

Landlord abandonment of housing, like these vacant buildings in Harlem, was rampant by the early 1970s.



UHAB Comes of Age

Thirty Years of Self-Help Housing in New York City

By Neil F. Carlson

When the Very Reverend James P. Morton arrived at the Cathedral of St. John the Divine on Manhattan's Upper West Side in 1972, the newly appointed Dean was determined to infuse the church with a fresh sense of mission and purpose. The Cathedral had been struggling to keep its relevance in a city that had grown poorer, more diverse, and more troubled throughout the 1960s, and Bishop Paul Moore thought Morton was just the man to shake things up. Dean Morton had spent the first eight years of his career ministering to the poor in a "slum parish" in Jersey City before taking a position as director of the Urban Training Center in Chicago, an ecumenical program that groomed clergy for urban ministry, a sort of farm team for radical priests. Morton was also old friends with Ivan Illich, the philosopher and onetime Catholic priest, who shared Morton's progressive political sensibilities and pas-

sion for social justice. While in Chicago, Morton hosted a series of symposia addressing various issues of the day, and in the early 1970s, Illich and Morton brought together a group of architects, urban planners, and community activists for a session on housing for the poor. Among the most intriguing ideas that emerged from the meeting was self-help housing, the idea that abandoned properties could be turned over to poor "urban homesteaders" who would redevelop the homes with their own hands and manage them cooperatively.

New York City in the early 1970s was the perfect place for urban homesteading to take root. Much of the city's housing inventory dated from the end of the 19th Century, and nearly a century later it was in deplorable condition. Meanwhile, longtime city residents who had fled to burgeoning suburbs were replaced by African Americans from the South, Puerto Ricans, and a wave of

new immigrants from Latin America, the Caribbean, and Asia. The new residents were poor and politically weak, which meant they could neither afford nor effectively lobby for improved housing. When landlords found themselves squeezed by high interest rates, stagflation, and rising fuel costs, abandonment and arson became common tactics for salvaging what they could from unprofitable buildings. From 1970 to 1978, the city lost an average of 3,274 units of housing per month—a wave of abandonment that was abetted by the city’s woefully inadequate policy for dealing with buildings that were in property tax arrears. In 1976, the city owned 4,611 multi-family buildings and was about to acquire 1,770 more, yet the city’s foreclosure process often took five years or more—three years of arrears before the city initiated foreclosure proceedings, and two more years to complete them. In the face of rising operating costs, many landlords made calculated decisions to milk their rent rolls for five years before abandoning title to the city—at which time the buildings were often unlivable.

In the fall of 1972, Dean Morton hosted a conference on the city’s housing crisis that attracted a small cadre of urban planners, architects, policy makers, and activists who shared an interest in urban homesteading. The conference featured I. Donald Turner, a professor of Urban Studies at Massachusetts Institute of Technology, who pioneered the idea of self-help housing, as well as local residents who were already doing it. In the late 1960s, the priest Robert Fox and his urban congregants had taken over a handful of abandoned tenements in East Harlem and began renovating them—no permits, no architectural plans, no help from the government. The conference also attracted city officials, including Philip St. Georges, an Urban Fellow assigned to the city’s housing department, and Bob Schur, a deputy commissioner of housing.

Riding this crest of talent, energy, and opportunity born of the city’s chaos, Turner, St. Georges, and Morton began plotting a strategy for expanding urban homesteading in New York City. “We started meeting in the Dean’s office to discuss all of this interesting self-help stuff going on around the city,” said Chuck Laven, who was a student of Turner’s at the time. “Could the Cathedral sponsor a program that could help it? What would that be? What kind of help do they need? How would you set it up?” Dean Morton gave the group seed money, a fiscal agent, and office space in the Cathedral. Over the next few months, the group identified buildings, reached out to community groups, and tried to figure out how their

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Tom Robbins, the Village Voice writer and longtime UHAB supporter, recently told me. “But the idea that people could be their own single best solution to housing abandonment was a startling proposition.”



Photo: Alan Savage

Homesteaders at work on a sweat-equity project.



Members of the Renigades construction crew at their sweat equity project site, 251 East 119th St.

vision of self-help housing could squeeze itself around existing laws and government programs.

In April, 1974 the Urban Homesteading Assistance Board was officially launched, though Laven, who took over as UHAB's executive director in 1978, noted that "cobbled together" is perhaps a more accurate description of the organization's genesis. "We used the city's existing loan program. We used the city's existing power to dispose of abandoned property to non-profit organizations. We used the city's existing tax abatement programs and the state's laws governing the establishment of co-operatives," Laven said. The idea was to provide low-income people with the tools they needed—everything from seed money to legal advice, architectural plans, building permits and training in bookkeeping, contracts, and construction—to build and run limited-equity housing cooperatives. "We sort of glommed on to all of the existing programs, and twisted them into something new. Limited-equity self-help co-ops were not what any of those programs had been designed for," Laven said, adding that the do-it-yourself approach "allowed us to start right away as opposed to saying 'let's go negotiate the beginning of a program.' We just did it."

Cooperative housing had been around since the 1930s, when labor unions began developing co-op buildings for their members. In 1955, New York State created the Mitchell-Lama Program as a means of providing rental and cooperative housing for middle-income families, cre-

ating 105,000 apartments in 269 developments. In an era during which centralized housing bureaucracies gave birth to notoriously inhospitable large-scale housing projects, UHAB's innovation lay in using the co-op structure to rehabilitate small buildings by and for poor people. Just as important, city government was a reliable ally in pursuing this goal. It was city lawyers who realized that Article 11 of the state's Private Housing Finance Law could support the creation of limited-equity cooperatives as Housing Development Fund Corporations (HDFCs). According to the city's initial agreement with UHAB, city-owned property would be sold to residents, and the city would reimburse residents for materials if they rehabbed the property themselves. In exchange, residents of "HDFC co-ops," as they came to be known, would be subject to caps on owner equity and income restrictions. With seed capital from the Consumer-Farmer Foundation (a philanthropy established by Meyer Parodneck, founder of a successful dairy cooperative, longtime tenement housing activist, and UHAB's first Board President) UHAB began working with urban homesteaders to acquire and rehab their buildings.

The idea of "sweat equity" captivated the public's imagination. "I don't want to call it revolutionary," Tom Robbins, the Village Voice writer and longtime UHAB supporter, recently told me. "But the idea that people could be their own single best solution to housing abandonment was a startling proposition." Homesteading was

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widely praised on editorial pages, and UHAB's successes received widespread coverage. The public relations bonanza appealed to New Yorkers' sympathy for the little guy and to their love of audacity. When Philip St. Georges helped organize the Renigades, a Harlem street gang, into a limited equity co-op, UHAB received front page coverage in the *New York Times*. In 1977, UHAB began attracting national attention when Sybil Phillips, HUD's highest-ranking woman at the time, awarded the organization a contract to run HUD demonstration projects in three

New York neighborhoods. That summer, President Carter paid a visit to one of the buildings UHAB was helping when he made his famous tour of the South Bronx. UHAB had arrived.

It was during this era that UHAB began working with Bill Ofenloch and his fellow residents on their sweat equity co-op on East 102nd Street in East Harlem. Sitting in his kitchen recently one Saturday afternoon, Ofenloch, a mild man with bright blue eyes and a salt-and-pepper goatee, described what the building was like when the residents bought it in 1968. Like many buildings from the era, the five-story walk-up was in horrible shape. “The building was falling apart,” he said. Vandals had ripped out the plumbing and electrical wiring for scrap, and a fire on the second floor had rendered the building unlivable. But the price was right: Ofenloch and the other homesteaders paid \$6,000 each for this building and the one next door.

Residents began working with UHAB in 1974. Under the city’s sweat equity program, the residents were reimbursed for construction materials—roughly \$60,000 in this case—but did their own work under UHAB’s guidance. Ofenloch, who worked for a plumber at the time, laid the pipe; another member did the electrical wiring. “We worked a lot of evenings and weekends,” Ofenloch recalled. They were about 1/3 of the way done when a fire set by junkies burned off the top two floors. After the fire, the homesteaders slept at the construction

Homesteader Bill Ofenloch in his co-op apartment at 177 East 102nd Street.

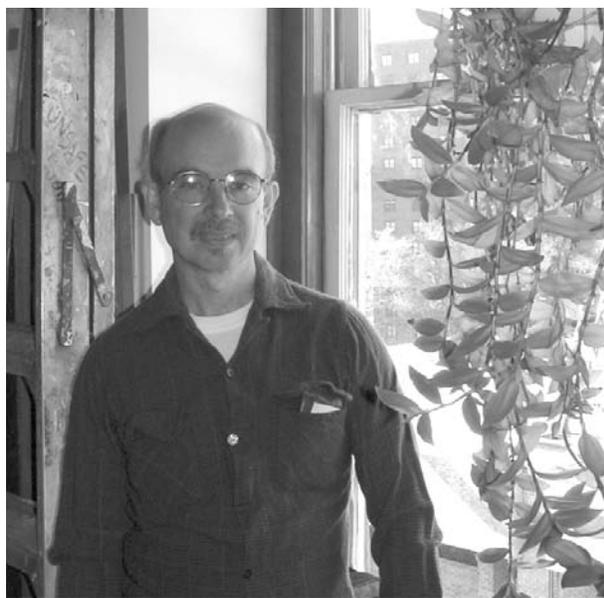


Photo: Lola Rephann



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177 East 102nd Street, a homesteading co-op reclaimed from abandonment by Father Fox and East Harlem residents in the early 1970s.

site for six months to keep junkies and vagrants away. “This neighborhood was really bad in the early ’70s,” he said. Progress was halting, but residents finally moved into the building in 1977.

Things have stabilized since then. The co-op is in good shape financially and structurally, though there has been some friction over the sale and transfer of units. Under city regulations, prospective buyers of limited-equity co-op units have to fall below certain income limits, and in many cases units would fetch more on the open market than the capped price, a discrepancy that sometimes leads to all sorts of shenanigans as members try to cash in on their appreciated shares. “They’re now calling this Upper Carnegie Hill,” Ofenloch said. Equivalent apartments now rent for \$700 to \$1,000 per month. “The imaginary wall that existed for years at 96th street has been breached,” he added dryly. For the most part, however, things run smoothly. The co-op has a \$40,000 reserve, and it allows Ofenloch, a devout peace activist and part-time handyman, to live simply and modestly amidst his plants and tools and vaulted fifth-floor ceilings.

In the November 14, 1976 issue of the New York Times Magazine, Roger Starr, the outgoing housing commissioner, published a modest proposal for dealing with the rising tide of abandonment and urban decay afflicting New York City. The city's manufacturing base, he argued, had eroded over the past 20 years, and those jobs weren't coming back. The city was going to lose population and the economy was going to shrink. Ignoring the inevitable would only make things worse. "The central fact of New York's financial crisis is that the city government does not receive enough wealth to sustain the city at the level to which its citizens have been accustomed." Beyond the two obvious remedies to which the city historically turned—increased economic development and appealing to Albany and Washington—Starr added a third. "We could simply accept the fact that the city's population was going to shrink, and we could cut back on city services accordingly, realizing considerable savings in the process."

Starr's argument for "planned shrinkage" was equal parts Thomas Malthus and F.D.R. "The federal government could resurrect a program from the days of the New Deal: resettlement," he wrote. Like Okies moving from the Dustbowl, Starr envisioned a federal program that would "encourage people to move voluntarily" to other areas of the country with brighter economic prospects. Remaining residents would be encouraged to migrate to sections of the city that "remain alive." In many areas, he argued, "whole tax districts can be cleared by taking properties for tax delinquencies." Remaining residents would be given a relocation subsidy after which "stretches of empty blocks may then be knocked down, services can be stopped, subway stations closed, and the land left to lie fallow until a change in economic and demographic assumptions makes the land useful once again."

Though Starr's proposal seems ridiculous in hindsight (and many considered it outrageous at the time), the fact that it received serious public airing indicates just how bad things were. By the mid-1970s, New York City was in the midst of a full-blown housing crisis, due in large part to the city's weak laws for dealing with properties in tax arrears. By 1976, over 20 percent of multi-family residential properties were in arrears, and 14 percent of those had been in arrears for over three years. The following year, in 1977, the city passed Local Law #45, which allowed the city to begin foreclosure proceedings after just one year of non-payment of taxes, not three. The new *in rem* (Latin for "against the thing") law was aimed at boosting city revenues, but it also

What Is a Limited-Equity Co-op?

Limited-equity housing co-ops function like other co-ops in important ways. A cooperative corporation owns the building and the residents own and control the corporation through the "stock" or "shares" they hold. Resident shareholders receive a proprietary lease for their apartments, for which they must pay a monthly maintenance charge.

In limited-equity co-ops, some form of restriction is placed on the resale value of membership shares in order to keep the housing affordable. The formula for calculating share value may differ from co-op to co-op, but usually the initial share price is limited and the return on investment is low. Some affordable housing co-ops also set limits on the income of new shareholders coming into the co-op, ensuring that the housing continues to serve low-income families and individuals.

The limited-equity co-op model is especially attractive for low- and very low-income households that would be hard-pressed to afford traditional single-family home-ownership. Limited-equity co-ops, like other forms of home-ownership, offer residents control over their housing and security of tenure, while imposing lower monthly housing costs and spreading financial risks among all the co-op's residents.

allowed the city to seize buildings before they had deteriorated beyond repair and became vacant. The year before, the city had also reorganized the housing department, replacing the Housing Development Administration with the Department of Housing, Preservation and Development.

To many observers, the new *in rem* laws demonstrated that the new moniker was more than cosmetic.

Indeed it was. Within two years, 8.4 percent of all properties in New York City were either *in rem* or at risk of tax foreclosure. These properties represented over 20 percent of the housing stock, and in many poor districts upwards of 40 percent of the units were *in rem*. It was, simply put, a fiscal, management, and political crisis. The city had first tried to auction the units off, but the policy was a disaster: new owners often failed to repay mortgages held by the city, not to mention property taxes, and buildings were soon back under city ownership. Under public pressure, the city closed the revolving door after just two years.

By the summer of 1978, the city had on its hands thousands of city-owned properties, a large portion of which were still occupied. It was a management crisis, and the city was desperate for new ideas. City Council Representative Ruth Messinger, a veteran of the wars over West Side redevelopment in the 1960s, put together a coalition of sympathetic elected officials and housing activists called the Task Force on City-Owned Property. It was still relatively early in Mayor Ed Koch's administration, Messinger recalled recently, and the general feeling was that if the Task Force played its cards right it could have a major hand in shaping city housing policy. The Task Force's report, which was written by UHAB founder Chuck Laven, was a laundry list of progressive recommendations: simplify loan procedures, create more mechanisms for non-profit management, expand the Housing Litigation Bureau, offer tenants of *in rem* buildings the opportunity to manage the property, expand rehab programs—and sell more *in rem* buildings to tenant cooperatives.

To their surprise, Housing Commissioner Nat Leventhal bought nearly the whole package, marking the arrival of an era of cooperation between housing advocates and city officials that continues to this day. When Messinger and Leventhal met to discuss the report, she recalls him saying, "Well, we might as well try something different, because nothing else works." "It was amazing," she said. "He was essentially saying, 'Well, we're not going to do everything in this report—and we're much less convinced than all of you that this is going to work—but we'd be stupid not to try something new.'" In September, HPD created the Division of Alternative Management Programs to

deal with the stock of occupied *in rem* properties and hired Philip St. Georges, UHAB's second Executive Director, to run the program. Despite its unfortunate acronym, DAMP embodied what is now a bedrock principle of city housing policy: that tenants had a right to influence the disposition of their buildings if they were willing to take over the buildings themselves. Within a year, DAMP was running six alternative management schemes aimed at giving building residents and community groups control, and in some

cases ownership, over *in rem* buildings.

As it turned out, Leventhal's skepticism was warranted. Between 1978 and 1979, the city vested 14,000 buildings, but there were no sales of *in rem* property in those first two years. The city found itself whipsawed by constituents who demanded city housing be preserved as low- and moderate-income housing, and the market realities that mitigated against sales to for-profit owners without significant preservation incentives. These were, after all, the poorest people in the worst buildings. HPD thus became the landlord of last resort for many New Yorkers as it continued to accumulate *in rem* property throughout the 1970s and 1980s.



UHAB staffer Alfonso Rogel facilitates a co-op training class in UHAB's Prince St. office in the early 1990s.

“ We’re hoping really to infuse life skills to go along with this program. What we found out was that a lot of people took away from the program skills that helped them in their life.”

UHAB’s role expanded significantly during this era. In August, 1978, UHAB was awarded a contract to provide training and technical advice for buildings in the city’s Tenant Interim Lease (TIL) program, which offered tenant associations the opportunity to manage their *in rem* buildings under 11-month renewable leases from the city. Under the TIL program, residents were able to buy their buildings from the city for \$250 per unit after they had demonstrated their ability to successfully manage their building for three years, and turn them into co-ops. “The program just took off,” said Andy Reicher, UHAB’s current executive director, noting that 240 buildings entered TIL in the program’s first year. “The TIL contract allowed us to formalize our co-op training programs, strengthen our technical assistance approach, hire new staff members, and scale up services to low-income cooperatives.”

This blend of training and technical advice became UHAB’s trademark and its bread and butter. Over the next 26 years, UHAB would work with over 80,000 residents in more than 1,400 buildings, helping to preserve over 30,000 units. UHAB eventually opened training centers in Harlem and Downtown Brooklyn, where nearly every night of the week residents could take co-op management classes, work with UHAB advisors, and avail themselves of computers, manuals, legal documents and other support materials. At the heart of this technical assistance and training were five core classes needed for admission to the TIL program: an introduction to TIL, two financial management courses, building management, and maintenance and repair classes. Yet TIL was no cakewalk. Of the 53 tenant organizations that petitioned to enter the TIL program in 2002, five did not make it through the intro classes and into the program. “You know, it’s a little test at the beginning: How hard are you willing to work for this program?” said Oscar McDonald, director of UHAB’s Harlem training center. “We’re basically getting ready to hand you a building on a silver platter for \$250 per unit, so how hard are you willing to work for it?”

Once tenants have made it through the core classes, they receive intensive one-on-one technical assistance from their assigned UHAB Program Associate as they move through the three to five-year TIL program. Program Associates monitor development, negotiate con-

flicts, attend building meetings, and oversee co-op board elections. UHAB provides crisis prevention and intervention services for established co-ops, working with up to 15 buildings per week on issues ranging from water bills to code violations. And for those buildings that have gotten into trouble, UHAB helps package capital improvement loans and get access to the state’s new tax-relief program for HDFC co-ops. Established co-ops also have access to an array of ancillary services: a group fire and liability insurance program, bulk-purchasing for heating fuel, and bookkeeping services. “This really goes beyond co-op training,” McDonald said. “We’re hoping really to infuse life skills to go along with this program. What we found out was that a lot of people took away from the program skills that helped them in their life.”

One of those people is Angel Garcia, who now manages 1021-27 Avenue St. John, one of the hundreds of buildings UHAB helped co-op during the TIL era. I paid Garcia a visit several weeks ago and asked him to tell me about his co-op’s story. Garcia and I spent the afternoon sitting and chatting in the office he and his son Luis share, a tiny storefront that looks like it was once home to a miniature barbershop. There was a riot of green plants in

The residents of 1021-27 Avenue St. John purchased their building through the City’s TIL program in 1984.



Photo: Lola Rephann



Photo: Lola Rephann

For HDFC co-op resident Angel Garcia and his son Luis, building management is now a family business.

the front window, vines and stalks jutting upwards. “Those are my wife’s,” Garcia said with a wave. After three years in the TIL program, Garcia told me, residents took over ownership of their 77 unit pre-war building in the South Bronx on March 7, 1984. Even now, nearly 20 years later, the date is on the tip of Garcia’s tongue. Born in Puerto Rico in 1941, Garcia came to New York in 1956 and has lived at 1021-27 for over 34 years. Though his demeanor is friendly and easygoing, Garcia lit up as he recounted how they won possession of the building. Like many owners, Garcia’s old landlord tried to wring as much money as he could out of the building before the city foreclosed. “He had milked the building to the bone,” Garcia said. Residents withheld rent in retaliation. The week before the city foreclosed, the landlord posted a notice threatening residents with eviction if they didn’t pay up. “Can you believe that?” Garcia said, shaking his head. A few days later, the city foreclosed, and residents went to UHAB. “That’s when we got organized.”

After completing his coursework with UHAB, Garcia managed the building for three years under the TIL program, a position he kept after residents took title. Since then, Garcia has parlayed his experience running his own

co-op into a new career, incorporating his own management company in 1996. Garcia now manages six other co-op buildings. His son Luis joined him last year, and they are hoping to add six additional non-co-op buildings to their portfolio. “Without UHAB, we couldn’t have done it,” Garcia said, referring to his co-op, but also to the business he hopes to turn over to Luis in a few years.

When I asked what the hardest part of managing is, Luis jumped in. “Rent collection. Without a doubt. There’s this mentality with some people that if they don’t pay, someone will be there to bail them out.” Angel seemed a little less cynical. “Say we take 20 people to court,” he said with a shrug. “Of those, only one gets evicted. We don’t want to throw anyone out. People are poor.” That’s not an excuse, he seemed to suggest, but it is an explanation.

After we’d finished in the office, Garcia took me on a tour of the building a few blocks away. He fetched the super and the three of us made our way around the corner, through a red iron gate, past the garbage bins, and down into the boiler room in the basement. In the early years of the TIL program, the city promised tenants only one major repair, even though this building needed three major repairs: the roof leaked, the windows needed to be replaced, and the building needed a new boiler. (These days the city does a total rehab.) Since they could patch the roof and fix the boiler, residents went with the windows. Thirteen years after acquiring the building, in 1997, they finally took out a loan from the city to buy a new boiler and fix the roof. After hearing what they went through to get the boiler, I could understand his pride. “It’s our baby,” he said as he stood in front of it. The boiler was the size of a small commuter bus, blue and heavy and leviathan, with pipes akimbo and dials along one side. The oil pump, which bore an uncanny resemblance to a 19th Century sewing machine, whirred away next to the boiler. This monster set them back \$76,000, the new chimney that went with it another \$30,000.

Walking through the courtyard later, I asked Garcia what the difference is between renting and owning. He shrugged the same shrug as before, as if the answer were self-evident. “When it’s your property, you take care of it.

“The hard development is working building by building with tenants in place, training them. It’s labor intensive. It’s hard. But in the end that’s how you build community. But who wants to do all that hard work?”

You turn the water off when it's running. If the heat is too high, you call the super. You don't open a window—that's your money."

According to a 1996 survey by Susan Saegert, a professor of Environmental Psychology at the City University of New York, tenant cooperatives are the best option available to low-income people. Saegert surveyed residents in 483 *in rem* and formerly *in rem* buildings throughout Brooklyn and found that tenant cooperatives were of consistently higher quality compared to buildings in four other categories: those owned and managed by nonprofit groups, for-profit landlords, HPD, and the New York City Housing Authority. Co-ops had the best building services, the fewest "poor" ratings, the best repair quality and management characteristics, and the fewest problems with crime and drugs. Co-op residents generally described their housing positively and were more likely to want to stay in their apartments. Co-op members had higher levels of civic participation and were more likely to be involved in tenant organizations. Over 50 percent of *in rem* housing residents said they would prefer to live in a co-op building.

Yet low-income cooperatives constitute a relatively small percentage of New York City's housing stock. When I asked longtime housing activist Harry DeRienzo, who founded the legendary South Bronx community development group Banana Kelly, why this was so, he had a long answer. "A lot of it is simply taken for granted," he said of the early co-op development. "If you look at an area like the South Bronx, that area looked totally devastated in the late '70s. But it wasn't totally devastated, yet if 70 percent of your housing looks like it was bombed out, you don't see the 30 percent that's there." What remained, DeRienzo said, were scattered co-ops that eventually became the foundation for later redevelopment efforts in the Bronx and other neighborhoods like East Harlem, Brownsville, and Williamsburg. And it was because of these co-ops that other groups, like Banana Kelly, were able to find a toehold. "There wasn't a Harry DeRienzo getting his name in the paper. There were all these women: Marie Thompson—a thousand

Marie Thompson's in the Bronx—and the Iris Green's. They were just doing their job in their building, providing the kind of leadership that didn't get in the press or anything."

Despite UHAB's success in the TIL program, public policy favored other options for housing poor people. "Politicians viewed it as a small-scale solution to a large-scale problem," the *Voice's* Robbins said. "They looked at it as very small generators of housing. They wanted something to provoke big numbers, and sweat equity would never do that." Besides, he notes, federal policy has overwhelmingly focused on rental subsidies, not cooperatives. DeRienzo echoed this sentiment. "It's really hard work. I mean it's easy to go to a big developer and say, look, let's knock down all the buildings, let's build up new partner-

Over the past three years, UHAB and the city have created clear procedures and guidelines for developing affordable co-ops through third party transfers.

ship housing, and screen the tenants, and market the units, and rent them out. That's easy development. The hard

development is working building by building with tenants in place, training them. It's labor intensive. It's hard. But in the end that's how you build community. But who wants to do all that hard work?"

In 1995, the Giuliani administration stopped *in rem* foreclosures after a study revealed that city-owned properties stayed in the system an average of 19 years, and cost the city \$2 million apiece in legal, management, and repair fees. Four years later, the city launched a new policy called "third party transfer," which uses a nonprofit holding company to transfer ownership to a qualified third party—nonprofit developers and private "neighborhood entrepreneurs." Under the new policy, the city conducts title transfers for delinquent buildings to the nonprofit Neighborhood Restore Housing Development Fund Corporation in big batches—up to 100 at a time.

Although the third party transfer guidelines affirmed the right of tenants to purchase their buildings as cooperatives, the procedures for doing so were vague, and UHAB found itself once again swimming across the current of city housing policy. Under the new guidelines, tenants interested in co-op ownership had to partner with a nonprofit developer. But there was one problem: UHAB wasn't recognized as a qualified developer under city



Photo: Lola Rephann

938 St. Nicholas is among the first buildings being developed for co-op ownership by UHAB through the City's Third Party Transfer program.

guidelines. In the first round of third party transfers in 1999, a handful of tenant organizations petitioned HPD to assign UHAB as their designated developer, with cooperative ownership as the final goal for disposition. UHAB's first round application was turned down, though the city made it clear that it was amenable to UHAB. A joint application with the Settlement Housing Fund was approved in the second round, and UHAB began working with 10 buildings in 2001.

Since then, UHAB has undertaken a major reassessment of its organizational priorities. For much of its history, the TIL contract represented the majority of UHAB's revenues—up to 70 percent in some years—and while the city continues the program, it was clear that the pipeline of city-owned properties eligible for the TIL program would dry up as the city sold off its inventory of *in*

rem property. Third party transfer represented a new and continuing opportunity for co-op home ownership. But no one else was stepping up to offer at least the possibility of co-op ownership under the third party transfer regime—and that, Reicher said, was an option worth preserving. “We felt that tenants should have a choice.” If UHAB was going to remain relevant, it had to get into the development business. In 2001, Reicher began building the development arm of UHAB. Over the past three years, UHAB and the city have created clear procedures and guidelines for developing affordable co-ops through third party transfers. Under the third party transfer program, buildings are held by Neighborhood Restore for a year, during which time the designated nonprofit developer manages the building. During that year, UHAB's development department prepares architectural plans, secures financing, and hires contractors, while the organizing unit works with the tenant association on organizational development. At the end of the year, the building is transferred to UHAB and rehab begins.

I recently paid a visit to one of the buildings UHAB is working with under the third party transfer program. 938 St. Nicholas Avenue is a six-story limestone brick building in Washington Heights with cherubs hovering above the arches in the entryway and a thin skein of dust from the ongoing rehabilitation covering the tiled floors and marble stairways. I walked up to the 4th floor, where I was welcomed by Louise Fincher, a sporty, grandmotherly woman with copper highlights in her cropped hair and tortoiseshell glasses. Fincher is the president of the tenant association, and she welcomed me into her 6-room apartment, apologizing for the mess. She lives in the last of eight lines of apartments that have been renovated over the past year, she explained, and the movers are coming next week to relocate her into a vacant apartment for a few months while the contractors move in.

After a quick tour of the apartment, we headed downstairs for the tenant meeting. A dozen or so residents, mostly older African Americans, sat on folding chairs they had brought down from their apartments. Over the next

“Housing development—doing the deal—is incredibly sexy and seductive. It sucks you in and it's consuming, but its not really housing. Housing is people living there, managing it, operating it, and getting the benefits of the affordability, shelter, and community that's in there. So the other struggle is to really remain true to our mission. It's very easy to talk about ourselves as becoming one of the city's largest nonprofit developers. But, in fact, what makes us unique is our people-development skills.”

90 minutes, other tenants, mostly young people in hip hop gear, came in a swirl of cold air. They were quiet, but there was a palpable tension between the generations. The youngsters kept propping the door open, and one of the women nearby would remove the jimmy.

The meeting began with a prayer. Then Donna Atkins, a woman in a denim shirt and gray sweats, reviewed the minutes. There are soft spots on the roof, the plumbing is not supported in one area of the building due to the subway line running beneath the building, and the concrete in the basement is torn up, which, the contractor says, will invite vermin, she reported. Mr. Winston, the head of the Inspection Committee, then brought up the matter of complaints and repair forms for items the construction company has missed. It appeared that only a few of the residents have turned them in.

But talk of complaint forms seemed trivial this night. Seven of the eight lines are finished, but the tenants were tired of living amidst plaster dust and disrepair, and their frustration began simmering over. They were tired of the “checkerboard” rehab—residents moving in and out of apartments as the building was rehabbed one line at a time. The meeting soon spiraled into a litany of complaints about the construction process and the management company’s perceived lack of responsiveness to their complaints. Drug dealers pulled out the wiring from the safety lights behind the building because they were affecting the trade, and, despite numerous complaints, the management company had done little to fix them.

Someone piped up, “We need them!”

“We sure need it,” echoed another.

“One of our tenants is listening to drug dealers all night long outside her window.”

When Jordan Pender, the UHAB organizer who has been working with the tenant association, stepped in to assuage residents’ frustration, they dismissed her entreaties. A woman with short spiked hair, who later declined to give her name, was the most vociferous and articulate spokesperson. “This building has never had drug traffic until the construction process started,” she said. Others complained they can’t sleep because of the constant foot traffic. The glass in the front door has been

broken for weeks, they said, and the management company hasn’t fixed it.

Pender offered to set up a meeting between tenants and UHAB’s construction department, but the woman brushed her off. “We don’t need a civics lesson,” she said. “We need someone to follow through on what they have promised.” She continued, “What are you going to do for us? We have to live with this. Why aren’t we getting some help?”

The meeting eventually came full circle. Mr. Winston pointed out that they had a process for documenting complaints but no one submitted their complaint forms. There was more discussion after which residents voted to empower the inspection committee to meet monthly with the management company and the contractor so they can tally and track the complaints.

On the train downtown later, Pender, who herself was raised in a HDFC co-op on the Lower East Side, told me what I had witnessed was fairly common. “Rehab is a long process. They’re

tired of living in all that dust,” she said. Contrary to outward appearances, Pender saw the contentious meeting as a sign of the co-op’s vibrancy. “Those

“I think the important thing about UHAB was that over the years it was able to adapt along with the city’s housing problems and the city’s housing policies,” said Jerilyn Perine, the HPD commissioner under the Giuliani and Bloomberg administrations.

people are a great tenant association. They should be pissed. The point is that they are organized enough to say something and get their demands heard.” Part of that feistiness is due to UHAB’s training and organizing, she said. In unorganized buildings, tenants simply grit their teeth and take it.

Still, the episode shed light on a central tension between UHAB’s role as both co-op organizer and building developer. As tenant organizers and co-op developers, the goal is to make sure the tenant organization develops into a strong co-op—a goal sometimes incompatible with the developer’s task of rehabbing projects efficiently and at low cost. Under the TIL program, UHAB’s focus was on training, mobilization, and technical advice, but the actual building rehabilitation was done by the city. Now, UHAB is doing both at the same time.

Dina Levy, UHAB’s organizing director is candid about the tension this creates. “If you ask me my biggest struggle here at UHAB, it is maintaining this very legiti-



Photo: Sophia Cottingham-McGee

Tenants of Pueblo de Mayaguez, a distressed HUD-assisted property, protest the impending auction sale of their building to a speculator.

mate organizing department,” she said. “I know there are a number of groups that try to do both and do them successfully. But more often, development ultimately squashes organizing.” This has not been the case at UHAB. “Because Andy is who he is, and because everything flows from that, I think there has been a willingness to really let the organizing part be an independent entity that doesn’t totally get squished by the development work. That’s very unique. It’s not a hundred percent worked out yet—we are still moving in that direction—but it’s fascinating because it’s a social experiment to see if it could work. If it’s gonna work anywhere it’s gonna work at UHAB. Again, I attribute that to Andy’s philosophy and his ideology about how to do this work.”

For his part, Reicher is philosophical about the tension, viewing it as yet another aspect of UHAB’s evolution. “Our struggle is to take all our experience and lessons from the past and figure out, within this very traditional mainstream development process, how to facilitate the engagement of the residents as our partners in the development and operation of these buildings,” Reicher said. “We also, over the previous years, came to under-

stand that housing development—doing the deal—is incredibly sexy and seductive. It sucks you in and it’s consuming, but it’s not really housing. Housing is people living there, managing it, operating it, and getting the benefits of the affordability, shelter, and community that’s in there. So the other struggle is to really remain true to our mission. It’s very easy to talk about ourselves as becoming one of the city’s largest nonprofit developers. But, in fact, what makes us unique is our people-development skills.”

To many observers, one of UHAB’s greatest strengths over the past 30 years has been precisely this ability to change with the times while remaining true to its mission. “I think the important thing about UHAB was that over the years it was able to adapt along with the city’s housing problems and the city’s housing policies,” said Jerilyn Perine, the HPD commissioner under the Giuliani and Bloomberg administrations, who recently stepped down this past March. “If it couldn’t have done that, it would have just been some funky group from the ’70s that no one would have heard from again. There

weren't that many organizations that maintained their core skill set and their core expertise and then over time, adapt it to these different circumstances. That is highly unusual. You just don't see it very often."

That flexibility will be needed more than ever as UHAB confronts a growing crisis in affordable housing wrought by expiring federal housing subsidies. According to recent estimates by the Community Service Society of New York, over 92,000 HUD-subsidized low-income housing units in 500 privately-owned developments may disappear from the city's affordable housing stock either because they are in poor physical condition ("distressed" in HUD parlance), or the owners may choose to "opt out" of the subsidy programs—usually a subsidized mortgage, a Section 8 contract, or both. For buildings in good condition, the decision to opt out is usually a matter of straightforward economics: By converting the units to market-rate housing, owners can cash in on New York's still-booming real estate market. For owners of so-called "distressed" properties, matters are somewhat more complicated. Under Section 8 guidelines, HUD can take possession of "distressed" buildings if owners fail to keep them in livable condition. In this case, HUD's policy is to auction off the building and give tenants Section 8 vouchers. Although tenants technically have a right to use their voucher in the newly sold building, they risk eviction if their unit doesn't pass inspection—a turn of events that would leave tenants searching among a dwindling number of buildings elsewhere that will accept their vouchers. In both opt out and "fail out" buildings the prospects for tenants are grim.

In 2002, UHAB began organizing distressed and expiring-use buildings, hoping the organization can carve out a space in federal policy for limited-equity co-ops similar to the space it created 30 years ago in city policy. On a rainy evening a few weeks ago, I met a pair of UHAB organizers at one of the HUD-subsidized buildings with which UHAB is working. Though it is still early in the organizing process, and the tenants are just beginning to grapple with what they are facing, Lacey Heath, one of the organizers, told me that residents are fired up about the idea that they might be able to take over their building as a co-op. About two dozen residents had gathered in the lobby in front of the elevators. Eighty percent of the residents are Spanish speakers, so Adelita Trana, who grew up New York but whose parents are from Nicaragua, teamed up with Heath, a recent graduate from the University of Texas. UHAB has been trying to reach HUD for several weeks to get more news on the building, Heath said. She paused. "The news is not good."

There are two possible scenarios, she said: Foreclosure, which would mean that HUD would take the building away and auction it off to a new owner, who may or may not be better than the old one. Or prepayment, she continued, launching into an explanation of the absurd Catch 22 residents were facing. Prepayment would mean that the owner, to get out of foreclosure, would pay up his mortgage and arrears. After this, she said, he would probably try to get out of the Section 8 program. Theoretically, she continued, residents would be able to stay in their apartments, but the apartments would have to pass an inspection. "And since conditions in your apartments are not so good, you would probably have to move somewhere else with your vouchers."

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There was a quiet lag as Trana finished translating. Then, uproar. A room full of tenants raging in Spanish, and the two African American residents cursing under their breath. The organizers settled the crowd, only to deliver more bad news. The owner, UHAB learned, has already initiated prepayment proceedings, which means that foreclosure may no longer be an option.

But there is hope.

Since the owner failed two recent HUD inspections, tenants may be able to sue in housing court to get a 7A administrator installed, which would take day-to-day management responsibility away from the owner. The 7A administrator would stay in the Section 8 program and the whole ugly turn may encourage the owner to sell the building, since he would not be getting any money from it.

There is some pressure to be timely. All of this has to happen before October—just six months away. With so much up in the air, this much seemed painfully evident: These residents are in for a long, hot, worrisome summer. They are sick and tired of their good-for-nothing landlord, and they just want a decent place to live. When Heath and Trana asked for volunteers to go downtown to meet with their elected officials, a scrum formed as residents jostled to give their names. If that meant they had to get a 7A administrator, fight the landlord, and do whatever they needed to do to keep their homes—then so be it. These tenants are in a fighting mood. ♦