



# CO-OP

# Contact

UNITED HOUSING FOUNDATION • COMMUNITY SERVICES INC.

## TITLE 1

### ACCOMPLISHMENTS, LIMITATIONS, AND POSSIBILITIES

Although Title I has been in existence since 1949, it has only been in the past few years that the words "Title I" have been making headlines in daily newspapers. In a sense, Title I is a gigantic cooperative program. It also is, or can be, a major factor in the development of housing, and as such, we are greatly interested in its accomplishments, limitations, and possibilities.

Title I is a cooperative program because it involves a cooperative effort between private groups, the federal government, and municipal governments. Title I was written into the National Housing Act of 1949. The late Senator Robert Taft was one of the principal architects of this legislation. Its purpose is to attract private capital into the field of slum clearance. Under the law, if a private developer undertakes a project involving slum clearance, the federal government will contribute two-thirds of the cost of acquiring the land and the municipal government will contribute one-third of the cost. An actual illustration on how this works is found in our article on Seward Park in this issue.

Slum land in large cities has become valuable property. No private developer could be expected to find the capital required to purchase large areas of slum lands for re-development. Likewise, it would be impossible for either the federal government or municipal governments to undertake programs vast enough to make much of an impact on extensive slum areas in the United States. Thus, a cooperative program involving the participation of federal, city, and private funds came into existence. There is evidence that this program can work.

#### Accomplishments

A report issued by the Housing and Home Finance Agency, which administers the federal part of the program, says that as of June 30, 1957, 272 projects have been approved. Another 162 projects are being planned. The HHFA reports that 266 of the more advanced projects will provide a total of 86,107 dwelling units. Twenty-nine states and Alaska, Hawaii, and Puerto Rico, are participating in the program. Three completed cooperative housing developments built as Title I projects in New York City are evidence that the program can work and has accomplished something. Since 1949, Congress has appropriated \$1,350,000,000 for this program.

One of the great limitations of the program is the amount of time it takes between the time a program is initiated and when it is approved. Even under the most favorable circumstances a minimum of two to three years is required before final approval can be obtained by all agencies involved. Thus, while funds are reserved for projects, the money is not actually spent for years. Congress has authorized the expenditure at the rate of

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## U H F DIRECTOR ELECTED TO HIGH LABOR POST



*Harry Van Arsdale, Jr.*

Harry Van Arsdale, Jr., business manager of Local #3, the International Brotherhood of Electrical Workers, and a Director of the United Housing Foundation, has been elected president of the Central Trades and Labor Council of Greater New York.

Mr. Van Arsdale has headed the thirty-thousand-member Local #3 for the past twenty-three years. During the height of the Senate hearings on the seamier side of labor unions, LOOK MAGAZINE ran a story on how a model union is run. They chose Local #3 for their illustration.

Under Mr. Van Arsdale's leadership, Local #3 of the IBEW is one of the country's most progressive and dynamic labor unions. Electrical workers earn a high wage scale, but Mr. Van Arsdale's concept of what a labor union should be, goes far beyond "wages and hours". Mr. Van Arsdale sees a union member as more than a worker. He is an individual and a consumer. Much effort goes into a program of educating the worker on how he should profitably use his money. Local #3 has established its own school with an elaborate program on "how—not what—to think". It also has a scholarship program for its members' children.

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## THE PEOPLE'S BUSINESS

### ELECTCHESTER'S SECOND HOUSING COMPANY, INC.

Electchester is a tremendous housing cooperative. It provides homes for 2226 families. It is located in Queens and Queens is a large borough. In the dark, traveling over unfamiliar roads, streets, avenues, and places all marked 164, it took the editor of these pages over an hour to find Electchester. Once there, however, the dedication and enthusiasm of the Board of Directors and committeemen of the Second Housing Company was so contagious that he was glad that he did not give up the search earlier.

On the fourth Monday evening of each month, fifty-nine men — and one committee woman — gather for a council meeting. These sixty committee men are representatives of the 688 families who live in the twelve buildings which comprise the Second Housing Company of Electchester. Between the Council meetings, each building has a monthly meeting of its own. The committee men and the Board of Directors of this cooperative are giving a great deal of their time to see that their cooperative runs smoothly.

The first surprise of the evening came when the meeting started on time! It is a rare event when a co-op meeting called at 8 o'clock starts at 8—this one did. The chairman, Robert Breitman, was absent; the vice-chairman, Andy Louice, presided. He explained that Mr. Breitman was at school. We later learned that he was taking a course in housing at Long Island University. Incidentally, we had met six of the same committee men at a "school" being conducted by the United Housing Foundation the previous Monday evening. These cooperators are taking their jobs seriously and education is an important factor for the success of their enterprise.

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*One of the Electchester Buildings*



*The recreation rooms are in constant use.*

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One of the many accomplishments of the Second Housing Company has been the establishment of recreation rooms in ten of its twelve buildings. In addition to the sixty house committee men involved in the meeting we attended, approximately a hundred other men and women make up the recreation committees. These large recreation rooms are in constant use. They provide facilities for groups of all ages. Of paramount importance, however, is an extensive program of supervised teenage programs. The same facilities are used by numerous scout troops for both boys and girls. The rooms are well equipped with cooking facilities and a wide variety of games including ping-pong tables. One room has its own jukebox and others have television sets and record players.

Not satisfied with resting on their laurels there was a considerable discussion at the council meeting on expanding and improving the recreational program. These facilities, it is interesting to note, are not used exclusively by the residents of the Second Housing Company. We thought it made a lot of sense that they seemed agreed to invite the children from the neighborhood to use the facilities.

Mr. Breitman, a man with boundless energy, arrived about 9:45, just in time to explain the annual financial report to the Council. We were impressed with the soundness of the financial report and wondered what correlation there was between the amount of education and membership participation in the cooperative and the fact that a one half month's rent rebate was just announced.

Mr. Breitman laid it on the line, "Tell your cooperators that the more cooperation we get, the more money they will get back next year."

We left Electchester with the feeling that all we had witnessed was ample proof that cooperatives are the people's business and that here was one co-op where a lot of people are working hard to make it a success.

# SEWARD PARK SITE ACQUIRED



*Title and Check Change Hands  
For Seward Park Site*

*Right to Left: Benjamin Cymrot, executive officer of the Bureau of Real Estate, Herman J. Jessor, architect, Phillip I. Blumberg, attorney, Harold Ostroff, treasurer and Abraham E. Kazan, president of the Seward Park Housing Corporation.*

In another article in this issue of CONTACT, we discuss the accomplishments and limitations of Title I of the National Act of 1949. On November 29, 1957 a new \$22,500,000 Title I development in New York City was launched, it will be known as the Seward Park Housing Cooperative.

This new privately-financed cooperative venture will eradicate 205 slum buildings from the Lower East Side of Manhattan. Twelve and a half blighted acres will be transformed into a community which will include four modern apartment buildings, gardens, playgrounds, shopping and parking facilities. The buildings, which will be similar in design and layout to the ILGWU Cooperative Village in the immediate vicinity, were designed by Herman J. Jessor.

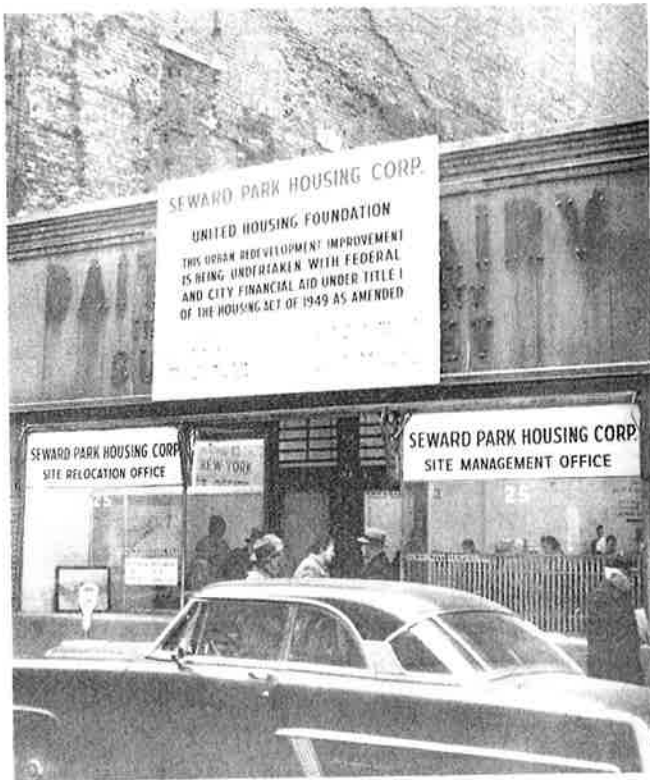
Plans for this cooperative were initiated over three years ago when the great demand for apartments in the East River Housing Cooperative could not be satisfied. The continuing need for moderate-priced housing is abundantly evidenced by the 3300 applications there are for the 1728 apartments in Seward Park which will become available when construction is completed.

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<small>THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING ACCOUNT AND THE PAYEE ACCEPTS IT AS SUCH. NO OTHER RECEIPT REQUIRED</small>		<b>SEWARD PARK HOUSING CORPORATION</b> 570 GRAND STREET NEW YORK 2, N. Y.		No. <b>105</b>	I-337 260
DATE	AMOUNT	PAY TO THE ORDER OF TREASURER OF THE CITY OF NEW YORK		NEW YORK	NOV. 26 1957
		\$ 11,426,020.00		DOLLARS	
		Seward Park Housing Corporation		H. Jessor Harold Ostroff	
<b>THE AMALGAMATED BANK</b> 11-15 UNION SQUARE <b>OF NEW YORK</b>		MEMBER FEDERAL RESERVE SYSTEM			



*Relocation started three days after the site was acquired.*



*Site Management Office*

*Continued from previous page*

Seward Park is another cooperative being sponsored by the United Housing Foundation; it also has the support of District Council #9 of the Brotherhood of Painters, Decorators and Paperhangers of America, the United Hatters, Cap, and Millinery Workers International Union, Local #3, of the International Brotherhood of Electrical Workers and the Workmen's Circle. The tenant-owners will invest a total of \$4,768,400 in equity in their development, the equity is based on \$650 a room. Approximately half of the mortgage funds are being provided by the Bowery and Dry Dock Savings Banks, the other half will come from the pension and welfare funds of the supporting organizations. This marks the first time that several labor unions and a fraternal organization have joined together with mutual-savings banks to provide mortgage funds for a cooperative development. The non-profit character of the cooperative, the investment being made by its members, the unusual financing, and the partial tax abatement granted by the City of New York — all make possible an average carrying charge of \$21 a room a month.

The Seward Park Housing Corporation paid the City of New York \$1,442,602 for the site. Under the provisions of Title I, the federal government contributes two-thirds and the municipal government one-third of the cost of acquiring the land. The write-down value of the Seward Park area was \$8,334,398. Upon acquiring title, the Corporation paid the City the full purchase price for the land; this was the first time a developer under Title I had paid the full purchase price upon receipt of title.

The City of New York has granted a tax abatement to this project for twenty years. During the abatement period, however, the City will gain a total of \$2,100,000 over the taxes it presently receives from the site.

Before construction can start, over 1400 families living in the area will have to be relocated and the old buildings will be demolished. A relocation office on the site opened almost simultaneously with the acquiring of title. The difficult task of finding new homes for the site tenants has begun. Incidentally, over 200 site families have made applications for apartments in the new cooperative. As the old buildings become vacant, they are being demolished.

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# PARK RESERVOIR CO-OP OCCUPIED

The first of 276 families moved into their new homes in Park Reservoir Housing Cooperative on December 9. The occupancy of the first of three twelve-story buildings, in the Bronx marks the completion of the first housing development built under the State's Limited-Profit Companies' Act, commonly called Mitchell-Lama Law.

The new cooperative, which was sponsored by the United Housing Foundation, adjoins the well-known Amalgamated Houses which, incidentally, was the first development completed under the State's Limited-Dividend Housing Companies' Law thirty years ago. Two of the Park Reservoir buildings are opposite Mutual Housing Association, a small cooperative of 122 members. The three cooperatives comprise a total community of 1832 families.

The Mitchell-Lama Law makes it possible for the State to provide low-interest loans as incentive for private industry to build reasonably-priced housing for middle-income families. Although New York City has always led the nation with progressive housing legislation, this law for the first time makes it possible for the State to grant a mortgage for a housing development. The monthly carrying charges in the non-profit Park Reservoir Cooperative averages \$20 a room. The members investment is \$625, a room. The City of New York granted the development a partial tax abatement, but even with this abatement, the City benefits by \$61,000 a year over the \$3000 in taxes it has been receiving from the site.

Three days previous to move-in day, the State

Housing Commission of Joseph McMurray and members of his staff made a comprehensive tour of the cooperative. The Commissioner was very much impressed by the size of the rooms, especially the spaciousness of the bedrooms. He was heard to remark that the apartments were, "A tremendous buy for the money".

Park Reservoir cost approximately \$3,750,000, the State provided a \$3,000,000 mortgage at 3½%. This new development is an illustration of what kind of housing can be provided when low-interest mortgage money is available. The \$50,000,000 appropriated for Mitchell-Lama housing has all been allocated for a number of similar projects. The voters of the State, in November 1956, turned down a proposition which would have added another \$100,000,000 for middle-income housing. Unless additional funds are provided for this type of housing, the program will come to a halt when the developments now under construction are completed.

The Park Reservoir Cooperative demonstrates the feasibility of the program of private groups working with the City and the State to provide moderate-priced housing. The United Housing Foundation urges the continuation of this type of a cooperative program to build more housing for working people. It has been suggested that some of the State's retirement and pension funds be invested in this program. The use of such funds would assure the continuation of a practical middle-income housing program for some time.



*Discussion of Construction  
During Tour of Inspection*

*Left to right: Commissioner Joseph McMurray, A. E. Kazan, president, Harold Ostroff, treasurer of Park-Reservoir Housing Cooperative, John T. Hangaard, Jr., Housing Consultant to the State Division of Housing, and William H. Davis, Assistant to the Commissioner.*



*A. E. Kazan presents the keys to Mrs. Samuel Falk for their new 4½-room apartment. The Falks were the first family to take occupancy at Park-Reservoir.*

*Continued from page 1*

\$250,000,000 a year, yet, last year only \$13,500,000 was actually expended. Since the inception of Title I, the projects which have been approved, or those for which funds have been reserved, amounts to \$950,000,000. Actually less than \$500,000,000 has been spent by the federal government for projects to date.

### Private Enterprises Share

The expenditures of the federal government and the municipal governments for land is but one aspect of the Title I picture. Figures are not available of the total amount of money which private industry will put into the program. However, the following facts can be considered indicative of a general pattern. The East River Housing Cooperative was the first large-scale Title I project completed in the country. The write-down value of the land was \$4,501,000. The cooperative built a \$20,000,000, 1672-unit development. Reporting on twenty-one Title I projects in various stages of completion and planning, the New York City Slum Clearance Committee in its report of July 15, 1957, says, "These projects involve 605 acres of slum property with a total write-down value of \$196,000,000. Private developers and institutions will spend approximately \$628,000,000 redeveloping these sites." The report says that these projects will include over 38,000 housing units.

Under the direction of the Slum Clearance Committee, the program is more advanced in New York City than in any other place. Recently, however, many smaller municipalities including the suburbs of larger cities, are becoming cognizant of the possibilities of using Title I funds for slum clearance. The HHFA reports, for example, that 44 projects are underway in Puerto Rico. A total of 4731 units are being planned there. In the Continental United States, California, New Jersey, Illinois, and Pennsylvania, following New York with a number of housing units which will be developed under Title I, 30,162 units will be built in those four states.

### Limitations

Although 435 projects are in various stages of development under the Title I program, most of these, at the present time, are only paper plans. FORTUNE MAGAZINE says in its December issue, "Only in six cities have projects been brought to the point where they are occupied." One of the chief criticisms of the program has been the great amount of time it takes to cut through the red tape to get a development started. The two or three-year delay getting approvals

from the governmental agencies involved has discouraged many private developers from undertaking sponsorship of projects.

Relocation has been another of the chief road blocks of the program. Rehousing large number of families is a very difficult problem, especially in a tight housing market. In many localities, this problem has been made even more complicated by becoming a political issue.

Both of these factors led FORTUNE MAGAZINE to say, "The program is now stuck at dead center." The New York Slum Clearance Committee, however, is not so pessimistic. Speaking of Title I they say, "The record is disappointing, but by no means tragic or hopeless."

### Possibilities

In spite of the many difficulties encountered and the meager results thus far achieved, we believe the principles of Title I are sound and workable. Without this program, there is little hope for the future of American cities. The 1950 census of housing in the United States showed that nearly 20,000,000 homes are classified as being dilapidated. Our cities have been fighting a losing battle against blighted and slum areas. In most instances conditions require the bulldozer approach. It must be recognized that private industry has an important stake in the future of the cities as well as the suburbs of this country. Slum clearance is not a job which the federal government can do alone. It requires the participation of a great deal of private capital — together with a great deal of public funds. This job requires the cooperation of both public and private groups.

The governmental agencies must be willing, however, to do more than spend money. Administrative procedures must be simplified, road blocks must be eliminated, the program must be accelerated and receive priority, if the much-needed housing is to be built. At the same time, private capital must also be willing to make sacrifices to accelerate the program. Insurance companies and foundations as well as savings banks and labor unions must be willing to sponsor and finance projects. These institutions must be willing to invest their money in a large number of units which people with limited and modest incomes can afford. Private developers must be willing to accept a limited profit from such housing.

Title I was a new approach to an old problem. It was a bold endeavor to rebuild our cities and towns. The program now needs imaginative and capable builders, planners and administrators to put it into high gear.

## U H F DIRECTOR ELECTED TO HIGH LABOR POST

The strong emphasis on education does not for a moment detract from other practical beneficial programs in which Local #3 and the Joint Industry Board have engaged. Union members have their own dental and diagnostic clinics where services are rendered without charge. They also own their own convalescent home. Electchester, a 2226-unit housing cooperative was sponsored and partially financed by the union and the Joint Industry Board. These and many other programs make Local #3 an outstanding labor union.

Mr. Van Arsdale has a strong philosophy that democratic institutions can work. He believes that the more the members know, the better democracy will function. He works hard at the job of improving not only himself and his union, but society too.

## SEWARD PARK SITE ACQUIRED

When completed, Seward Park will bring the total number of cooperative apartments in the area to over 4400. On the Lower East Side, there is no decent private housing. There are, however, a large number of public housing units which provide good housing for those who can qualify for admission. The cooperatives in the area have not only been responsible for clearing slums, but they have added economic balance to an otherwise predominantly lower economic area.

Seward Park is another illustration of how people can help themselves achieve decent housing. It also demonstrates how effectively private groups can work with the city and federal governments to solve the dual problems of adequate housing and slum clearance.

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## QUOTABLE QUOTE

"This generation of cooperators, as with those before and those to come, has one prime responsibility. It is to keep our purpose true and clear. It is difficult to avoid confusion with such a plausible and insistent environment as confronts us all. The real danger to the cooperative idea lies not in the remoteness of the goal, not in the difficulties athwart the path, but in a desire to conform and in a feeling that after all there isn't much difference."

— RALPH STAPLES

*President*

*The Cooperative Union of Canada*

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