

CO-OP CONTACT



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UNITED HOUSING FOUNDATION
COMMUNITY SERVICES, INC.

UNITED HOUSING FOUNDATION'S MEMBERSHIP MEETING



Percy Brown

The picture on page 8 was taken at the membership meeting of the United Housing Foundation held at Carnegie Recital Hall on October 4th.

Those attending the meeting represented housing, labor, cooperative and civic organizations which comprise the membership of the United Housing Foundation and its subsidiary organization Community Services, Inc. They heard Robert Moses, chairman of the Committee on Slum Clearance of the City of New York; Jacob S. Potofsky, president of the Amalgamated Clothing Workers of America; Abraham E. Kazan, president of Community Services, Inc.; and Roger Schafer, secretary of United. Short reports from a number of member organizations were also presented.

Mr. Percy Brown, vice president of the United Housing Foundation, was chairman of the meeting in place of Robert Szold, the president, who was unable to attend because of illness.

Excerpts from the major addresses are reprinted on the following pages.

THE ROLE OF HOUSING COOPERATIVES IN URBAN REDEVELOPMENT

Excerpts from the Remarks of Robert Moses



Robert Moses

... I don't want to give you too gloomy a picture of the housing problem. The hope of the future, both in clearing slums and in providing shelter outside of high rental speculative building, lies in middle-income housing. There are many types of such housing and a number of laws and forms of aid, grant, subvention. By far the most promising type is cooperative housing.

Let us look at the logic of the co-op. It costs today on an average over \$3,000 to build a room in an apartment. This figure varies a little according to land values. The moderate purchase-rental of around \$20 a room can be reached only by eliminating all speculative landlord profit and by entire or partial tax exemption for twenty to twenty-five or more years according to location, land cost and other variable factors. This medium rental can only be realized if the power of condemnation is used, if there are substantial down payments and if there is at least partial tax exemption.

The co-ops have been a decided success to date. They enjoy an excellent reputation. At Corlears Hook, for example... you have built for workers in the needle trades and others of like income, apartments with balconies and a view which have no rival on Park or Fifth Avenue.

Nowhere else have public and cooperative private enterprise working together produced happier results. Nowhere else has the triumph of brains over the dying slum been more proudly exhibited. Here where our teeming city began you have tenaciously hung on, and have reclaimed the Old Neighborhood, as Governor Smith called it, to prove to all the world that running away, dispersion, abandoning the home of your fathers is no answer to an age old problem, not merely of geography, but of the human spirit.

Emerson said that an institution is the lengthened shadow of one man. The success of the cooperative institution here in New York is due in no small measure to Abraham Kazan. It is indeed amazing how one honest, able, modest and devoted individual has won respect for this principle and has come to personify the entire cooperative housing movement. In this town Abraham Kazan is Mr. Co-op, and in my book he has no equal. This movement has demonstrated the immense, irresistible, aggregate strength of an army of wage earners moved by an idea and blessed with intelligent, unselfish leadership.

Let me offer here on behalf of my associates concrete suggestions for extension of the cooperative principle. We propose first of all a new Middle-

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UNIONS AND COOPERATIVE HOUSING

Excerpts from the Remarks of Jacob S. Potofsky



Jacob S. Potofsky

... The Amalgamated Clothing Workers Union of America is proud of the fact that we pioneered in low-cost cooperative housing and that other great labor unions have now followed suit. I speak especially of our neighbor on the East Side, the ILGWU Cooperative Village on Corlears Hook; the Local 3, I.B.E.W. project known as Electchester, and now the latest projects of the United Housing Foundation.

Our concern has always been for more than just wages and working conditions. Responsible labor leaders have always been concerned with the quality of the lives of union members and their families. We were not interested in providing just a roof, any kind of roof.

We were concerned with a way of life. We sought decent living surroundings in which children could be brought up properly; *lebensraum*, trees, some flowers, recreation space, some of the modern conveniences for the housewife — these were responsible goals and we were determined to achieve them.

... The co-ops, for which the Amalgamated Housing set a pattern, benefit not only union members but also the general public for whom housing of this type is otherwise unavailable. There is just no comparison as to costs and maintenance between our co-op housing and private housing offering the same facilities and advantages. The latter is often hopelessly beyond the means of the average worker and his family.

... Sometimes you hear, in uninformed quarters, criticism of the tax exemption for low-cost cooperative dwellings.

You and I know that tax exemption is a misnomer. The city receives not one penny less of taxes; on the contrary, it is guaranteed at least the taxes paid by the property when acquired for housing purposes. Cooperative housing encouraged by the tax moratorium, strengthens, not weakens, the financial position of the city.

First, it eliminates slum areas with their drain on our police, fire and other municipal services. Cooperative housing, as attested by our own experience, reduces and eliminates juvenile delinquency. Who can measure, in terms of dollars, the cost and the heartbreak of this modern youth problem flourishing in the slums of our cities?

But it is plain that labor cannot do the job by itself. It can only pioneer. It can serve as an example. It can demonstrate what can be done to improve the quality of our life for all citizens...

But the cities and states and other civic groups must join hands to complete

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REPORT FROM COMMUNITY SERVICES, INC.

Excerpts from the Remarks of Abraham E. Kazan



Abraham E. Kazan

The purpose of the United Housing Foundation is to stimulate interest in cooperative housing and to bring about a strong federation of all the non-profit organizations to participate in the promotion of new cooperative housing. Community Services, Inc., a subsidiary organization of United, of which I have the honor to be president, has as its aim to translate the interest developed at United into practical realities.

... Within the next six weeks, the tenants will begin to move into Kingsview Homes, the first Brooklyn Title I project to be completed.

This job was built under the supervision of Community Services.

... At this time we are particularly concerned about the acute shortage of low-interest mortgage money vital to building housing for middle-income families. We have a situation where many thousands of families are ready and willing to invest their savings in cooperative projects, but we cannot proceed for the lack of mortgage money.

An example of this problem is the situation we are confronted with at Park Reservoir. This is a new project for 300 families in the West Bronx. We have a commitment for a long-term, low-interest mortgage from the State of New York under the Mitchell-Lama bill, but this cooperative has already been delayed for several months due to our inability to secure temporary financing which must be provided from other sources. It would appear that the banks have gone on strike, perhaps in retaliation for the State having undertaken the financing of some middle-income housing projects.

This is but one illustration of our most pressing problem. If we are to build housing which wage earners can afford, and by that I mean housing at no more than \$20 to \$21 per room, per month, it is absolutely essential to get low-interest mortgage money.

Technically at least, all savings banks and most insurance companies are mutual, non-profit organizations. Their source of power and influence is derived by their control over their depositors' and policyholders' money — your money and mine. With a few notable exceptions, like the Bowery and Drydock Savings Banks, these so-called mutual and non-profit organizations have never exhibited a sympathetic attitude which would help to provide decent housing.

... The same holds true with labor unions. Only a few have invested their members' funds or have assisted in other ways to provide decent housing for wage earners. Notable exceptions are the Amalgamated Clothing Workers, Local 3 of the Electrical Workers, the ILGWU and the Butchers Union.

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REPORT FROM UNITED HOUSING FOUNDATION

Excerpts from the Remarks of Roger Schafer



Roger Schafer

... Within the next few weeks, two more United Housing Foundation member projects will begin construction:

Queensview West is a 364-unit cooperative to be built in Long Island City, principally to satisfy the overflow from Queensview, its 728-unit neighbor. When litigation and other delays threatened abandonment, the United Housing Foundation was able to give assistance to tide the cooperative over the forced period of inaction. Like Kingsview, Queensview West has been given office space by UHF.

Park Reservoir, the 287-unit sister project to the Amalgamated group in the Bronx, will probably be the first cooperative to begin construction under the provision of the State's Limited Profit Housing Law. A mortgage will be provided by the State through the Division of Housing, headed by Commissioner Joseph P. McMurray. The need for middle-income housing can be seen from the demand for these apartments. Already, before construction has begun, there are three applicants for each apartment available.

But before building can become a reality, plans must be made far in advance — often years.

In the past year, United Housing Foundation, Community Services, Inc. and our members, have initiated plans for several new cooperative communities.

Of these, the closest to realization is Seward Park, a project similar in size to the ILGWU Cooperative Village but starting two blocks to the west. Negotiations are currently going on with the City and Federal Governments for this project, to be sponsored by the United Housing Foundation in association with several of its members.

The E Division of the I.B.E.W. Local #3 is moving forward in its negotiations with the City for a cooperative on the site of the soon to be abandoned Willard Parker Hospital at 15th Street and the East River.

The group which developed the Harry Silver Houses, one of our member cooperatives, has also announced plans for Senior Village, a 420 unit cooperative to be built in Brooklyn. An outstanding feature of its plan will be 84 apartments especially designed for older people, these apartments will have non-slip floors and other such special features.

The Committee on Slum Clearance Plans has begun studies for a cooperative south of Pennsylvania Station in New York. Robert Moses, Chairman of the Committee, announced last June that one of our members, the ILGWU, was considering sponsoring this cooperative.

Other members of United Housing Foundation have been considering co-

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Income Cooperative Housing Law. We believe this legislation will insure a substantial increase in middle-income housing in the City. This law will authorize a revolving fund of \$50,000,000 to be supplied from State housing monies, for the purpose of making loans on a large scale to cooperative groups established by labor unions, educational and civic organizations and other quasi-public organizations on a non-profit basis for the purpose of building middle-income cooperative housing. We contemplate a unified program of 50,000 new cooperative middle-income units within the next three years in which this will play a substantial part. We are working at the present time with union and institutional groups to determine the practical first steps in this program.

This legislation will provide loans at interest rates approximating 3% for long periods, such as fifty years, so that the annual charges will be as low as possible and the rental or rental purchase rates within the \$20-\$22 range. These cooperatives should be, so far as possible, redevelopments involving slum clearance and should be given partial tax exemption to the extent of 40% to 50% over the period of the mortgage.

... This device should constitute a long step forward in providing accommodations for the most neglected element in our population, namely those who are not eligible for the low rental public housing and cannot afford high rental apartments built with speculative capital, this is the middle-income group.

... In addition to Slum Clearance we are particularly anxious to launch at least one large cooperative project on vacant land somewhere near the

geographical and population center of the City. The area we have long had in mind is the Jamaica Race Track in Queens which is used on a standby basis and before long is to be abandoned. It contains 158 acres. The cost of the project would be about \$52,000,000.

... This plan contemplates 4,600 middle-income cooperative units, using one hundred fifteen acres for housing and stores and forty-three acres for schools, parks, playground facilities and other public purposes. It is based on \$500 per room as down payment.

One alternative would be to write down the land price to \$1,500,000 and obtain tax exemption of 50% of full value. This would produce an estimated monthly rental per room of \$22, assuming bank mortgages at 4 $\frac{1}{4}$ % interest. If, on the other hand, 3% of City mortgage funds were used under the Mitchell-Lama law, the rental could be reduced by an estimated \$2.50 per room per month, or the land cost increased to a full amount — say \$3,750,000 — and rentals reduced to \$21 per room per month.

Potofsky

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the job of low and moderate cost housing that private enterprise cannot, or will not, build today.

The problem is great and the need urgent. We need two million housing units a year constructed in this country. *Public* housing units must be built at the rate of 200,000 a year. We need low-interest, long-term loans to cooperatives and non-profit groups to assist families in the middle-income bracket to obtain

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good housing. Federal loans, up to four billion dollars a year, are needed for mortgages for housing families of moderate income. Housing must be made available to farm families as well.

A broad-scale attack must be made on urban blight by genuine city rebuilding. Public housing units are needed for the elderly. The plain fact is that eight million American families live in houses unfit for human habitation. By 1960 we will have to provide housing for one and a half million new families.

... Today's housing crisis cannot be met by conventional planning alone. Its solution requires the participation of every segment of society. The labor movement is prepared to do its share.

The Amalgamated Clothing Workers, and the other unions, through their pioneering housing developments, have shown that organized labor can plan and execute daring social innovations for the benefit of all.

But meeting the housing needs of the nation is a problem beyond the resources of the Amalgamated and the rest of labor alone. To accomplish the mammoth task, all the imagination and initiative of our nation must be called upon as part of this national effort to bring decent housing to every American. The labor movement pledges its vision, its strength and cooperation.

Kazan

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Many unions, however, hand the control of their welfare funds over to investment companies and large financial institutions, and there is little likelihood that those funds will be used to provide housing for middle-income groups. Ironically, these

workers' pension funds will most likely be used to build luxury housing for people who can afford a monthly rent of \$80 to \$100 a room.

We fully subscribe to the principle that pension funds of labor unions must be safeguarded to the highest degree. ... In my opinion there is no safer investment than a loan made on a project where the equity is supplied by the people who live in the project.

There is another source of money which might be channeled into housing. I refer to the funds of the great non-profit foundations. If a foundation, or a combination of several of them, would set up a hundred million dollar fund at low-interest rates to be used for building middle-income housing, this would constitute a great contribution in solving not only the housing problem, but many of the other social problems which plague our city.

If this meeting, and others like it will enlighten those who have control of the people's money to the advantages of cooperative housing they will serve a valuable purpose.

Schafer

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operatives on a redevelopment site in the Cooper Square area.

A group of businessmen in Port Chester, N. Y. are interested in following the pattern of our member, Queensview, and developing a cooperative in their town for middle-income families. As a first step, they have retained Community Services, Inc. and have opened an office in Port Chester, to make a survey of the demand for a cooperative. The office has been operating for the past four months ...



Part of the audience attending the membership meeting of the United Housing Foundation, October 4, 1956



Harry Van Arsdale, Jr.,

Harry Van Arsdale, Jr., Business Manager of Local 3 of the International Brotherhood of Electrical Workers. Mr. Van Arsdale introduced Mr. Potofsky at the UHF meeting.



Robert Szold

Robert Szold president of the United Housing Foundation who was unable to attend the meeting because of illness.

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