

CO-OP CONTACT



MARCH 1956
VOL. I NO. 5

UNITED HOUSING FOUNDATION
COMMUNITY SERVICES, INC.

UNIONS AND COOPERATIVE HOUSING

Harry Van Arsdale, Jr.

Business Manager
International Brotherhood of Electrical Workers
Local No. 3
and a Director of the United Housing Foundation

Although unions have been interested in sponsoring cooperative housing for working people since the late 1920's, only after World War II did this interest begin to produce a significant amount of housing. Within the last 7 years the Amalgamated group extended its housing program in the Bronx and built Hillman Houses; the Butchers Union sponsored Harry Silver Apartments, and our own union together with our employers built Electchester for 2,238 families. Finally, this Fall, the International Ladies' Garment Workers dedicated the 1,669 family ILGWU Cooperative Village on the Lower East Side.

In January, Robert Moses, New York City Construction Coordinator, proposed a \$90,000,000 program to be developed by the Building Trades Unions and their employers. The Switchboard Division of our own union has recently joined the United Housing Foundation with the intention of sponsoring a project. Many of the unions affiliated with the United Housing Foundation are making plans to participate in sponsoring cooperative housing; few are as large as the projects of the Amalgamated Clothing Workers or the International Ladies' Garment Workers Union but smaller unions can work together in developing a project.

It is particularly appropriate that unions should turn their attention to the workers' number one physical problem — housing. With the growth of large pension funds based on their earnings, working people have a source of supply of mortgage money which can be used directly for their benefit. *But mortgages must have a reasonable rate of interest if housing is to be kept within the range of the average working man* — it is important to remember that for every additional percentage point charged on a mortgage, the worker has to pay eight dollars a month more for his apartment.

Of course, unions cannot develop housing at a price which their members

can afford without the friendly cooperation of municipal authorities. If costs are not to be exorbitant, land has to be purchased at a reasonable figure and the cooperative must be given every advantage in connection with tax payments to which it is legally entitled. Without such assistance working people will be forced into sponsoring apartments which they themselves cannot live in. It is well to remember, as State Housing Commissioner Joseph P. McMurray reminded us, that two-thirds of New York State's families earn under \$6,000 before taxes.

Unions have still another important role to play in connection with cooperative housing. Usually a cooperative is two or three years from planning to completion. During those two to three years the union can be encouraging its membership to save

toward the down payment. By encouraging such savings, perhaps in cooperation with the employer who will deduct a fixed small sum from the salary check each week, by the time the project is ready the union member will have saved up a substantial part — if not all — of the down payment required. In this way one of the real obstacles to participation in cooperative housing can be overcome.

Equally important, working people need to be able to get sound technical advice about housing—planning, construction, financing and basic cooperative principles. Here again, unions have taken the initiative by joining and supporting the United Housing Foundation which is set up for the express purpose of helping non-profit organizations develop cooperative housing on a sound basis.

SPEAKING FRANKLY

CONSUMER PARTICIPATION

by A. E. KAZAN

It is very likely that within a month or two the United Housing Foundation shall announce the undertaking of a large new non-profit cooperative housing development in Manhattan. This project like its predecessors will provide decent housing at a reasonable cost to thousands of middle and lower income families.

The successful operations of our existing housing cooperatives has made the cooperative idea much more acceptable to thousands of people than it was not many years ago. Today thousands of people are anxiously awaiting the opportunity to take part in this kind of cooperative activity.

For thirty years, I have advocated that people could provide themselves with better housing, if they would organize their purchasing power and cooperate with one another. Gradually they are demonstrating the truth of this principle.

To build a large cooperative housing development requires a lot of money. The project we have in mind will cost well over \$20,000,000. The families who will live in the development will be required to supply about 20% or more of the funds needed. The balance will be a loan secured by a mortgage.

Actually the money which they will borrow will be the money of consumers. Either it will be the consumers' money invested in bank deposits, or the reserves in insurance companies, or in the pension funds of unions. They shall of course be paying interest to these institutions for the use of these savings.

Cooperatives are non-profit enterprises. We see no reason why consumers should have to pay high interest rates for the privilege of using their own money to provide themselves with such a necessity as good housing.

For the lack of a better method consumers deposit their savings in banks and other institutions. They receive a dividend return on their money. When consumers wish to obtain their funds for an investment in housing they must pay these institutions interest for doing so. The interest paid is frequently one and a half times, and more, over what he receives in dividends. The interest rates he pays for the use of his own funds is reflected in the monthly carrying charges he pays for his apartment. Let me illustrate. The mortgage needed to cover the cost of building a four room apartment is \$10,000. A bank charging 4½% interest would collect \$450 a year on this apartment. If the bank charges 1% less, or 3½%, the interest would amount to \$350 a year. This difference would mean that the consumer would pay \$8.33 a month less in carrying charges.

CONSUMER OWNERSHIP

Membership in cooperatives affords the consumer an opportunity to democratically own and control a part of the economy which provides him with the necessities of life. Again we return to the example of cooperative housing, with which you are all familiar. As consumers you own shares in your cooperative. Your investment entitles you to the benefits of the cooperative. As one of the owners you assume your share of responsibilities for the success of the organization. You participate in the affairs of the development, with other cooperators you elect the Board of Directors, you may be a member of this Board, or you may serve on some other committee. You are given an annual report which describes the financial condition of your cooperative. In short, you not only live in a cooperative apartment, but as a consumer you have ownership in it, and democratically control it.

Through the cooperative technique we have the opportunity to broaden the base of ownership in the economic life of our country. In this age of bigness in which we live, there is so little opportunity for the average person to have any control over his economic life, this aspect of cooperatives is most important. At the present time thirteen million American families own shares in cooperative enterprises; this is compared with four million families who own stock in corporations listed on the nation's stock exchanges. And with cooperative ownership there is democratic control! Some have rightly said that cooperatives are the best form of private enterprise.

It is our purpose to extend this form of private enterprise in every way possible. We are carefully studying methods which we hope will give you an opportunity to participate in the financing of the development of the new housing cooperatives which will be sponsored by the United Housing Foundation. These will be non-profit developments designed solely to meet the needs of the people for better housing at a reasonable price. It is only right that they be owned and controlled by consumers to the greatest possible extent.

CO-OP HOUSING NEWS

NEW COOPERATIVE PLANNED

The New York Municipal Credit Union, with its 40,000 members, and other credit unions affiliated with the New York Credit Union League have announced plans for a 450 unit middle income housing cooperative.

The \$6,000,000 apartment building will be located at Park Row, Pearl Street, Madison Street and St. James Place in Manhattan. Present plans call for an investment of \$650 a room and monthly carrying charges of about \$23 per room.

MOSES PROPOSES FIVE UNION SPONSORED HOUSING COOPERATIVES

Robert Moses, Chairman of the Committee on Slum Clearance has proposed to the Building and Construction Trades Council of the City of New York that they undertake the sponsorship and assist with the financing of five cooperative housing projects. The Committee's proposal calls for the building of 9,000 apartment units at a cost of about \$90,000,000.

The five projects would cover a total of 102½ acres, including 67 acres of slums. Two of the proposed developments are in the Bronx and one each in Manhattan, Queens and Brooklyn.

COOPERATIVE VILLAGE OCCUPIED

The 1,668 apartments in the ILGWU Cooperative Village are now fully occupied. The first families moved into their apartments in the

first of the four 21 story buildings on October 24th. Since that date 90 families a week have moved into the development. The last family arrived on March 8th.

There is a waiting list of over 400 for apartments in this most recently completed cooperative.

KINGSVIEW SUPERSTRUCTURE GOING UP

Construction of the Kingsview Homes cooperative in Brooklyn is proceeding at a rapid rate. Ground was broken in November, presently seven floors of the superstructure have been erected. The construction is under the supervision of Community Services, Inc.

Applications for Kingsview are being accepted at the office of the United Housing Foundation, 11 West 42 Street.

CONSTRUCTION TO START ON QUEENSVIEW WEST

Construction on Queensview West, the companion project to Queensview in Long Island City is scheduled to begin in about a month's time.

The United Housing Foundation is taking applications for the 100 remaining apartments in the seven building, 364 unit development. The average investment is \$610 a room. Monthly carrying charges will average \$19.75 a room including gas and electricity.

There are only 4½ and 5½ room apartments in this cooperative. The buildings are designed to have only four apartments on a floor, giving each a corner exposure.

CO-OP NEIGHBORS

ONE OF QUEENSVIEW'S MOST DISTINGUISHED FAMILIES

by BEA and JACK MOSS

Harlem, "shading into Washington Heights," was the home of this distinguished family before they moved into the "Queensview" cooperative in Astoria, Queens, when it was opened to the public in 1950. "Our daughter, Mollie Lee, was our primary reason for moving," says Mr. Henry Lee Moon, "It's good for a child to grow up with knowledge and consciousness of people of various races, creeds, religions and backgrounds. It's not healthy for a child to be reared in a Ghetto situation."

"We had a spacious, nice apartment on St. Nicholas Avenue," says Mrs. Mollie Moon, "but after our daughter reached school age we wanted to go to a place where schools were less crowded and better." In the cooperative where the Moons live now, there are playgrounds, a new school nearby and an after-school activities program where Mollie, now a spirited, pretty youngster of nine, and her friends study ballet and oil painting.

Discrimination is certainly not a problem in "Queensview"—as proved by the following excerpt from an article by Alan Payton (author of *CRY THE BELOVED COUNTRY*) in *Collier's Magazine*:

"I go to a meeting in Long Island City of the residents of the Queensview Cooperative Housing Development. There are 700 or so families there, possibly 20 of them are colored; no one keeps count. The candidates for five resident directorships sit on the platform. They elect my friend Henry Lee Moon, who is an official of the NAACP and a Negro



Henry Lee Moon and Family

... I am aware that the people there see Henry Moon as a Negro, and I am also aware that they don't. I can't put it clearer than that, can I?"

Besides his position as Director of Public Relations for the National Association for the Advancement of Colored People, Mr. Moon has held public office, written for newspapers and magazines, and has had his own book published, *BALANCE OF POWER: THE NEGRO VOTE*. He was a member of the group that went to Europe a year ago for the "Crusade For Freedom". He is an elected member of the Board of Directors of the Joint Queensview Housing Enterprises, Inc., and is Chairman of the Corporation's Management Committee.

Mrs. Moon, too, is active in civic and social affairs. She is a Member of the Board of Directors of the Urban League and is active in the Spence Chapin Adoption Group and the forthcoming "Exposition of Progress", an event commemorating the advance of the Negro people in this country.

THE PARADOX IN COOPERATIVE MANAGEMENT*

by DELMORE BRICKMAN



Delmore Brickman

Let's take a closer look at the picture. It is somewhat marred in detail. Better still, let the cooperator tell management about it. Reaching for his typewriter at home with firm touch, or taking the floor at Council meetings in good voice, he may unhappily note, and we quote: . . . "Walking on the grass" . . . "Riding two-wheel bikes on the paths" . . . "Charging through shrubs" . . . "Digging holes" . . . "Shouting in the night" . . . "Plucking the flowers" . . . "Beating a path" . . . "Batting a hard ball".

These correspondents and complainants are, of course, speaking in their role as cooperators with their stockholders' hats squarely planted on head. They are wagging an accusing finger at the fellow wearing the disreputable tenant's cap and his children, — who have no hat at all. If aroused, they may join Alice's irascible Red Queen in shouting: "Off with his head!" Such an order is generally directed to management, and if the response isn't swift and the result summary, then — "off with *its* head"!

It is precisely under such circumstances that management must learn how to *keep* its head. For it is in this aspect of management — tenant relations — that one of the critical tests of cooperative housing is met. Management's experience in the handling of people is quite as important as its ability in supervising the physical plant. Its intelligence and viability in dealing with people may determine whether a housing development will have meaning and substance and stability as a successful cooperative or provide merely temporary shelter for time-serving tenants studying the real estate section of the Sunday "Times".

A capable handyman and a courteous agent will serve the needs of the tenants of the honest apartment house owner; a trained staff with technical and administrative knowhow will satisfy the requirements of the tenants of the enlightened housing operator or institutional owner. The tenant-landlord relationship has definition and precedent, tradition and pattern, and the respective rights and obligations of the parties are relatively fixed or readily determined. Once the lease is signed, the tenant who keeps no pet, covers his floors, and controls the number and activity of his children may stay in management's good grace. The agent who with reasonable speed replaces a

*The first part of this article appeared in the February issue of CO-OP CONTACT. We regret that space did not permit us to print the entire article in one issue. Mr. Brickman is the Resident Manager of the Queensview cooperative. The Editor.

washer, releases a stoppage, or responds to a lockout is a "doll" indeed. Under happy conditions, there is a nodding relationship between tenement tenant and real estate management which is renewed on the first of each month.

The Member's Interest

In a cooperative, however, the tenant-member's keen sense of fitness and belonging is coupled with a strong proprietary interest. Nothing escapes his attention. The Annual Report is scrutinized and so are the public corridors. The budget is weighed against wages. The Board's minutes and the baby carriage in the hall, the noisy door and the capital improvement, the legal retainer and the laundry dryer, the manager's salary and the exterminating contract, the storm-swept tree and the typographical error, the bulletin board and the potsy square, air conditioning and the waiting list, the rent increase and incinerator smoke—all are within his purview.

Moreover, his interests transcend the immediate. Here he can exchange cooperative ideas and advance his local opinions in the meeting room, from the school platform, along the benches, and in the columns of the Community Council News. And, not only may he find satisfaction as a citizen, but also fulfillment as a person. His special talents for leadership, organization and expression can be discovered or developed in a host of activities. His special leisure-time interests may be cultivated within a broad program for the enrichment of

his own and his neighbors' experience. The result is a cooperator whose home is his castle, whose province is his community, and whose stock certificate attests his temporal authority.

The fact is that in all these broad aspects of the cooperative management function — administration, maintenance, and community activities — management is not only required to perform effectively for its tenants, but also may be called upon to explain, interpret, and justify its every move to its tenants as owners. Management must meet with the stimulated cooperators across the counter and in the inner office, at committee meetings and in the public forum, on the busy telephone and in the Board Room.

In these varied and inclusive relations between management and the cooperator there is a lurking danger which may affect the cooperative's solvency and attack its sanity. This threat would arise from a failure of either to understand the proper role of the other in this unorthodox setup. Management cannot abdicate its function in favor of the tenant; the cooperator must not identify himself as management so as to supersede it.

The Manager's Job

Management's job is to care for the property and serve the legitimate aspirations of the community; the cooperator's function is to choose and support that management which can do its job well. The cooperator must furnish management with a framework of organization and policy



Queensview Cooperative

within which to manage; management must be free to perform its task with clear authority. If management's approach requires a lively sympathy for the goal of cooperative housing, the cooperator's attitude must be one of enlightened understanding for the complexity of management's problems.

Management's decision from an experienced perspective should be received with disciplined criticism and courteous appraisal. An objective management, impervious to personal blandishment, is to be respected, not reproved. Management's responsibility for a firm but tactful "no" is quite as important as its right to a considered and pleasing "yes" if the cooperative is not to founder or flounder.

At the same time, the cooperator's request, suggestion, or complaint is management's signal for careful attention. His initiative should be encouraged, his knowledge and experience welcomed, and his common sense recognized. The variety of tal-

ent, background, and abilities of the cooperators can serve as a rich source of collective wisdom to a responsive management. Cooperative management must always bear in mind that the cooperative is the cooperator's home and not management's protectorate.

A Joint Responsibility

The burden of proving cooperative housing is a joint one shared by management and cooperator. While the respective parts they must play and the attitudes implied may be defined and described, they are not easily assumed or readily adopted. The ingenious paradox of the tenant-owner in a community setting conforms to no management manual known to real estate. The lazy hope for a magic formula to resolve its pervasive contradiction would be vain. If the promise of better housing is real, it can be fulfilled through the resourcefulness, enthusiasm, and imagination of both cooperators and management in developing a pertinent pattern for living together.