remade as much by dispossession and violence as they were by abstract market forces.

In this piece, Stephen D. Andrews, the managing editor of the *JAH*, and Gottlieb discuss the piece and its implications.

How did you initially come across this story?

A little over five years ago, I was struggling to get my dissertation off the ground. I had trouble zeroing in on my actors and finding archives that were germane to this very recent era in history. Then I got advice from Andrew Sandoval-Strausz, who was a visiting fellow at the [Princeton-Mellon Initiative in Architecture, Urbanism, and the Humanities](#) at the time. He told me to sit down with the U.S. Census—to really dig into where young professionals were living and working in the 1970s and 1980s. So I used a [digital mapping tool](#) to plot the concentration of financial and professional/managerial workers in the New York City metro area over time. Right away, I noticed a growing concentration of finance folks in one small area: Hoboken, New Jersey. What were all these bond traders doing in this small city of brownstones right across from Lower Manhattan? I knew there had to be a story there.

So I reached out to the Hoboken Public Library and Hoboken Historical Museum. Some very helpful archivists helped me dig up back issues of local newspapers—the *Jersey Journal* and *Hudson Dispatch*, especially. And nearly immediately, a story emerged: beginning in the late 1970s, there was a string of arson fires at the same time that all of these professionals were moving into the city. Digging more, I found material from tenants' rights groups that argued that those fires were intentional, set by landlords to drive out rent-controlled tenants, convert buildings to condos, and charge rents five or six times what they'd received before. Later, I discovered that a similar process of arson-for-profit followed yuppies in other places, including in Boston's Back Bay and on Chicago's North Side. This was no isolated phenomenon.

You mention that many historians overlook “the dramatic shift” in the real estate market in the 1970s—what is that shift and why has it gone unexplored?

Thanks to fine books by Aaron Shkuda, Brian Goldstein, Sharon Zukin, Suleiman Osman, Neil Smith, and David Ley, we have a good idea of the early phase of the “back to the city” movement in the 1960s and early 1970s. In those years, a range of actors—brownstoners, artists, community groups, creative types—began to rehabilitate buildings in central cities. Some took advantage of local, state, and federal subsidies that encouraged the renovation of older urban homes. Many did the work themselves; others hired small-scale local contractors. And while these folks may have had plenty of cultural capital, they didn't usually have the actual capital to dramatically transform entire neighborhoods.

All that changes in the late 1970s. We tend to think of this period as one of decline and crisis for American cities. And yes, overall, cities continued to lose population, jobs, and capital. But in a small number of neighborhoods in some cities, we start to see the early stages of another kind of crisis: one of *overinvestment*. As professional-and financial-sector growth began to take off, yuppies flooded into those neighborhoods. Yuppies may not have had the same degree of cultural capital as the first wave urban homesteaders, but with high wages (and often with financial support from their well-off families), they had plenty of actual capital—the kind that could transform neighborhoods.

Speculative developers and landlords caught on quickly. Many took advantage of new tax credits that encouraged the construction of luxury units. Alternatively, in places like Hoboken, where vacancy rates fell below one percent in the late 1970s, owners displaced their low-income tenants, then renovated the apartments into high-end housing for yuppies. The violence in Hoboken may have been an extreme case, but it nonetheless is illustrative of the ways that gentrification transformed cities in the 1980s and 1990s.

What role did policies—both local and federal—play in this story?

The increasing intensity of urban redevelopment, I argue in the article, was abetted by shifts in national and local policy in the mid-1970s.

Hoboken is a particularly interesting laboratory for studying the shifting relationship of the federal government to cities during the 1960s and 1970s. In 1967, Hoboken received a grant from the Model Cities program. Those funds supported several antipoverty and educational initiatives. The grant also subsidized low-interest loans for a new



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population of middle-class homesteaders. The program, which Hoboken's city planner called "bait for brownstoners," led to the rehabilitation of some 1,500 of the city's historic homes. The impact on existing Hoboken residents, however, remained minor.

That all changed in 1974. That year, as part of his "New Federalism" mandate, President Richard M. Nixon's administration ended the Model Cities program and devolved responsibility for urban renewal to states and cities in the form of community development block grants. Those grants capped the amount that could be spent on public services. They curtailed the involvement of the local community in planning decisions. And they heralded a new era of private-led urban redevelopment. In Hoboken, that meant the city would subsidize loans for large-scale developers to renovate old buildings. It also meant that Hoboken would devote more resources towards rebranding the city in hopes of attracting a new demographic: yuppies who worked in high-paying jobs just a ten-minute train ride away in Manhattan.

Changes were also afoot at the local level. In 1973, New Jersey courts overturned a long-standing moratorium on rent control in the state. Hoboken soon capped rent increases at the rate of inflation. State law also required landlords to provide multiple years of notice before converting their buildings to condominiums.

But even after several deadly arsons-for-profit, Hoboken's City Council weakened local rent control in 1981 with a series of prodevelopment measures. A new vacancy decontrol law allowed owners to hike rents to "whatever the market could bear" if rent-controlled units were emptied. Not surprisingly, harassment and arson intensified. The pace of displacement and condo conversion only accelerated in Hoboken.

Is the process of gentrification in New Jersey similar to other places? Was this kind of violence occurring in places like Boston, Atlanta, or Chicago?

The death toll in Hoboken was certainly exceptional. But it was far from the only place where arson-for-profit occurred. From 1979 to 1984, Boston's gentrifying Back Bay neighborhood was struck by dozens of intentional fires. Many of those units were quickly converted into upscale condos. Indeed, City Councilor Raymond L. Flynn was elected mayor after vowing to fight the scourge of (what he called) "gentrification arson."

In 1979, after an area of downtown Indianapolis was declared a historic district, it saw an influx of middle-class homesteaders and other speculative real estate investors. Soon, residents began to experience harassment and suspicious fires. "There are definitely planned arsons in that area," said an Indianapolis fire lieutenant who investigated the incidents. "New residents have openly said they are going to get all the blacks and poor whites out."

In Chicago's Uptown neighborhood, landlords also used fire to clear out "slum" buildings for redevelopment. (Thankfully, no one was killed.) But the logic of displacement as redevelopment was no secret: Herbert H. Williams, a representative from Uptown's community development organization, said as much in a 1979 *interview with the Chicago Tribune*. "The only way we're going to turn this neighborhood around to what it was 15-20 years ago is to attract a different class of people and push some of them [existing residents]out," he said. "Most of these people are transient in nature, they are used to moving around. . . I think we need to put a stop to the time where they (the poor) live off of you until you throw them out."

It would be hard to better encapsulate the emerging logic of those years—one increasingly shared by municipal leaders, real estate developers, and yuppies themselves. They all came to believe that attracting middle-class people to raise real estate values—at the cost of displacing low-income residents—was the best way to revive cities. During the 1980s, that strategy would begin to crowd out alternative visions for the future of America's cities.

How should returning this history of violence to the story of gentrification change our understanding of sometimes abstract concepts like "neoliberalism?"

I think it's essential that concepts like neoliberalism and financialization remain rooted in the often-violent transformation of real places. Think of how we usually talk about something like financial deregulation: as an abstract set of policies decided at a remove by lawmakers or regulators. Economists or sociologists might represent that shift as an inflection point on a chart tracking, say, income inequality, or the percentage of residual wages going to Wall Street.

In the article, I argue that these abstract processes—from the rise of finance to the growing reliance on profit-driven redevelopment schemes—had real effects on the ground. Decisions made in Washington, D.C., would have dire consequences for places like Hoboken. Deregulate Wall Street? Tens of thousands of well-paid finance workers will stream into New York, all searching for convenient housing. Devolve Great Society-era programs from federal to

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local control? Their mission will shift from fighting poverty to stoking real estate speculation. Divert funds from away from public services and towards [promotional events like the New York City Marathon](#)? Urban inequality will deepen. Weaken the oversight of rent control ordinances? Landlords will seek new and potentially violent ways to remove their tenants and seek higher returns.

Ultimately, when historians narrate the epochal shift to “neoliberalism,” we need to do so with one eye on policy and another eye on consequences at the grassroots. And we need to remember that African American and Latinx residents bore the brunt of those changes.

Landlords were sometimes open about their willingness to use violence to get rid of tenants; did they not fear prosecution?

You're right: landlords were strikingly blasé about using violence to clear out their buildings for redevelopment. I think there were three factors at work.

One, arson was a notoriously tough crime to investigate and prosecute. Even if law enforcement located the source of the fire—say, a bundle of oil-soaked rags, or a Molotov cocktail thrown through a window—linking the accelerant to a specific perpetrator and then that perpetrator to a landlord proved nearly impossible. We see this in the low conviction rates for arson, even in the midst of a nationwide arson epidemic. One 1980 report found that fewer than one in one hundred people charged with arson were ever convicted. Landlords knew that it was extremely unlikely they'd ever face arrest or charges.

The second factor was more local in origin. Hoboken and Hudson County never undertook a robust investigatory or prosecutorial response to the arson problem—and after several dozen fires, landlords began to take notice. As late as 1982, after scores of arson-related deaths, Hudson County still did not have its own arson task force, something [at least eight other New Jersey counties did](#) have. Meanwhile, Hudson County's prosecutor at the time, Harold Ruvoldt Jr., did not and still does not believe the fires were economic in origin. Hoboken's landlords were likely aware of Ruvoldt's reluctance to systematically pursue the arson issue. (Interestingly, Ruvoldt was suspended from office in 1982 when he was indicted for extorting money from a developer who was seeking to build shopping malls in Hudson County. He was later acquitted.)

Third, I think that landlords believed that the people they were displacing—mostly first- and second-generation Latinx tenants—lacked the political capital to fight back against displacement. Fortunately, they were wrong: tenants-rights organizations organized marches and staged protests on the streets of Hoboken. They lobbied the state and city to reinstate rent control. And ultimately, they helped to unseat Mayor Steve Capiello, who led the city's political machine, in favor of Thomas Vezzetti, who ran on an antidisplacement platform in the mayoral election of 1983. When prosecutors couldn't or wouldn't take action, Hoboken's residents fought back.

What ended this run of arsons in Hoboken? You describe how the federal government responded to these fires with investigations and legislation. Although these efforts “came too late for Hoboken,” did they help in other areas of the country?

Three local factors brought the arson wave to a close. First, the federal government granted the city and the Port Authority of New York and New Jersey the rights to redevelop a huge swath of abandoned property on the Hudson River waterfront. The prospect of hundreds of new condo units took some of the speculative heat off of Hoboken's tenement buildings, where most of the arsons had occurred. Second, neighboring Jersey City passed a prodevelopment law that encouraged the construction of new luxury buildings there. That also lessened development pressure in Hoboken. The third and most important local factor was the political mobilization I discussed above. Uniting Latinx residents with Catholic community leaders, liberal brownstoners, and Italian old-timers, that movement succeeded in bringing attention to the fires. And it brought a new mayoral administration into office that was committed to fighting displacement.

There was also an effective response to arson at the national level. In 1978, a Government Accountability Office report found that arson-for-profit cost \$1.5 billion and nearly a thousand lives every year. So the [Law Enforcement Assistance Administration](#), a federal agency that directed funding to state and local law enforcement, devoted more money to the problem. Congress also held hearings on the arson-for-profit crisis in 1980, 1981, and 1982. Those hearings culminated in the Anti-Arson Act of 1982, which gave the FBI new tools to fight the problem.

In general, I am deeply skeptical of efforts to use law enforcement as a solution for social problems. But here is a case where federal funds and attention did seem to stem the tide—even if it did nothing to change the underlying conditions in Hoboken or other gentrifying cities. Federal monies that might have been better spent on social



welfare or affordable housing went instead to the Law Enforcement Assistance Administration and the FBI. Even as the fires slowed, displacement continued. By the end of the 1980s, 41 percent of Hoboken's Latinx population had left (or more accurately, been driven out) of the city since the start of the decade.

How has gentrification developed since 1990? How does your analysis of Hoboken change our understanding of that evolution?

If anything, the forces that reshaped Hoboken in the late 1970s have only intensified, both in the New York area and in cities across the U.S. and Europe. Contemporary city dwellers are probably familiar with many of these phenomena: rising employment in the financial and professional sectors; resurgent middle-class demand for urban lifestyles; intensifying private redevelopment of formerly-disinvested areas; a dearth of affordable housing and weakening protections for low-income renters; and the shift in government priorities away from alleviating poverty in favor of (supposedly) salvific economic development strategies.

The Hoboken story reveals just how early that process began. The deregulation and subsequent growth of Wall Street began to transform New York-area neighborhoods almost immediately—at least as early as the end of the 1970s and certainly by the beginning of the 1980s. By the mid-1980s, New York had tied its fate ever more tightly to the rise of finance and professional services, foreclosing other (perhaps more equitable) strategies for urban renaissance.

New York was a bellwether for changes that would sweep other cities in the decades to come. As places like Boston, Chicago, Toronto, and London relied more and more on their financial and professional sectors—and sought to attract yuppies as the cure for their economic ills—they too would face similar crises. Housing costs spiked. Inequality skyrocketed. Violence sometimes followed. In recent years, there have been scores of stories about landlord harassment and even arson in cities like [New York](#) and [San Francisco](#). I'm afraid to say it, but I believe that we'll continue to hear tragic stories like those in the coming years.

But I also hold out hope that gentrification will prove to be a galvanic force—something that binds urban communities in resistance to unchecked development. We saw the effectiveness of those alliances in 1980s Hoboken. More recently, housing rights groups fought for and won a [slate of new protections](#) for tenants in New York. Public protests [forced Amazon to scrap its plans](#) for a headquarters in Queens. If city dwellers can organize, they may be able to determine the fate of their neighborhoods in the face of overwhelming development pressures.

Dylan Gottlieb is a PhD candidate at Princeton University and a National Fellow at the Jefferson Scholars Foundation at the University of Virginia. His research explores the effects of financialization on work, leisure, cities, and politics in the twentieth-century United States.

Gentrification Urban Violence

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