

CO-OP CONTACT



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UNITED HOUSING FOUNDATION
COMMUNITY SERVICES, INC.

HOUSING FOR EVERYBODY

Mrs. ELEANOR ROOSEVELT

As Interviewed by the Editor of Co-op Contact



Mrs. Eleanor Roosevelt

In these times when we hear much about the difficulties over segregation in the South, we are apt to forget that during the past decade we have made a considerable amount of progress towards better understanding between all kinds of people. I sometimes wish that the press, the radio and television would give as much coverage to the advances we make in these fields as they do to the difficulties we encounter. If that were done it would quicken our educational understanding of human relationships and human rights for all.

While we have been making some progress in many aspects of this field, the progress has been pitifully slow in the field of housing. And of course housing is basic to our creating a better society. The housing problem has no boundaries; we have segregated housing in the North as well as the South; we have it in the Middle West as well as on the East and West coasts. As Americans we do not like to think that we have established ghettos throughout the country. Yet, when we examine the situation in housing, that is what we find. This is one part of the "American Dilemma" as Myrdal recognized it.



I read recently that the Protestant Council of Churches in New York City made a test to determine the extent of discrimination against Negroes in the renting of apartments. The study revealed that in every case where an apartment was offered to a white person, it had been refused thirty minutes earlier to a Negro applicant.

A family's financial circumstances usually determines the location and the kind of housing they will live in. To deny a family a house or an apartment which they can afford because of their race, religion or nationality is certainly against all of the principles we as Americans profess to believe.

From the experience of many inter-racial public housing projects, we know that people of all colors, nationalities and beliefs can live together harmoniously. The myth that minority groups tend to depreciate real estate values has been disproved by economic facts time and again. Cooperatives, whose membership is open to all, have also demonstrated that people of all colors can live together without conflict.

We white Americans should remember more often that we are a minority of the world's population and as Americans we certainly have to remind ourselves frequently of our American principles of equality and justice to all.

Shelter is one of the very basic necessities we all must have. Our homes are the focal point for almost everything else we do. A well adjusted family life depends to a great extent on the environment of their home. A segregated community is an unnatural and unhealthy situation. Many of our other social problems can be traced directly to that condition. If we can solve the basic problem of housing we will at the same time accomplish much toward finding solutions to full employment, juvenile delinquency and segregation in institutions like schools and churches.

Each of you as cooperative members have the opportunity to inform many others how well your integrated cooperative developments work. When difficult problems are encountered it often seems that the educational process takes a long time, and we lose patience. However, when we are dealing with such a complicated question as desegregated housing, the use of education, understanding, tolerance, and all of our ethical principles, is, I believe, the only sound method to cope with such problems.

HOUSING LEGISLATION

PHILLIP I. BLUMBERG

(Editors note: During the 1956 session which recently adjourned, the New York State Legislature adopted and sent to Governor Harriman for his approval numerous bills relating to housing. The Governor has until the middle of April to decide whether to approve or veto these bills. As we go to press, it is not known which of them will become law. It is expected that all will be approved by the Governor. We have asked Mr. Blumberg, a partner in the law firm of Szold and Brandwen to briefly outline the highlights of some of the legislation.)

I.

The Limited Profit Housing Companies Law, enacted during the 1955 session, to permit State and Municipal aid to limited profit housing companies, has been extensively revised. In the case of projects receiving Municipal loans, the Comptroller of the City is granted extensive powers of regulation and supervision over the projects. Income limitations on persons residing within the project have been modified. The income of all adult members of the family is to be taken in to account in determining whether the family's income is within the six to one maximum ratio to rental. In addition, of great interest to future limited profit housing companies operating on cooperative principles, is the provision which provides that tenant-cooperators whose income exceeds the statutory limitation may continue to reside indefinitely within the project upon payment of a rental surcharge equal to the amount of tax exemption on

their apartment, which rental surcharge is paid by the housing company to the City granting the tax exemption. Other modifications include provision for income debentures, allowance for three percent working capital in determining the capital structure of the project, and provision for voluntary dissolution.

II.

The jurisdiction of the State Commission against discrimination was significantly extended to include discrimination with respect to housing accommodations in public housing projects; housing projects operating under the supervision of the Commissioner of Housing; housing constructed after July 1, 1950 which has received any form of tax exemption; and housing constructed after July 1, 1950 on land acquired at a written-down cost under Title I of the Housing Act of 1949.

III.

The creation of a \$100,000,000 State bond issue, to provide an additional fund for loans to Limited Profit Housing Companies. The bond issue must be approved by referendum at the November 1956 election. This is similar to the fifty million dollars approved by the voters in 1955.

IV.

An "adequate number" of units in new public housing projects is to
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UNITED HOUSING FOUNDATION'S MEMBERSHIP MEETING

A feeling of power resulting from the accomplishment of housing cooperatives swept over the membership meeting of the United Housing Foundation, held at the Columbia University Club on March 15th. Over 100 representatives of thirty-eight member organizations heard Robert Szold and Roger Schafer, President and Secretary respectively, tell of the program of the Foundation and of the progress which has been made during the past year. Mr. Abraham E. Kazan, President of Community Services, Inc., the business arm of United, also made a report.

The main emphasis of the meeting was on the reports presented by the representatives of the member organizations. As a whole the reports were stimulating, dealing with the progress organizations were making; and discussion of some of the problems confronting them. The following organizations were represented: Amalgamated Dwellings, Amalgamated Housing Corporation, Bell Park Gardens and Bell Park Manor and Terrace, East River Housing Corporation, Electchester, Hillman Housing Corporation, Kingsview, Mutual Housing Corporation, Queensview, Harry Silver Apartments, Newark Citizens Housing Council, and the Workmen's Circle.

Mr. Jerome Belson representing the Harry Silver Apartments and the Amalgamated Meat Cutters Union reported on the plans for "Senior Village" a cooperative to be built in Brooklyn, under the provisions of the State's new limited profit housing law. Twenty percent of the 378 apartments will be 1½ and 2½ room units for older people.

Messrs. Bush and Van Arsdale representing Electchester reported that the E Division of Local 3 of the International Brotherhood of Electrical Workers Union are in the process of looking for a site for a new 400 unit cooperative development to be named in honor of William A. Hogan, the late Financial Secretary of Local 3.

Mr. Bush said that he thought that a good number of the members of the Building Trades Council are interested in developing a cooperative housing program. And a plan would soon be forthcoming.

Mr. Edward Sherhofer of Bell Park Gardens asked the assistance of the United Housing Foundation with the problem created by the fact that amortization was figured into the resale price of their apartments which caused difficulties because of the restrictions on the earnings of incoming cooperators under the Public Housing Law.

Mr. Ralph Lippman of the East River Housing Corporation said that all of the 1,672 families have now moved into this development. The shopping center which will include a large cooperative food market is under construction.

Mrs. Bertha Hayes of Queensview reported that some of the individual members of Queensview have made loans to assist with the organization of a new cooperative, Queensview West.

She also suggested that the Foundation do everything possible to assist "middle income" families in getting into cooperatives. She was concerned that in some cooperatives income limitations imposed by the State restricted many families from living in cooperatives.

Mr. William Stern of the Workmen's Circle suggested that ways be found to adequately finance the dynamic program of the United Housing Foundation. He suggested a 10¢ a room monthly contribution from member organizations to the Foundation be considered.

Mr. A. E. Kazan said that the job of Community Services was to translate the ideas of the Foundation into practical projects. He expressed the hope that the progress of United would be accelerated in the near future to meet the great need for decent housing for the working man. He then outlined some of the projects which Community Services is engaged.

Mr. Percy Brown, a Director of the United Housing Foundation and a

Director of the Edward A. Filene Good Will Fund Inc., said that the loans to housing cooperatives by the Good Will Fund had been very well invested by those organizations. He said that Mr. Filene envisioned cooperatives as a method whereby people could improve their living standards by helping themselves. He said that is what housing cooperatives are accomplishing.

\$50,000,000 Fire Insurance Policy PURCHASED BY NINE HOUSING COOPERATIVES

Abraham E. Kazan, President of Community Services, Inc. announced that a unique fifty million dollar fire insurance policy providing better coverage at substantially reduced costs has just been negotiated by the Insurance Department on behalf of nine housing cooperatives affiliated with the United Housing Foundation.

Mr. Kazan reported that the insurance Department headed by Sidney Vyorst, has also completed a master liability policy which is bringing insurance costs down for construction now in progress and will make savings available to all housing cooperatives on their Liability and Workmen's Compensation coverage.

"These are the first of a series of package plans", Mr. Kazan said, "which it is hoped will make available low cost insurance not only to the cooperatives but to their individual members on automobile, fire, personal liability and other forms of insurance."

A CENTRAL RESERVE FUND

A. E. KAZAN

Nothing is ever accomplished which is not started. Plans and ideas on paper are not worth much until they are transformed by action into realities. At the recent meeting of the United Housing Foundation there was much interesting talk. The ideas expressed were good and should be followed up by practical programs which will result in strengthening existing housing cooperatives, and make it possible for more and more people to enjoy the benefits of living in cooperatives in the future.

Prudent members, directors and managers of cooperatives should recognize that the "housing situation" as it is today, and as it has been since the war, is an abnormal condition. There are some who see that the "boom" is about over. The great need for the kind of housing that cooperatives provide will always be in demand; and cooperatives should never be considered as a product of an acute shortage or other extraordinary conditions.

Cooperative housing has in recent years made great strides. It is no more a novel idea; it is no more a pipe dream of a single individual or a handful of people; it is an "economic necessity" if we are to speak in the language of Charles Steinmetz, the well known physicist. Given favorable conditions, we are able at this time to enlist thousands of prospective members for new cooperatives.

In planing new cooperatives we must, however, always remember: 1. That the work of building a successful organization does not stop with the completion of the building. 2. That a cooperative is made up of individuals who for reasons of their own may desire to leave the organization. 3. That not all the would-be applicants find it possible to join a housing cooperative since the equity investment is comparatively high. And it is to this group in particular cooperatives can benefit the most.

In planning a housing cooperative we must have in mind that the equity investment should be at a minimum. A plan should be developed to assist those who are unable to raise the equity by extending them loans at low rates of interest for substantially long periods. And a method should be evolved so at any time a cooperator is forced to leave the development there is a sufficient reserve available to repurchase his stock.

The ease with which a cooperator is helped to withdraw from this organization, without being forced to sell his equity investment at a sacrifice, will go a long way to build for the organization a very favorable reputation. Simultaneously it will also help to create a better cooperative since the element of speculation will be diminished. No cooperator joins to speculate with his equity investment.

HOW CAN WE DO IT?

Some cooperatives have established reserve funds for the purpose of repurchasing the members' stock. This also assures the member that his investment when he leaves the cooperative will be returned to him dollar for dollar. This method of having a reserve fund prevents risking the value of the cooperator's stock on the chance that there will be a family waiting for the vacant apartment.

The reserve fund is built up by each family contributing let us say twenty-five or fifty cents a room per month for about five years. The amount of the contribution might vary depending on the size of the project. After a number of years the amount might be reduced for another period of five years, or it might be suspended entirely for the families who have participated for the prescribed period. The contributions are paid monthly with the carrying charges. This is a cooperative plan to insure each member's investment.

A CENTRAL RESERVE FUND

In the future more and more cooperative developments will be sponsored by the United Housing Foundation. The Foundation will be playing an increasingly important role in accepting applications for apartments. Even now existing cooperatives have a reciprocal arrangement to exchange waiting lists through the Foundation, in an attempt to shorten the waiting period for families wanting to live in our developments.

Some cooperatives have reserve funds — others do not. We should establish a uniform policy on reserve funds and have them as a matter of course in all future developments. And they should be established in all of our existing organizations. We may find it advisable that each organization should pool their funds in a common fund through the United Housing Foundation. Let us assume that there are 35,000 rooms in all of the projects which are members of United. If all were participating in this program at fifty cents per room, in five years the fund would amount to \$1,050,000. The Foundation would serve as the clearing house for the sale and resale of the organizations' stock. A joint program is feasible and it will mutually benefit each organization — and their individual members.

The central reserve fund would not only be used for the purposes already indicated but it might conceivably provide the initial capital required for starting additional cooperative developments, with low interest loans. The fund will grow in pace with the increasing number of housing cooperatives which will be built in the future. Also individual members of all the participating cooperatives might take advantage of the use of their funds at low interest rate loans for worthwhile purposes. The people's money being used to help themselves is the very essence of the purpose of cooperatives. Using the common reserve fund for that purpose would be carrying the object of the cooperative to its logical conclusion.

It is to be hoped that before the economic trends change too drastically our members will have the foresight to establish a central reserve fund for their mutual benefit.

HOUSING LEGISLATION

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be reserved for the use of aged persons who are to receive priority in the letting of the apartments.

V.

Several bills were adopted to encourage repair and rehabilitation of sub-standard multiple dwellings. Ten million dollars was appropriated to enable municipalities and housing authorities to make loans for repair and rehabilitation. Municipalities were authorized to make tax concessions to owners modernizing their buildings, particularly for installing central heating. A mortgage facilities corporation was created to be financed by institutional lenders and

to make mortgage loans in sub-standard areas in need of rehabilitation.

VI.

The deadline for the construction of projects receiving tax exemption under the Public Housing Law was extended from January 1, 1957 to January 1, 1958.

In addition to the foregoing bills, the Legislature initiated a constitutional amendment to be submitted to the electorate which would permit guarantee by the State of loans to private companies for rehabilitation and modernization of tenements and for new construction. Such State guarantees would be modeled after the guarantees of the Federal Housing Administration.

27TH ANNUAL COOPERATIVE INSTITUTE JULY 22-28, 1956

If you wish to experience an unusual vacation, we suggest you consider attending the 27th Annual Cooperative Institute at Bard College the week of July 22-28th. Bard College is located at Annandale-on-Hudson, one hundred miles from New York.

A vacation for the whole family at the Institute combines pleasure and relaxation with a worthwhile program of informative study.

While the entire program of the Institute has not been formalized as yet, it will include a comprehensive course on cooperative housing, led by Abraham E. Kazan. Other courses will include: Fundamentals of Consumer Cooperatives, What Every Co-op Director Should Know, Testing the Financial Health of Co-ops, Communication of Ideas, A Co-op Clinic on structure, management, member relations, etc., Public Speaking and the Conducting of Meetings, Principles of Co-op Community Relations.

The Cooperative Institute presents an unusual opportunity for the whole family to participate in a program designed for education, recreation and enjoyment. The cost of the Institute including meals, room and tuition from supper on Sunday, July 22, through lunch on Saturday, July 28th, is \$50 per adult and \$40 per child, under 12. Reservations can be made, and additional information obtained from Mr. Robert E. Morrow, Cooperative Institute Association, 133 Center Road, Greenbelt, Maryland.