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OWNERSHIP AND EQUITY:
PERCEPTIONS OF HOME OWNERSHIP BY LOW INCOME OWNERS
OF LIMITED EQUITY COOPERATIVE HOUSING

by

Ruth A. Rae

A dissertation submitted to the Graduate Faculty in
Psychology in partial fulfillment of the requirements for
the degree of Doctor of Philosophy, The City University of
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Abstract

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OF LIMITED EQUITY COOPERATIVE HOUSING

by

Ruth A. Rae

Advisor: Professor Susan Saegert

This dissertation explores the experience and meaning of cooperative home ownership. In particular, it assesses how the experience of home ownership is grounded in the societal context of ownership and the financial and physical realities of housing. The significance of cooperative ownership is affected by the physical reality of living in multi-unit buildings in an urban area, and the financial reality of having a low income with minimal housing options.

Fifty-two respondents were selected from fifteen multi-unit buildings in New York City converted to limited equity cooperative ownership through tenant actions, with the assistance of community groups, after the landlord abandoned the property. Cooperative buildings were sampled by size and length of ownership. A small number of people from each cooperative were interviewed in their homes to capture how cooperative building differences could affect meaning. An

optional photographic method was also conducted to explore the meaning of changes in the physical environment.

The analysis was primarily qualitative. Common themes of meaning were found to be: the importance of not having a landlord, security and control, financial security, joint responsibility, physical improvements, accomplishment and pride, collective identity and life effect and education. Individual experiences of cooperative ownership were influenced by financial, managerial and physical building factors evident at the cooperative building level. The size or age of the cooperatives were generally not found to be very influential in determining meaning, even though some differences could be discerned. Although the dynamics within cooperatives were crucial in defining the essence of ownership, the socio-economic context within which cooperative ownership occurred also colored the experience.

The policy implications noted the importance of technical assistance to both achieve ownership and support the collective aspects of cooperative ownership. Participation in management and the quality of the physical environment were found to positively affect the experience of ownership. Cooperative ownership prevented the displacement of low income people and granted a collective strength which created opportunities for empowerment. This dissertation explored the potential of cooperative ownership as an alternative form of tenure for low income people.

Acknowledgements

The seed for this dissertation, and my interest in Environmental Psychology, began as a community organizer. It was then that I learned about tenant cooperatives as a way to prevent the displacement of low income tenants. My interest in exploring how people felt about home ownership, housing and home helped to create this study. Yet the long and arduous process required to realize the completion of this dissertation was accomplished only with the support of many people.

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PART I**RESEARCH BACKGROUND AND DIRECTION**

CHAPTER 1

OWNERSHIP, HOUSING AND HOME

In American society, when one speaks of the ownership of housing, it is usually interpreted in economic terms. It implies a legal possession, financial responsibility and potential profit for a piece of property. Traditionally, the housing is privately owned and most likely to be a single family home. The common assumption is that ownership is the superior form of tenure and provides financial, psychological and societal benefits.

Ownership is commonly defined as a legal and economic responsibility for the possession of property, but it also implies a psychological sense of possession, responsibility or control. Ownership is assumed to provide increased control and security, as well as turn the home into an object for exchange and profit.

Home ownership can be related to both the physical and financial factors of housing as well as the psychological issues surrounding home. It is a complex subject examined by academic disciplines from a variety of perspectives with the result that the understanding of home ownership has been fragmented. The psychological explanations found in one literature often have little connection with structural or economic explanations in another.

A pro-ownership sentiment is deeply embedded in our culture. Yet many reasons given in support of home ownership are more affirmations of American values than an examination of what home ownership means to those who purchase their homes. Sentiments of renters and owners are often grouped together with little distinction between the ownership expectations of renters and the situational consequences of actually owning a home (Roscow, 1948).

It is assumed that a standard American dream is to own a home. Home ownership proclaims social and financial prestige and status to the world (Dean, 1945). Supposedly, given accessibility and adequate resources all households would choose to own (Kemeny, 1981).

Home ownership is supposed to be a natural desire, and to result in a superior way of life (Borgos, 1986; Duncan, 1982; Kemeny, 1981; Stone, 1986). It is related to people's sense of identity, and important as a symbol of self or status (Agnew, 1982; Cooper, 1976; Duncan, 1986; Saegert, 1986; Turner, 1972). A home owned is suppose to offer security, control and independence (Gilderbloom & Appelbaum, 1988; Saunders, 1990).

Although discussions of home ownership often speak of its psychological benefits, assessments of the costs and benefits of ownership are traditionally framed in financial terms. Ownership is considered a sound investment which will secure shelter as well as provide for financial gain or

profit. Emotional aspects are often directly related to financial factors, as reflected in a New York Times article entitled "Collapsing Housing Market is Taking an Emotional Toll" (Schmitt, 1990). The emotional factors associated with home ownership are often linked to the responsibilities of a financial investment in housing.

This dissertation examines the psychological aspects of home ownership within the context of economics and the financial realities of housing. Yet its aim is to examine home ownership in a setting where traditional financial benefits are limited - that of limited equity or non-profit cooperative ownership by low income people. The focus of this dissertation is to investigate psychological aspects of ownership which are so often noted but seldom studied.

The context and circumstances under which home ownership occurs in this study are non-traditional. This dissertation investigates what cooperative home ownership means to low income people, and how it has affected their lives. The study is of multi-unit buildings in New York City which were converted to limited equity cooperative ownership by the tenants, with the assistance of community groups, after the landlord abandoned the property. Cooperative ownership in an urban area is different from the more traditional private ownership of single family dwellings. Additionally, low income ownership is not common in the United States.

This chapter provides an overview of home ownership and the relationship between tenure form and housing type in the United States. Cultural influences, financial factors and psychological aspects of home ownership will be examined. This dissertation investigates the motivations for tenant sponsored cooperative conversions as well as the actual financial and psychological effects of cooperative ownership.

Overview of Home Ownership in America

Home ownership is a complex topic confounded by many factors. In order to understand the place that home ownership occupies in the United States, Federal housing policy which reflects cultural values, as well as political and economic factors are examined. This overview of home ownership in America includes a discussion of cultural values, tenure forms associated with types of dwelling structures and income factors.

Cultural Factors

Many of the sentiments used to urge people to own their own homes in the United States are intermingled with emotional sentiments of home, strong cultural approval of property ownership and the promotional interests of the home selling business (Dean, 1945). Home ownership has been

heavily identified with 'Americanism' and its related aspects of fostering democracy and preventing invasion and is often cloaked with the virtues normally attributed to private property (Dean, 1945).

DeNeufville and Barton (1987) argue that home ownership in America is part of a myth central to our identity as a nation. Myths are an important source of meaning, have a moral component and express ideas and emotions. They are defined traditionally, as a story of an ostensibly historical event which provides a world view or explains a practice or belief. Myths can exist in different versions, change slowly, and cover contradictions inherent in a societal structure. They serve to legitimize and rationalize a political and social system.

Historically, private home ownership has been the favored form of tenure in the U.S. (Lundqvist, 1986; Snyder, 1971). Federal legislation has supported it over time and had a positive impact on the economics of home ownership (Snyder, 1971). Home ownership is favored both in terms of ideological commitment and fiscal support (Lundqvist, 1986).

Home ownership is linked both to the capitalist principles of private enterprise and the democratic ideal of individual ownership of property. It is seen as a basic way of maintaining a free, stable and democratic society (DeNeufville & Barton, 1987). A democracy of property owners is supposedly a strong one. Home ownership supports

the free market economy and gives individuals a "stake in society" (Lundqvist, 1986).

DeNeufville and Barton (1987) state the public rhetoric of home ownership can be traced to the Jeffersonian ideal of the yeoman farmer. The myth was of a small property owner who, with his family and own land, could produce enough to be self sufficient. It was assumed this ideal citizen would be independent, responsible and that ownership of property would insure a "stake in society". As society became urban and industrialized the myth transformed the yeoman farmer into the suburban home owner with the house being a visual symbol of a country farm house.

Home ownership has often been cloaked with the virtues attributed to private property ownership. At the beginning of the American republic, ownership of land was a symbol of status and power (Marcuse, 1972b). Private property implies an individual right which involves a complex bundle of rights, privileges and power (Snyder, 1971). Individual ownership of land has been crucial in the development of American democracy (Dean, 1945).

The emphasis in U.S. housing policy has been for private enterprise to provide housing for households with government playing only a supplemental role (Lundqvist, 1986). Dean (1945) specifically notes the role the building industry played in promoting home ownership. Government actions in the 1930's were more to invigorate the industry

and provide banks with mortgage guarantees with an emphasis on private enterprise than to provide housing for the nation's needy households. It can be difficult to distinguish between the philosophical and political adherence to home ownership and the narrower producer interests of the organized real estate or homebuilding industry (Marcuse, 1972b).

In the United States the emphasis is not only on home ownership but on private property. The capitalist system emphasizes the individual over the social good and this is reflected in housing policy. In contrast to Europe, American public policy does not view housing as a social right with the government ultimately responsible for the housing welfare of its citizens (Lundqvist, 1986). Particularly in the Scandinavian countries, cooperative housing is more prevalent due to a combination of cultural, political and economic factors.

Tenure and Housing Types

Kemeny (1981) argues that economic, political and social systems can be designed to encourage home ownership. The tenure choice in housing, be it a private or collective form of ownership, is a product rather than a cause of the tenure system which has been provided by the culture (Kemeny, 1981). Dreier (1982) suggests that the "dream" of home ownership is not universal, but is instead a product of

political ideology related to views of private property, individualism, and the role of the state.

In most industrialized western countries there are two main forms of tenure, private owner occupation and rental tenure. Housing co-ops have been developed but constitute only a small share of the total housing stock. Yet the cooperative tenure can be adapted to supplement the dominant form of tenure where and when access to ownership is limited (Kemeny, 1981). Since cooperative housing is seen as a compromise between owning and renting, it can be adapted to reflect the tenure form that is dominant, if necessary.

Although the proportions vary by country, private home ownership seems to be preferred by most households (Lundqvist, 1986). This may be attributed to peculiar physical, economic, socio-cultural factors that slant household choice toward home ownership, but the popularity of one housing tenure is not because of these factors alone. "Ultimately, the conditions for household choice among tenures are determined by governmental policies; they may be used to differentiate, or to make more even, those legal and economic differences which shape the opportunities and outcomes in housing." (Lundqvist, 1986, p.16).

Housing policies may be tenure neutral or tenure biased (Lundqvist, 1986). Generally, countries do not have tenure neutral policies which would include legal measures to make tenures alike in security of occupancy and lessen the impact

of ability to pay on tenure choice. In most countries home ownership provides for a stronger security of tenure and involves important economic differences (Lundqvist, 1986).

It is important to note that the physical structure of the dwelling unit, be it a detached house or an apartment building, is often related to a particular type of tenure. In many countries there is tendency for single family or detached dwellings to be owned, and for flats or apartments to be rented (Kemeny, 1981). The choice of a dwelling type can involve a trade-off between the private home ownership tenure and rental apartment living (Kemeny, 1981).

Private Ownership and the Single Family Home

The "American Dream" of home ownership is of a single family house with a yard that presumably provides psychological, economic and societal advantages. This type of place is both a real entity that exists in the world and something that exists conceptually and in the imagination. As a place type, it is both an imaginal dwelling and a material place on the earth that possesses a certain cluster of meanings, formal characteristics, and social practices (Franck & Schneekloth, 1994). A national housing survey found that 80% of those surveyed felt the ideal American residence was a single family detached house with a yard on all sides (Fannie Mae, 1992).

The assumed desire for home ownership may be more connected to wanting to live in a detached house, and the type of neighborhood in which it is frequently found. The neighborhood context (often a suburban to urban contrast) within which a housing type is found can influence preference. Shlay (1985, 1986, 1987) found that people preferred single family homes for the neighborhood characteristics or "housing bundle" that went along with them, but found no clear preferences for home ownership. Roscow (1948) found that 40% of his respondents had to own their homes to access the neighborhood. Since most owned units are single family homes, which tend to be in better neighborhoods, this blurs the specific consequences of ownership (Marcuse, 1972b).

The U.S. Department of Housing and Urban Development (1978) found that 85% of people in the U.S. preferred owning a home to renting, and more than 75% wanted to own single family detached homes (as quoted in Dreier, 1982). Snyder (1971) found that "home ownership" usually denoted a single detached dwelling with room for a lawn and garden and "home renting" suggested apartment living, many times in congested areas. If all other conditions were the same, it seems that very few people would prefer an apartment, with its limited privacy and lack of a garden, to a house (Kemeny, 1981).

Detached homes dominate the housing market and are usually privately owned, while apartments in multi-unit

buildings are predominately rented. Since tenure and housing type are associated, it is difficult to separate the attractions of tenure status from preferences for dwelling type attributes (Rossi & Weber, 1996). In 1989 the majority of the nation's dwellings were detached single family homes (66%), while only 28% were multi-family buildings (U.S. Department of Housing and Urban Development, 1991a). When the 1990 distribution of dwelling types owned and rented was examined, 86% of single family homes were owner-occupied (U.S. Bureau of the Census, 1995).

The housing context in New York City is different from the rest of the nation, for the majority of its housing stock is multi-unit buildings which contain rental units. In the five boroughs of the city, over two-third (68%) of the housing stock is multi-unit buildings with only one-quarter (25%) of the housing stock consisting of one or two unit houses (Stegman, 1991). New York City is also primarily composed of renters, for 70% of the occupied housing is rental, with only 30% being owner occupied.

The majority of the multi-unit housing is renter-occupied (87%), with only 39% being owner occupied. Yet even in New York City, with its preponderance of multi-unit buildings, the majority of owned units (61%) were of one or two unit houses. Two-thirds of home ownership was conventional with only a third being of cooperative or condominium ownership (Stegman, 1991).

Collective Ownership of Multi-unit Buildings

In the United States the cooperative ownership of housing has never been common. Overall, cooperatively owned housing comprises only a small percentage of the total U.S. housing stock. In several other countries, including Germany and the Scandinavian countries, housing co-ops made up 25 to 50% of the annual production since World War II. During the same time period in the U.S. cooperative housing production was less than 1%, and most of this occurred in California or New York (Kunze, 1981). As of 1990 approximately 1 million units were cooperatively owned with approximately 600,000 of these being in New York (NAHC, 1990).

The majority of housing cooperatives in the United States are found in the New York area due to historical, economic and housing type factors (Franklin, 1981). The first co-op housing projects in the United States were developed in New York City. In 1930 about half of all cooperatives in the U.S. were in New York City. After World War II cooperative housing was seen as a way for urban dwellers to overcome housing costs and enjoy a form of home ownership. Cooperatives were designed to provide the advantages and economies of individual home ownership without all the responsibilities (Siegler & Levy, 1987).

Early cooperatives were built for moderate and low income people and designed as models of economy and good

living. While these cooperatives had loyal supporters, the cooperative movement to provide moderate cost housing gained little momentum outside of New York because the owner occupation of detached dwellings in the suburbs remained the prevailing ideal (Wright, 1981). Even in the mid 1970's where talk of the 'housing crisis' portrayed cluster housing as necessary for young families who couldn't afford single family homes, townhouses and cooperative buildings were presented as inadequate substitutes for single family suburban homes (Wright, 1981). They were not seen as a realistic approach to housing reflecting economic constraints and demographic change (Wright, 1981).

Cooperative ownership has not been popular in the United States in part because it is usually found in multi-unit buildings which are typically seen as inferior to single family homes. Co-op ownership is associated with apartment buildings which signify tenants and renting. Additionally, the form of the ownership itself, which actually involves ownership of stock in a cooperative corporation and a proprietary lease with the right to occupy an apartment, may not seem like "real" home ownership to many Americans. Co-op ownership in apartment buildings is commonly seen as a middle ground between owning and renting.

The cooperative form of ownership is difficult to reconcile with the American ideal of individual ownership (DeNeufville & Barton, 1987). In many states, financial

institutions and legislation did not support this type of ownership structure. Federal mortgage insurance was not extended to the ownership of apartment buildings until after 1961 (DeNeufville & Barton, 1987).

A more popular form of apartment ownership in the U.S. is the condominium form. Although it is also commonly found in multi-unit buildings, it involves the "fee simple" or individual ownership of a unit. Banks and mortgage loan companies are more willing to loan to condominium projects since they are more comparable to conventional private home ownership. The condominium is seen as a way to avoid the financial interdependence of the cooperative (Franklin, 1981). Condominium ownership is of a physically distinguishable unit and a proportionate share of the common areas, while a person in a cooperatively owned building owns a share in the cooperative housing corporation which in turn owns the entire building (U.S. Department of Housing and Urban Development, 1980).

Conversions can change the legal form of a multi-unit rental property from single ownership by a landlord to multiple ownership. Very few properties were converted prior to 1970, but by 1979, 366,000 rental housing units had been converted, with only 18,000 of those converted to cooperative ownership (U.S. Department of Housing and Urban Development, 1980). However in the 1980's a comparatively large number of co-op conversions took place. In the 1970's

only 7% of all conversions from rental to ownership became cooperatives, while since 1982 over half of all conversions are estimated to be cooperatives (Siegler & Levy, 1987).

Conversions in metropolitan areas are characterized by a strong and growing demand for home ownership (U.S. Department of Housing and Urban Development, 1980). The cooperative or condominium ownership of an apartment provides a hybrid form of housing which combines the economic advantages of home ownership with the locational and life style benefits of renting. Some people may buy units because of negative reasons; a lack of affordable rental alternatives or single family homes, or they simply do not wish to move from their converted units. Others may purchase units for the positive income tax and investment advantages, or to obtain a discount offered by the sponsor (U.S. Department of Housing and Urban Development, 1980)

The reasons for buying a converted apartment differ between existing tenants and prospective purchasers from outside the building. Economic incentives are dominate reasons for purchasing an apartment, but more so for outside buyers. Sixty-nine percent of outside buyers bought for economic reasons, while less than one-half (47%) of the in place tenants did so. Twenty-three percent of the inside tenants bought primarily because they were reluctant to move (U.S. Department of Housing and Urban Development, 1980).

The majority of cooperative conversions occur in New York, and a large portion are carried out by the building landlord who acts as the sponsor (U.S. Department of Housing and Urban Development, 1980). In New York City, cooperative conversions are more popular than condominium conversions partially because it is easier to convert occupied rental buildings into co-ops. The prevalence of cooperative conversions by building owners who act as sponsors, are in part a response to the restrictions that New York's rent control and stabilization laws put on landlords' profit. For many rental property owners, no projected amount of rental income, allowable tax benefits or property appreciations can equal the return received from the sale of their properties through conversion (U.S. Department of Housing and Urban Development, 1980).

Landlord sponsored conversions in New York City resulted in an increase in home ownership in the 1980's. The home ownership rate grew from 27% in 1978 to 30% in 1987 (Weitzman, 1989). However, with a change in the commercial real estate market in the late 1980's the pace of cooperative conversions dropped off abruptly from 1987 to 1990 (Stegman, 1991). Thus the home ownership rate in New York City fell by half a percentage point in 1991 to 29.8% (Stegman, 1991).

Although the conversion of apartment buildings to co-op ownership has been popular in New York City it must be noted

that there are two types of conversions - landlord or tenant sponsored - which arise out of different circumstances and have different motivations. A landlord sponsored co-op conversion is often motivated by profit, and is a way to get around rent stabilization laws. These profit orientated conversions do not involve the same dynamics as tenant sponsored cooperatives which are usually a response to landlord abandonment. Tenant sponsored co-op conversions are usually intended to prevent the displacement of tenants, and often attempt to preserve affordable housing though limited equity resale rules.

A limited equity cooperative regulates the resale value of the membership share. Financing for tenant managed conversions to limited equity cooperatives differs significantly from other types of cooperatives with government entities and private groups frequently helping to obtain financing (U.S. Department of Housing and Urban Development, 1980). Non-profit or limited equity cooperative housing is viewed as a strategy to make housing affordable and give low income people more control over their housing (Leavitt & Saegert, 1990; Kolodny, 1973).

Rental Tenure and Apartment Buildings

Low income households are much more likely to rent (Brown & Yinger, 1986). On average tenants are considerably poorer than owners: the 1991 median income for renter

households was \$19,000 compared with \$35,000 for home owners (Stone, 1993). In the last 20 years the number of renter households with incomes of \$10,000 or under has increased 43% (Joint Center for Housing Studies, 1996).

Housing problems, such as poor physical housing conditions, are more common among renters than home owners (Peach, 1987). Very low income households (income 50% or less of the local area median) made up 27% of all households and 43% of all renters, yet occupied approximately half of all physically inadequate housing units and represented 72% of all "cost-burdened" households (Peach, 1987). Of the very low income headed households 49% are female, 44% are elderly, 48% are black and 41% hispanic (Peach, 1987).

Tenants in the U.S. are not generally secure or comfortable. Tenant/landlord laws in the U.S. remain biased against tenants (Dreier, 1982). In most areas landlords can evict tenants or raise rents without cause (Heskin, 1983) with less than 10% of all renters covered by "just cause" eviction laws (Gilderbloom & Appelbaum, 1988). Heskin (1983) found that for most people eviction has serious consequences and means increased costs or nowhere to go, for affordability problems can decrease housing mobility of low income people.

In New York City an analysis of the 1991 Housing and Vacancy survey showed the vacancy rate for apartments affordable to low income families is less than one percent

(Sullivan, 1993). Also, the housing quality of rental apartments has decreased in the past few years, and poor housing conditions are correlated with low incomes and lower rents. Low income people who are displaced from their housing in New York City have minimal housing options and face likely homelessness (Sullivan, 1993).

Prejudice against tenants has historical roots and is based on the central importance of property ownership in U.S. values and ideology. Tenants are perceived as lacking responsibility or a stake in the community and the ambition and skills necessary to achieve home ownership (Dreier, 1982). Perrin (1977) found it was believed less responsible people lived in apartments, and that apartment buildings would threaten the American way of life. The stigma associated with being a renter can play a role in tenants' desire for home ownership (Gilderbloom & Appelbaum, 1988).

In fact, a national housing survey found that the value of home ownership was felt most acutely by those who had not achieved it, or for whom it was a great struggle. Owning your own home was considered to be an important long term goal by 60% of those in the lowest income bracket, while it was considered important to only 31% of those in the highest income bracket (Fannie Mae, 1992).

Tenant income limitations have been shown to play no role in their expectation to own a home some day. According to Heskin (1983) tenants under the age of 30, with both high

and low incomes, desire to buy a home and regardless of age, 51% of tenants earning under \$15,000 expect to buy a home. Rates of home ownership increase directly with income suggesting that tenant status is primarily a function of the inability to afford ownership rather than a preference (Dreier, 1982).

Economic Realities of Home Ownership

Home ownership and socio-economic status are positively correlated; the rich tend to own and the poor to rent. In the United States both the ability to own a home and derive tax benefits from ownership depends largely on income factors. Low income people are not usually able to afford home ownership.

Income and Equity

From a financial point of view, the primary motivations for home ownership are the economic advantages of tax benefits and equity appreciation. The economic benefits of income tax deductions are especially good for those in the highest tax brackets (Gilderbloom & Appelbaum, 1983). (For tax deductions can be taken only by those who itemize deductions and the proportion of people who itemize increases with income (Dreier, 1982).) Home owner tax deductions total nearly 50 billion dollars, with two-thirds of the benefits going to the richest one-sixth of the

population (Institute for Policy Studies, 1989). Tax deductions have become a substantial subsidy to middle and upper income home owners (Dolbeare, 1983; Gilderbloom & Appelbaum, 1988).

Home equity also provides financial resources for many Americans and can often be their only fixed financial asset (Schwartz, Ferlauto & Hoffman, 1988). For home owners, almost 60% of their wealth is in the form of home equity (Department of Housing and Urban Development, 1995). In old age, home ownership and equity accrual can be a symbol of economic independence (Steinfeld, 1982). Equity can be utilized in many ways and serves as a broad financial resource.

For many, home ownership can mean the ability to achieve or maintain middle class status and for many decades this standard American dream was within the reach of middle class Americans. During the 1950's approximately 70% of all American families could afford to purchase a single family home (Gilderbloom & Appelbaum, 1988). From 1940 to 1980 American home ownership levels grew from 44% to 65% (Schwartz, Ferlauto & Hoffman, 1988).

In the 1980's, many Americans were unable to afford the cost of buying a home (Gilderbloom & Appelbaum, 1988; Schwartz, Ferlauto & Hoffman, 1988; Wright, 1981). For the first time in twenty years, the national home ownership rate fell from 65.6% in 1980 to 64 percent in 1991 (U.S.

Department of Housing and Urban Development, 1995). During that time, the home ownership rate for very low income families with children fell almost a third, from 39% to 27%. Even for moderate income families, the ownership rate dropped by 10% (U.S. Department of Housing and Urban Development, 1995). The decline in home ownership was due increased purchase prices, coupled with high mortgage interest rates and large down payment requirements (Schwartz, Ferlauto & Hoffman, 1988).

However, following this decade of decline, home ownership rates have moved up to 64.7% in 1995 (Joint Center for Housing Studies, 1996). Home ownership is now considered more affordable than it was in the 1980's due to declining mortgage rates and stable prices. Yet this recent increase in home ownership is largely a suburban phenomena, while lower home ownership rates for the center cities reflect the generally lower incomes of city residents, who tend to be tenants (Joint Center for Housing Studies, 1996).

Low Income Ownership

It is a cultural value that all Americans should be able to own their home. Yet the ability to own one's home has not been equally shared by all classes in our society. National housing policy indicates that home ownership should be available to everyone, however Federal housing policy

does not make ownership available to low income families or meet their housing needs (Johnston, 1982).

Low income people have never really shared the ability to buy their own homes or to reap the financial benefits of ownership offered to those in a higher tax bracket. Since 1973 home ownership has been declining for the lower income 40% of American society and has been rising only for the wealthiest 20%. In the 1980's ownership of housing was twice as prevalent among the highest income group (Schwartz, Ferlauto & Hoffman, 1988). American households are increasingly divided both economically and spatially between the high-income home owners in the suburbs and the low income renters in center cities (Joint Center for Housing Studies, 1996).

However, there have been extensive efforts to promote low income home ownership. In the 1960's public policy advocated cooperative ownership for low income slum dwellers and public housing tenants (Stevens, 1971). Provisions were made to provide home ownership to low and moderate income families under various subsidy programs, and the conversion of public housing projects to cooperatives was even authorized in some cases (Kolodny, 1973). Federal housing policy in the 1980's and 1990's also promoted the sale of public housing to tenants as cooperatives to offer ownership opportunities (Rohe & Stegman, 1993).

Promoting low income home ownership is partially based on the opinion that ownership would give the poor a larger "stake in society". Ownership would presumably lead to better upkeep of their housing, less civil upheaval and an improvement of the outlook of the poor (Kolodny, 1973). The transformative rhetoric of the 1960's emerged again in the 1980's. The belief is that positive aspects of home ownership programs can counteract and transform the negative cultural values the poor are assumed to possess (Hays, 1993). National housing policy assumes that resident ownership of housing will empower low income people and produce radical change in social and economic behavior (U.S. Department of Housing and Urban Development, 1991b).

Yet, however good home ownership may be in building the moral character of the poor, ownership may not be good for low income people due to their financial inflexibility (Mallach, 1990; Marcuse, 1972a). Affordability concerns become especially relevant when low income ownership is considered, since the cost of maintaining housing is necessarily related to financial factors. Objections to promoting home ownership for the poor have to do with the judgement that owners with low incomes will be unable to keep up their monthly payments or meet the costs of unanticipated repairs (Frieden & Newman, 1970).

Poor families who have rented all their lives may also be hesitant to accept the responsibilities involved with

maintaining units they own (Stegman, 1970). Thus, training and technical assistance have been found to be important to the success of low income ownership programs (Clark et al, 1990; Leavitt & Saegert, 1990; Saegert et al, 1989). Assistance from experienced professionals is also essential to the success of the cooperative conversion process (Rohe, 1995; Rohe & Stegman, 1993; Zimmer, 1977).

The ownership of housing for low income people brings to the forefront economic and sociological issues related to housing. The general absence of home ownership among low income people and their resulting tenant status make them more vulnerable to displacement by landlord actions such as abandonment. As a result, low income tenants are more likely to utilize self-help housing strategies such as conversions to cooperative ownership.

Tenant Sponsored Cooperative Housing Conversions

The literature views non-profit or limited equity cooperative housing as a strategy to make housing affordable and give low income people more control over their housing. Advocates of cooperative housing state that it has both economic and social benefits (Burskin, 1983; Zimmer, 1977). Leavitt and Saegert (1990) found that the ownership of limited equity co-ops in New York had more than economic value, and fostered social interaction.

Attachment to place, and lack of perceived housing options, have been motivating factors in tenant actions to convert rental housing to co-op ownership. More than 650 low income cooperatives have been sold to tenants (through New York City's Department of Alternative Management Programs) and these form the largest low income cooperative housing initiative in the country (Henderson, 1993). Landlord abandonment of housing, attachment to place and a self-help housing response by tenants have all played a part in the programmatic responses by the Tenant Interim Lease and Ownership Transfer Programs to prevent displacement and promote low income home ownership.

Abandonment and Co-op Conversions in New York City

Marcuse (1987) defines abandonment of housing as occurring "when its owner loses any economic interest in the continued ownership of the property beyond the immediate future, and is willing to surrender title to it without compensations" (p. 154). After a period of tax delinquency, a building becomes "in rem" and through tax foreclosure proceedings becomes owned by the city. The bulk of abandonment in New York City is characteristically of older multi-unit apartment buildings located primarily in low income and minority neighborhoods (Sullivan, 1982). Abandonment (and gentrification) has caused a high level of displacement in New York City (Marcuse, 1987).

Sullivan (1982) estimated that about 270,000 units had been lost through housing abandonment, which amounted to about 9% of the housing stock. One perspective on the reason for landlord abandonment has to do with the increased housing costs and the inability of low and moderate income tenants to be able to afford housing in New York City (Sullivan, 1982). This view sees abandonment as an inevitable failure of the profit motivated private sector to meet the housing needs of the poor. It calls for the creation of a viable, non-profit low income housing sector which would utilize a range of strategies, including but not limited to tenant management of the properties to control costs and increase security of tenure (Sullivan, 1982).

Inner city buildings with low income tenants are not an attractive or even viable form of investment for the private, profit motivated sector. The buildings are generally in poor physical condition and rents that tenants can afford can not cover operating expenses and yield a profit. It is a situation where ownership has become a liability instead of an asset (Stevens, 1971). The private, profit oriented ownership of much of the housing stock for low and moderate income families is not working and the probability that it can be made to is small (Kolodny, 1973).

Once a landlord ceases to care for the property and it deteriorates, tenants must either live in a building without services, leave or join together to manage the property

themselves. Tenant sponsored cooperative conversions are a way for tenants to prevent displacement and keep their homes. Many of the people who become involved with managing buildings themselves are low income and minority with limited housing options (Sullivan, 1982). They are limited not only by the low vacancy rate in New York City, but also by the lack of affordable housing and the possibility of racial discrimination (Kolodny, 1973; Sullivan, 1993).

In 1978, at the height of the City's residential real estate tax foreclosure crisis, New York City's Department of Housing Preservation and Development created the Division of Alternative Management Programs (DAMP). The Direct Sales Program, which later evolved into the Tenant Interim Lease Program (TIL), gave tenants the opportunity to self manage and purchase their buildings from the city (Leavitt, 1980). It promoted an ownership ethic, for it offered affordable housing only if the residents were willing to forsake being tenants and become owners. In return for the group's commitment to assume managerial responsibilities, the building was sold to the tenants at a nominal cost. Thus, the city took a lower purchase price in order to restore the building to the tax rolls and unburden itself of further management responsibilities. The Tenant Interim Lease Program (TIL), along with other programs in DAMP, were charged with the maintenance, disposition and management of the in rem housing stock (Sullivan, 1982).

These programs provided tenants with a way to keep their homes and offered the City an opportunity to relieve itself of management responsibility for the property. As stated by Sullivan (1982) the objective of "the TIL program, in its simplest terms, seeks to capitalize upon the direct involvement of an active association of tenants in the management and operation of their own building with the ultimate aim being to dispose of the building to a cooperative corporation formed by the tenants." (p. 26). Sales of occupied buildings to in place tenants were the main objective of the Division of Alternative Management Programs and the key criterion used to evaluate the program's effectiveness (Sullivan, 1982). The TIL program formalized the tenant management of landlord abandoned properties through tenant ownership, physical upgrading, organizational development, training and technical assistance.

Self help housing strategies speak to tenant's rights and have developed historically as a response to a crisis in capitalism (Harms, 1982). The government can introduce or utilize the self help housing efforts of people as an instrument of crisis management. The economic benefits are both for the people who can't afford housing provided by the profit oriented market and the government who can utilize the self help housing initiative of people to reduce the public expenditure on housing (Harms, 1982). Yet often

these self help efforts are legitimate only if the ultimate goal of the group is to achieve legal ownership (Borgos, 1986).

In the case of landlord abandonment many tenants find themselves squatters by default, forced to take over the control of their buildings in order to keep their homes. In a study of low income cooperative housing conversions in New York City in 1973, Kolodny found that the single most important factor in the conversion of buildings was landlord abandonment. "The cooperative corporation is the formal version of the organization many tenants create themselves when they inherit de facto control of abandoned housing, and it is a logical extension of that model." (Kolodny, 1973, p. 178).

The cooperative form of ownership makes formal the resident's control and responsibility for the buildings. The tenant management of housing, and eventual co-op ownership, arise as a response to a crisis situation and as a way to gain control over conditions and improve them. Ownership of the building in and of itself was not the main reason for conversion to a cooperative.

Pride in ownership, satisfaction and feelings of security can grow out of, and help to sustain, a conversion to co-op ownership but they are generally not what cause people to consider ownership in the first place. The cooperative conversions Kolodny (1973) studied were not

generated by the abstract notion that ownership was psychologically or spiritually better than renting. Rather ownership was seized as being the only available means for salvaging or preserving peoples' homes and the properties in which they lived.

Studies of Cooperative Ownership

Several authors have found that in low income cooperative conversions, resident's control over their living situation seems to be more important than ownership per se (Kolodny, 1973; Sullivan, 1982; Zimmer, 1977). Residents may want to gain control of the management of their housing in order to stay in place, yet can also be reluctant to accept the responsibility of ownership (Sullivan, 1982; Zimmer, 1977).

A prevalent assumption of ownership is that it leads to better maintenance of housing (Burskin, 1983; Ellenbecker, 1987; Kolodny, 1973; Manchee, 1981; Zimmer, 1977). Ownership has been described as the single, most basic variable accounting for maintenance variations, with owner occupancy typically responsible for good parcel maintenance (Stevens, 1971). Yet it is unclear if the better maintenance is a function of income (higher income people tend to own), or if it is more related to attitudes and behavior resulting from feelings of increased control.

Tenants are not legally responsible for the maintenance and repair of the housing in which they live. Cooperative ownership provides advantages to disadvantaged tenants when they become owners since they gain legal control over maintenance. When the building is in decline and not receiving proper services this is of primary importance. As owners tenants gain the legal basis for borrowing and financing for repairs which they would not otherwise be eligible (Stevens, 1971).

Willcox and Kunze (1988) consider increased resident participation in maintenance and operations of the building to be the chief advantage of low income cooperatives over rental housing. A common assumption in co-op ownership is that resident participation will lead to better maintenance and lower costs. Parliament et al (1988) found the total operating expenses for cooperatively owned developments are estimated to be \$16 less per unit per month less than for a similar rental project. In case studies of cooperative housing projects changes in resident behavior have led to improvement in the way individual units and the grounds were maintained (Action-Housing, 1975; Zimmer, 1977).

Security of tenure has also been found to be important in cooperative housing conversions (Saegert & Clark, 1989; Gilmour, 1971). Ownership was seen as an achievement that secured the use of the space and gave residents a sense of security. Co-op residents convert their long standing

attachment to home into the security of ownership (Saegert & Clark, 1989).

Donald Sullivan (1969) examined the social effects of cooperative ownership in a comparison between a middle income co-op and a low and middle income public housing project. (The middle income co-op was marketed as offering limited equity home ownership, and did not result from a tenant sponsored cooperative conversion.) He hypothesized that residents of cooperatively owned housing would have higher levels of community solidarity, neighborly interaction, participation in community affairs, more positive attitudes and stronger feelings of pride toward their residential developments than residents of public housing. Socio-economic status, not tenure, was associated with most of the social phenomenon examined. However cooperative tenure was found to result in greater pride and a stronger sense of responsibility for maintenance (Sullivan, 1969).

In contrast to Sullivan (1969), Leavitt and Saegert (1990) found that cooperative ownership made a difference in the social networks of residents. They studied low income buildings which were converted to co-op as a response to landlord abandonment. Since residents had to act collectively in order to save their homes, social networks were strengthened. Residents commitment to their buildings was connected to the social relationships within it. A

heightened sense of neighboring was found in Tenant Interim Lease buildings going through crisis, where residents referred to the building as being a family (Leavitt, 1984). Through self management and persistence, tenants preserved their housing and their social relationships with neighbors.

Housing cooperatives are social systems, not just mechanical ones. They involve dynamic groups of people which are not static but evolving entities (Clark et al, 1990). While individual co-ops have their own social and physical histories, it is the residents themselves who provide the backbone for low income cooperatives (Henderson, 1993). "Cooperatives are micro-environments where residents can learn to work together, develop skills and empower themselves." (Henderson, 1993, p. 65).

A survey which compared various housing programs (including rental, city owned and managed, community managed and Housing Authority buildings) in New York City found that the best performing program was tenant owned cooperatives (Saegert, 1996). The cooperatives had the best management quality and building services and showed the greatest tenant satisfaction. There was an overwhelming preference for tenant cooperative ownership, with the strongest preference found in the tenant co-ops themselves. Compared to the other programs, tenants in co-ops perceived more influence over what happened in their building. Cooperatives also

showed the highest levels of tenant participation and greater levels of building leadership (Saegert, 1996).

Cooperative housing can be considered a distinct socio-residential package. In the Canadian context, cooperatives have been shown by various surveys to represent a unique residential package with specific characteristics (Dansereau, 1993). Cooperatives provided: good quality housing at affordable rents, security of tenure, the advantage of self management (over rental or public housing), control over one's individual and collective living environment and a stepping stone toward a more general process of empowerment in the community and work environment. As an alternative tenure form, cooperative housing has provided new positive housing opportunities (Dansereau, 1993).

Psychological Meanings of Home Ownership

Home ownership implies the ownership of both a physical structure which requires financial investment and a home with emotional meaning. It can reflect both economic and emotional values, yet much of the American dream of home ownership displays the psychological values related to home. Home ownership is intimately associated with the meaning and importance of home in people's lives.

Home and Ownership

Home ownership in America treats house and home as synonymous terms, yet there is a distinction. Although homes are often contained within houses, they don't have to be. Building structures have a physical reality to them that cannot be denied, while homes are created at a more psychological level. A house owned is a commodity that requires investment of economic resources that yield power and profit; a home involves an investment not of money but of time and emotion and is created over time (Dovey, 1985).

Housing is multifaceted and can be viewed as a commodity, a design problem, a building or a community asset. Housing research is generally large scale and public sphere oriented, while research on the home de-emphasizes the physical and focuses on a psychological perspective

(Tognoli, 1987). Home relates more to the psychological issues of attachment, territoriality and place dependence.

A home can be defined primarily by its physical characteristics, or it can be a location in place, an expression of self or a territory involving personalization and defense (Hayward, 1975). The essential qualities of homes involve both their physical qualities as well as the social relationships which take place within them (Smith, 1994). Home can be both a physical place and a cognitive concept (Tognoli, 1987).

Housing, as a place for home, represents the physical core of the social-physical environment that is home (Weidemann & Anderson, 1985). Although the literature on home examines personal meaning, emotion and symbolism it does not take into account structural or societal forces that place the home within the political and economic context (Depres, 1989).

The home is a place which may or may not be legally owned. It is where one dwells - minimally it provides shelter and fulfills a range of human needs. Ownership traditionally adds a financially significant component and presumably the psychological investment in the home becomes more profound with a layer of security and control added. Saunders (1990) has argued that it not just home, but home ownership, that fosters a sense of ontological security that sustains feelings of autonomy and identity.

Many of the values used to urge people to own their home are intermingled with the emotional sentiments associated with home (Dean, 1945). As an Architectural Forum survey concluded "The urge to own is based more on emotional than on financial grounds and is more concerned with the satisfaction of the ego than consideration of economy". (quoted in Dean, 1945). The emotional aspect of home ownership is also supported by Roscow (1948) who found that the most significant ownership goals were emotional - that of psychic security, family security and ego satisfaction.

Values connected with the meaning of home are often represented in home ownership. Dean (1945) states that "...the home ownership sentiment seems to reflect a process whereby values not elsewhere guaranteed in the culture have become loaded upon the 'home,' and 'home' has come to mean 'home ownership'". (p. 13). Cultural sentiments transform the desire for a home into the desire for home ownership where 'home' is interpreted as a single family dwelling which must be not only inhabited but owned (Dean, 1945).

An owned home is also seen as affording freedom, control, permanence and providing a foundation for family life (Depres, 1989). "Home ownership gives a man the feeling of stability, an interest in the community, a purpose for his ambitions, and an instrument for developing responsibility attributes. Now he can look at his home with

pride and know that his family has been taken care of." (Snyder, 1971, p. 212). The ownership of detached single family house is assumed to provide an excellent and desirable environment for children (Dean, 1945; Roscow, 1948). Having a family is a commonly observed motivation for home ownership of single family homes in suburban locations (Dean, 1945; Roscow, 1948; Snyder, 1971).

Home can be seen as security and control, a place of refuge, or an indicator of personal status among other things (Depres, 1989). Stability and security were mentioned most often in a national survey of renters who wanted to own (as quoted in Dean, 1945). Homes provide for the need for social recognition and status through their physical features, location or by the tenure status of its occupants (Depres, 1989) and can also be seen as a symbol of self (Cooper, 1976, 1995). Ownership grants social and financial prestige for homes owned proclaim status to the world (Dean, 1945).

Concepts of Ownership

Recent literature critically examines what property ownership is from a philosophical (Christman, 1994) and legal perspective (Radmin, 1993). These authors distinguish between economic and psychological claims to property (having to do with financial exchange or control and use) and depict how property relationships can address both

issues. The paradigm of ownership presumes that owner's prerogatives are absolute and unlimited, but instead ownership is essentially a relation among variables which finds different extensions in different contexts (Christman, 1994). Property relationships are not simple and static, but instead complex and variable, so that different concepts of it can coexist and form a continuum.

Christman (1994) states that "...ownership can involve a kind of control over the thing owned, or it can involve a right to income from trade or rent of the thing owned." (p. 7). The reasons one might give to allow people to control property (autonomy interests) are different from those one might give to allow people to gain income from it (income interests). Christman's work separates the rights of increase from rights of possessions for he claims that "...ownership should be seen, not as a monolithic bundle of rights and powers connecting people to goods, but as two sets of such rights that must be considered separately in an evaluation of economic policies for a society." (p. 7).

The most common and primary understanding of ownership has to do with having control over the thing owned, which includes the right to possession and use (Christman, 1994). The control ownership of property is uniquely connected with the autonomy interests of the person, and control rights can protect the interests of either individuals or groups. There is a close link between having control rights over

material conditions (such as one's dwelling) that contribute directly to one's autonomy and having a sense of personal control.

Radmin (1993) has distinguished two different legal traditions in the understanding of private property rights. One involves the right to possess as a condition for personhood, while the other is the right to fiduciary gain. Personal property is bound up with an individual and related to their autonomy or liberty while fungible property is purely instrumental and intended for exchange.

Radmin (1993), like Christman (1994), notes that some objects, such as owned homes, are more bound up with personhood since they relate to how we constitute ourselves as personal entities in the world. Personal property relates to personhood in "...that to achieve proper self-development - to be a person - an individual needs some control over resources in the external environment." (Radmin, 1993, p.35).

In many respects the view of housing, and home ownership, can be defined by the intention of its owners. If the aim or motivation for ownership is economic, its value can be judged in terms of equity appreciation or resale value. If the value of ownership is more motivated by possession, use and attachment to place, housing is primarily a place of dwelling with little direct economic values. The meaning of ownership is different to those who

inhabit their owned homes than to those who own property as an investment. For as Stone (1993) states "...it is only in relation to those who inhabit and use it that housing has meaning and significance - not only physical and economic, but emotional, symbolic and expressive. " (p. 13).

In a study of the meaning of ownership from a psychological perspective Rudmin and Berry (1987) examined the semantics of ownership. Although ownership may be formalized in law, the culturally and behaviorally grounded concept may not coincide with the legalistic ones. Their main conclusion was that the two major components of the concept of ownership are control and attachment. Ownership clearly entailed possession and attachment (involving familiarity, knowledge, aesthetics and utility) and reflected an intimate relationship, or psychological proximity of the owner to the property owned (Rudmin & Berry, 1987).

Furby (1978) examined possession and ownership from a developmental and cross cultural perspective. Control over the use of an object was the most salient defining aspect of possession, with positive affect for the object also found to be important. Only the older age groups saw possessions as enhancing social power and status and helping to define self identity (Furby, 1978a). From a life span perspective possessions were important in the individual's ability to produce effects in the environment. As Furby (1978b) states

"Both the meaning of, and the motivation for, possession and ownership seem to depend significantly on a sense of effectance or control." (p. 320).

Territoriality and Attachment to Place

The desire for home ownership has been described as a type of territorial behavior which allows for both physical and psychological security and control of the home (Depres, 1989). Territoriality can be defined as either the control and defense of a space or as related to spatial organization or place attachment issues. Although there are different types and levels of territories, a home is usually a primary territory which implies psychological centrality and personalization (Brown, 1987).

Primary territories allow for predictability and control and are also an expression of a sense of identity. Brown (1987) states its likely that these two functions are related for "control can promote a sense of efficacy that becomes incorporated into self-identity. Similarly, a certain amount of control might be a prerequisite to the development of deep psychological investments in a place." (Brown, 1987, p. 513).

Psychological processes related to primary territorial ties have been found in interviews with home owners although in general empirical work has been limited (Brown, 1987). Some research suggests that females and elderly may have

stronger attachments than others (Brown, 1987). Obryant and Wolf (1983) found attachment to home to be the most important factor in housing satisfaction among older home owners.

Place dependence also corresponds to primary territorial ties (Brown, 1987). Place dependence is defined as occupants' perceived strength of association between them and a specific place (Stokols & Shumaker, 1981). Factors underlying how dependent people are to places relate to how the quality of a current place compares to the quality of comparable alternative places (Stokols and Shumaker, 1981).

Attachment to a physical place is often integral to self-definition at both an individual and communal level of identity. Place attachments provide stability and change (Brown & Perkins, 1992). Bonds to a place can change over time, and have both stabilizing and dynamic features. Disruptions in place attachment can threaten to overwhelm people with change and create a loss of identity (Brown & Perkins, 1992).

The range and type of needs met within a place can affect one's judgement of place dependence. The identification and evaluation of alternatives is predicated by the awareness and familiarity of alternatives. Affordability issues can certainly affect how people evaluate alternative places to live.

Differences by Class and Circumstance

The meaning of home ownership can differ by class due to the level of housing needs and circumstances which lead to it. The benefits of ownership change by income level, not only in terms of a hierarchy of needs, but because of other housing factors correlated with income. Economic or psychological factors related to home ownership take on increasing or decreasing importance.

Motivations to own can embrace different attitudes and goals. Roscow (1948) found motives were related to broad life goals, self concepts and role definitions. In a sample of professional and business people, motivations and reasons for ownership differed by education, occupation and patterns of interest. Ownership was primarily a way to satisfy diverse emotional needs and secondly a way to realize status or personal goals. "The simple acceptance of ownership as a cultural value and presumed importance of financial objectives were less significant than supposed" (Roscow, 1948, p. 755).

Class differences can also result in different meanings of home ownership. Families in successively higher socio-economic groups were found to have weaker views toward home ownership (Fannie Mae, 1992; Snyder, 1971). For blue collar workers home ownership is an objective highly looked upon and relatively difficult to obtain. For the managerial professional class, even though home ownership had symbolic

significance, it was much easier to obtain (Snyder, 1971). The class differences found toward home ownership, reflected in respondents' values and needs, might be explained by Maslow's hierarchy of needs (Snyder, 1971).

Differences have been found in the perception of home ownership by blue collar and managerial professional home owners (Snyder, 1971, Appendix E). Blue collar workers tended to buy earlier and found home ownership to be a symbol of financial responsibility and permanence in a community. The preoccupation was not the investment potential found in the managerial class, but in stability, utility and the value of tradition and heritage. Buying a home was a very emotional process for blue collar workers, and resulted in a new status with feelings of pride, security and satisfaction even though there was also a deep fear of losing their homes due to financial uncertainties. This contrasts with the managerial professional class who viewed home ownership as a reflection of personality and an impressive symbol of success.

The role of tenure and the significance of physical, emotional and financial security has yet to be adequately understood (Turner, 1972). In addition to the specific material function of housing it is also essential to note the other human and non-quantifiable functions or roles of housing. Turner (1972) identified identity, opportunity and

security as vital needs housing can provide for and that these can change with household need and income level.

The customary benefits from cooperative ownership to middle and upper class markets - tax incentives and investment considerations - do not apply to the same degree to low income people. Yet there are also some completely separate benefits to the low income owners that would be inconceivable to a middle-income counterpart (Stevens, 1971). Benefits to higher income cooperative owners rest on positive considerations such as customary tax incentives and investment considerations of the middle and upper class markets. For low income cooperative owners the benefits initially rest on the avoidance of negative considerations such as not having to move and being able to stay in place without fear of excessive rent increases.

However, the control associated with home ownership has costs attached to it. Owners may have increased control over their home and security of tenure only if they can financially afford to maintain the mortgage payments and pay the taxes. Control through ownership translates to financial responsibility.

Marcuse (1971a) has suggested that the better maintenance attributed to home ownership is actually a function of income. It is assumed that owner-occupied homes are better maintained but it is difficult to prove a cause-effect relationship (Marcuse, 1972a). Structures may be

better maintained because owners are able to afford it, yet differences in maintenance may also be attributed to the occupants' attitude toward the housing. Non-economic intangibles of pride, status, personal enjoyment and community respect may push home owners to maintain their property for more than purely financial considerations (although better maintenance is also associated with financial value). The advantages in maintenance assigned to home ownership may stem largely from social psychological factors and the financial and institutional consequences of ownership (Marcuse, 1972a).

Home ownership supposedly results in more control, better maintenance and a better neighborhood but this can be more a function of income than ownership. For control over the environment is largely a factor of resident income not home ownership per se (Manchee, 1981). Building maintenance can be dependent on income and even neighborhood services are tied directly to property values and taxes through fiscal zoning (Johnson, 1982).

Home owners property taxes are crucial to local governments for revenue. Tax dollars come back to local residents in the form of community services, such as schools. Property taxes provide the basis for fiscal zoning which further exacerbates economic segregation by income levels (Johnson, 1982).

Property taxes can provide for the benefits associated with home ownership, but they can also be responsible for the landlord abandonment of buildings which house low income tenants. Higher income owners reap financial advantages through income tax deductions, and have their property taxes come back to them as community services. Lower income tenants are motivated to convert their landlord abandoned buildings to ownership in order to control their housing and keep their homes.

Summary and Research Direction

In the United States home ownership has taken on a mythical status in society. It is supposedly good for a democracy, makes people responsible and insures they have a stake in their society. It is profiled as a dream all Americans aspire to and should be able to achieve.

Yet in actuality, not everyone can afford to own a home, and the real advantages of home ownership are debatable. It is not clear whether the pro-ownership sentiment of American culture is motivated primarily by economic or psychological factors, or how the expectations of home ownership differ from its actual effects. Home ownership in the United States has certain financial benefits, yet it also assumes various psychological advantages.

Many of the myths surrounding the advantages the ownership of housing are largely psychological and related to 'home', yet these psychological aspects are seldom specifically examined or 'tested'. Psychological aspects of home ownership involve issues of control, security, responsibility and attachment to place. Control over one's environment is psychologically important, and in the United States ownership tenure presumes control.

This dissertation examines the psychological meaning of home ownership within the economic context and financial realities of housing. Control, security of tenure, and responsibility are investigated, both in terms of respondents' prior expectations and feelings after achieving ownership. An assumption is that the meaning of home ownership is not simply an emotional attitude devoid of any outside contextual factors but will be affected by both the legal form that ownership can take and the financial responsibility of mortgages and physical maintenance.

Home ownership has various meanings to people depending upon the circumstances which lead to it, the current context surrounding it and the perspective and values of those who view it. Meanings of home ownership differ depending on individual psychological factors such as motivations, needs and expectations as well as the actual financial, legal and psychological consequences of ownership. The experience of ownership varies depending on the form of tenure, which may

be private or shared, and the structure of the physical building itself.

In the United States, the traditional cultural value for home ownership is of the private ownership of a detached or single family house. In this country most studies of the ownership of housing or the meaning of home have been of this traditional form of home ownership, that of detached dwellings and private ownership. However, this dissertation examines the meaning of the non-traditional form of cooperative home ownership. Cooperative ownership of multi-unit housing is different from private single family home ownership in physical form and legal structure.

Most significantly, cooperative ownership is a shared or a more social form of ownership than the traditional type described above. An owner in a cooperative owns a share in the cooperative corporation which owns the building. This entitles the owner (shareholder) the exclusive right to occupy a dwelling unit and to participate in the operation of the corporation directly as an elected Board member or indirectly as a voter. Since the legal structure of cooperative ownership requires a Board of Directors and one vote per member, decisions are made by the Board of Directors and influenced by other cooperative owners. Thus even seemingly individual decisions such as subletting or doing construction within an apartment are subject to the approval of other cooperative members.

Ownership in a cooperative setting involves collective control and responsibility which can, in turn, affect individual feelings of control, responsibility and security of tenure. Respondents' perceptions of home ownership may relate to their relationship with the Board of Directors and role in the management of the building. Additionally, the more informal relationships between building residents, which may involve social conflict or cohesion, may also influence the meaning of home ownership. The group nature of cooperative ownership can effect individual meanings of home ownership, some which may in part be collectively defined.

The cooperative ownership of housing is not the predominant form of tenure in the United States for a variety of reasons. Yet tenant sponsored conversions to cooperative ownership have arisen out of circumstances surrounding rental tenure for many low income people. In New York City, tenant sponsored cooperatives have often been utilized as a self-help housing response to landlord abandonment and advocated as an anti-displacement technique. The conversion to non-profit cooperative ownership where the equity gain is limited can result in affordable housing for future low income residents.

Tenant sponsored cooperative ownership is assumed to have psychological benefits associated with the ability to gain control over housing and keep one's home. Research has

indicated that in tenant sponsored cooperative conversions control and security of tenure are important motivators for ownership. However there can also be a reluctance to accept the responsibilities of ownership.

Much of the responsibility of home ownership has to do with the financial factors of mortgage payments and property maintenance. However, in cooperative ownership of multi-unit housing, the legally defined responsibility for maintenance is not as clear as in the private ownership of detached houses. The shared ownership structure of cooperative housing makes the group, instead of an individual, legally responsible for the management of finances and maintenance. The standard assumption is that the cooperative corporation, commonly perceived as the Board of Directors, is responsible for the maintenance of common areas and system-wide building repairs, while cooperative owners are responsible for individual apartment maintenance. However, differences in interpretations of who is responsible for what can sometimes lead to battles. Thus individual feelings of responsibility and control can be influenced by the understanding of the legal structure of cooperative ownership.

In this dissertation, issues of financial and physical responsibility, such as paying the mortgage and maintaining the property, are related to psychological aspects of cooperative ownership. Security of tenure can be affected

by the level of physical maintenance, as is well known by tenants who have experienced landlord abandonment of their housing. Similarly, feelings of control may relate to the home owner's ability to adequately maintain the property and pay the mortgage. The physical appearance or aesthetics of a building may also affect the meaning of ownership if owning a home is seen as a symbol of self or status.

Previous research has demonstrated that the meaning of and motivations for home ownership may differ by income or class. In general, low income people don't own, and if they do, the context is often different from middle or upper class owners. In tenant sponsored cooperative conversions resulting from landlord abandonment, control is a more important motivating factor than ownership per se. Although all home owners get some psychological benefits from ownership, these benefits may be especially important to low income people who are less likely to own and, as tenants, live in less secure housing situations.

Tenure status in the United States is correlated with income, for owners tend to have higher incomes than tenants. The traditional financial benefits of home ownership increase with income due to tax deductions and equity gain. Low income people are less likely to be able to purchase a home, or to reap the traditional economic benefits because their incomes may not be high enough to qualify for income

tax deductions. Additionally, the owners of non-profit cooperatives may have a limited equity gain.

Probably all home owners receive some combination of psychological and economic benefits from home ownership. Yet, the ownership of limited equity cooperative housing by low income people removes most of the traditional financial benefits associated with home ownership in America. This makes the study of the psychological aspects of home ownership with a sample of low income limited equity home owners particularly significant.

CHAPTER 2
RESEARCH DESIGN AND METHODS

The focus of this dissertation research is the meaning of home ownership to low income owners of limited equity cooperative housing in New York City. It explores how the psychological aspects of ownership are affected by the shared structure of cooperative ownership and the financial and physical aspects of housing. Feelings of control, security and responsibility, commonly associated with home ownership in the literature, are specifically examined.

The ownership of housing involves the psychological aspects of control, security and responsibility as they relate to both home and physical property. Control is having the authority or ability to direct or influence. Within cooperative ownership, control is the collective authority to direct the management of the building. Security assures safety and a freedom from anxiety or danger and, in terms of ownership tenure, can mean the ability to keep and protect one's home. Responsibility entails the legal or ethical accountability for the care or welfare of another, which in regards to housing is for the property.

Control, security and responsibility are separable but intertwined when examined in relation to the ownership of housing. The control of ownership and the financial

responsibility for housing can affect feelings of security and the ability to keep one's home. Home ownership supposedly grants security of tenure and feelings of control, especially in comparison to rental tenure in the United States.

Hypotheses that relate to control, security and responsibility are as follows:

- Cooperative home owners will have an increased sense of control and security as compared to their experience as tenants. Owners' sense of responsibility for their housing will be influenced by such factors as their roles in the building, perceptions of who is responsible for building management and understandings of the cooperative ownership structure.
- Respondents who were actively involved in the conversion of their building to tenant ownership, who are or were building leaders, managers or on the Board of Directors, will tend to perceive a greater sense of control, security and responsibility.
- Individual feelings of control, security and responsibility will also be influenced by informal relationships between residents of the cooperative. The group dynamics in the building, involving conflict or cohesion between residents, may influence the meaning of cooperative ownership to respondents. Other psychological aspects related to the meaning of

ownership, such as pride or achievement, may also be defined in collective terms.

- Feelings of control and security of tenure will also be influenced by the financial responsibilities of ownership which relate to building maintenance and mortgage obligations. The effect ownership has on individual financial situations, as well as the financial status of a building, will influence perceptions of control and security.

Additionally psychological aspects of home ownership, such as feelings of pride, achievement, status, identity and attachment to place, will also be explored. Meanings of home ownership may also be influenced by the following:

- demographic factors such as sex, race and age
- prior experiences with rental or ownership tenure
- perception of other housing options
- motivations for and personal expectations of ownership
- effects and consequences of ownership
- feelings about different forms of ownership:
cooperative ownership, limited equity ownership and the private ownership of a detached dwelling.

Sample Selection and the Ownership Transfer Program

Respondents were selected from buildings converted to limited equity cooperative ownership through tenant actions with the assistance of the Ownership Transfer Program (OTP). OTP was created in 1982 and is a program of the non-profit Community Service Society (CSS) located in New York City. OTP's purpose is to prevent displacement, preserve housing and promote low income ownership.

The Ownership Transfer Program, with the assistance of other community and government groups, helps tenant associations negotiate purchase from the building owners and become limited equity cooperatives. The Program assists low and moderate income tenants in buildings being abandoned by their owners, before the City of New York forecloses on the property due to non-payment of taxes. Many of the troubled buildings were referred to OTP by 7A Administrators¹ when the building was essentially landlord abandoned but not yet vested by the City. In fact part of OTP's objective was to provide an alternative to the City take-over of buildings (Drummond & Shiffman, 1984).

Cooperatives from OTP were selected for study precisely because they were converted to tenant ownership prior to becoming City owned. The conversion was put together and

¹ 7A Administrators are appointed by the Housing Court when the court finds that a landlord is incapable or unwilling to provide building services and repairs.

coordinated primarily by OTP with the assistance of other community groups which provided technical assistance (legal and architectural). The City of New York's Department of Housing, Preservation and Development (HPD) also provided important financial assistance such as affordable rehabilitation loans.

Although HPD's Tenant Interim Lease (TIL) Program has converted many more buildings to cooperative ownership than the Ownership Transfer Program, this occurred only after the buildings were City owned and had gone through the TIL Program. Since the last 'landlord' was the City of New York, and buildings can languish in City ownership before entering the TIL program, this could taint the tenant's experience of cooperative ownership. A study of OTP buildings which had not yet entered the City bureaucracy would presumably allow for a greater variety of experiences.

Additionally, the TIL Program is unique to New York City and administered by its government, while the Ownership Transfer Program is administered by a non-profit community group. OTP drew on various community and government resources to convert buildings to cooperative ownership. The Ownership Transfer Program is both generalizable to and more representative of efforts that may exist around the country to promote tenant ownership.

However it must be stressed that even though cooperatives were selected from the Ownership Transfer

Program for the reasons noted above, this dissertation was not intended to be a program evaluation. An in-depth and objective fiscal evaluation of the buildings' conversion or purchase was not conducted since this was primarily a study of the psychological aspects of ownership. The physical and financial aspects of the buildings explored in interviews were based on respondents' perceptions, and were intended to contextualize the experience or meaning of cooperative ownership, not to provide a program evaluation.

Sample Selection Criteria

By 1990, the Ownership Transfer Program had worked with a total of 41 buildings with approximately 1,000 apartments to convert them to limited equity housing cooperatives. Of these 41 buildings, 39 were multi-unit apartment buildings and 2 were single room occupancy buildings. In order to have building type comparable in all cases, the two single room occupancy buildings were deleted from the OTP universe before the sample was selected. When the data collection part of this study began, early in 1991, a total of 25 buildings with 564 dwelling units had actually completed the process of conversion to cooperative ownership by OTP. Fifteen cooperatives were selected for study based on the selection criteria noted below.

Only buildings which achieved legal limited equity cooperative ownership were included in the sample. At times

more than one building was combined into a single Housing Development Fund Corporations (HDFC) for ownership purposes². The HDFC is the entity within which cooperative ownership, and a Board of Directors, is defined. Thus it was HDFC cooperatives, rather than individual buildings per se, that were subject to the selection criteria³.

Since the size of a cooperative can affect resident interactions and management decisions, and the meaning of ownership could change over time, cooperative buildings were sampled by size and length of ownership. The cooperatives sampled were from two size categories and two length of ownership categories; small (less than 20 units) or large (20 units or more), and "new" (owned since 1988) or "old" (bought before 1988)⁴. A minimum of 12 owners were interviewed from each size by length of ownership category.

The conversion process, building conditions, management structure and resident interactions can vary greatly in different cooperatives and affect how residents feel about home ownership. In order to understand the differences these factors could make, a decision was made to interview a

² Cooperative 6 was not actually a HDFC but was included in the study since it functioned as a cooperative, distributed shares and had resale restrictions.

³ Cooperatives 5 and 6 were actually two buildings combined together.

⁴ At the time the interviews began in 1991, the "new" buildings had been cooperatively owned for approximately two years, while the "old" buildings had been cooperatively owned for more than two years.

small number of people in a variety of cooperatives, each with their own unique story and internal dynamic, rather than to interview a large number of people in a small number of buildings. From each selected cooperative under 20 units, three owners were interviewed, and from each selected cooperative 20 units or larger, four owners were interviewed.

Table 1 depicts the total universe of converted Ownership Transfer Program cooperatives and units by cooperative size and length of ownership, as well as the total selected sample of Ownership Transfer Program cooperatives and respondents. A total of 52 owners (9% of the total units) were selected from 15 housing cooperatives (60% of the total OTP cooperatives).

Table 1
Sample Selection

<u>CO-OP AGE</u>		<u>COOPERATIVE SIZE</u>		<u>TOTALS</u>
		<u>SMALL</u>	<u>LARGE</u>	
<u>OLD</u>	TOTAL	7 co-ops 80 units	4 co-ops 196 units	11 co-ops 276 units
	SAMPLE	4 co-ops 12 owners	3 co-ops 12 owners	7 co-ops 24 owners
<u>NEW</u>	TOTAL	7 co-ops 63 units	7 co-ops 225 units	14 co-ops 288 units
	SAMPLE	4 co-ops 12 owners	4 co-ops 16 owners	8 co-ops 28 owners
<u>TOTALS</u>	TOTAL	14 co-ops 143 units	11 co-ops 421 units	25 co-ops 564 units
	SAMPLE	8 co-ops 24 owners	7 co-ops 28 owners	15 co-ops 52 owners

The initial contact with residents was from an OTP list of building contact information which generally listed members of the Board of Directors. As people were contacted by phone and interviews requested, they were also asked to recommend others in the cooperative for interviews who were not on the Board. Both Board members and non-Board members were interviewed in order to sample owners with different degrees of involvement in the management of the cooperative since this might influence the meaning of cooperative ownership.

Only cooperative home owners were interviewed⁵. Since OTP's required that 75% of building residents must purchase their units for a conversion to proceed, the majority of residents were cooperative owners. Although the intent was not to compare renters to owners per se, this dissertation did investigate the retrospectively obtained comparison of being a tenant differed from being an owner.

In order to determine whether achieving ownership influenced feelings of control and security, interviews were scheduled with cooperative owners who had previously been tenants in the same building⁶. Yet it must be noted that interviews were not done as a repeated measure, conducted with respondents before and then after achieving ownership. Instead interviews elicited a narrative account of residents memories and experiences as tenants as compared to their experience as owners. This research design attempted to investigate and distinguish between the ownership expectations of renters and the situational consequences of actually owning a home.

⁵ Only one owner was interviewed per apartment or unit.

⁶ All but 3 respondents had been both tenants and owners.

Sample Description

Respondent Demographics

Of the 52 people interviewed, 75% were women, and 25% were men. Racially, 21% were African-American, 29% were Hispanic and 50% were White. The average age was 45, but the age range was from 23 to 74. Specifically the age breakdown was as follows: 46% were in their 20's or 30's, 38% were in their 40's or 50's and 16% were 60 or older.

As to the marital status of the respondents: 25% were single, 44% were married or living with a partner, 19% were divorced or separated and 12% were widowed. When the number of residents per apartment was examined: 33% were living alone, 27% had one other person in the apartment, 19% had two other people in the apartment and 21% had three or more other people in the apartment. Sixty percent of the other people living in a household were under the age of 18, while 29% were between 18 and 65, and only 11% were over 65 years of age. Respondents tended to be long time residents for the average time spent living in the apartment was 14 years, 15 years in the building and 22 years in the neighborhood.

In terms of the education of respondents: 25% did not have a high school education, another 25% did have a high school diploma, 19% had had some college, while 21% had a college degree (two year or Bachelors), and 10% had a Masters degree. Forty-four percent of the respondents were

currently employed, while 56% were not. Fifty percent of the respondents had annual household incomes of \$20,000 or less. More specifically respondents' incomes at the time of the interviews were as follows: 31% earned less than \$10,000; 29% between \$10,000 and \$20,000; 21% between \$21,000 and \$30,000; 11% between \$31,000 and \$40,000 and 8% earned \$41,000 or above⁷.

Fifty percent of the respondents had been building leaders⁸ in the past or at present, and 71% had been on the Board of Directors in the past or present. By race the leaders reflected the general distribution of the sample for 31% were African American, 27% were Hispanic and 42% were White. Sixty-two percent of the leaders interviewed were in their 30's or 40's. The majority of leaders and Board members were women who composed 77% of the cooperative leadership and 78% of the co-op Boards.

Demographics by Cooperative

Fifteen different cooperatives represented three Boroughs of the City of New York. Seven co-ops were located in Manhattan, six were in Brooklyn and two were in the Bronx. Two cooperatives (5 and 6) were actually two

⁷ In New York City the distribution of renter's incomes was: 30% less than \$9,999; 28% between \$10,000 and \$24,999; 28% between \$25,000 and \$49,999 and 14% over \$50,000 (Stegman, 1991).

⁸ Leaders were defined by their questionnaire response.

buildings combined into one cooperative partly because of a common boiler. Two other cooperatives (8 and 9) were located next door to each other but not incorporated together since the buildings had separate boilers.

In terms of gender, in seven cooperatives both male and female respondents were interviewed, while seven co-ops had all women respondents and in one co-op only men were interviewed. When the racial composition of respondents was examined: seven cooperatives had only White respondents; three co-ops had only African American⁹ respondents; three had only Hispanic respondents; and in two a racial mix of respondents was interviewed.

To gain a summary snapshot of the demographic, age and size differences between the cooperatives selected see Table 2. For each of the 15 cooperatives, this table summarizes the race and sex of the respondents, the cooperative size (exact number of units) and length of ownership (year bought) as well as the Borough and neighborhood in which the buildings were located.

⁹ In Table 2 African American is abbreviated as AfrAm.

Table 2

Summaries of Cooperatives

CO-OP #	SIZE ⁱ	AGE ⁱⁱ	BORO	NEIGHBORHOOD
Co-op 1	Small/9	Old/1987	Brooklyn	Greenpoint
3 respondents - 3 women: all White				
Co-op 2	Small/8	Old/1985	Brooklyn	Bedford
3 respondents - 3 women: all AfrAm				
Co-op 3	Small/13	Old/1983	Manhattan	East Village
3 respondents - 2 women, 1 man: all White				
Co-op 4	Small/16	Old/1984	Manhattan	Harlem
3 respondents - 1 woman, 2 men: all AfrAm				
Co-op 5	Large/31	Old/1984	Manhattan	Lower East Side
4 respondents - 4 women: all Hispanic				
Co-op 6	Large/48	Old/1980	Manhattan	East Village
4 respondents - 3 women, 1 man: all White				
Co-op 7	Large/38	Old/1983	Manhattan	Lower East Side
4 respondents - 4 women: all Hispanic				
Co-op 8	Small/6	New/1988	Brooklyn	Bushwick
3 respondents - 2 women, 1 man: all White				
Co-op 9	Small/6	New/1988	Brooklyn	Bushwick
3 respondents - 3 women: all White				
Co-op 10	Small/10	New/1989	Manhattan	Clinton
3 respondents - 2 women, 1 man: 2 Hispanic, 1 White				
Co-op 11	Small/16	New/1988	Manhattan	Clinton
3 respondents - 3 men: all White				
Co-op 12	Large/20	New/1988	Bronx	Bedford Park
4 respondents - 2 women, 2 men: 2 White, 1 Hispanic, 1 AfrAm				
Co-op 13	Large/34	New/1988	Brooklyn	Williamsburg
4 respondents - 4 women: all Hispanic				
Co-op 14	Large/36	New/1990	Brooklyn	Bushwick
4 respondents - 4 women: all AfrAm				
Co-op 15	Large/43	New/1988	Bronx	Fordham
4 respondents - 2 women, 2 men: all White				

ⁱ Small cooperatives had less than 20 units while Large had 20 units or more. The unit size per cooperative is listed next to the size category.

ⁱⁱ Old cooperatives were converted prior to 1988 while New cooperatives were converted in 1988 or later. The conversion year is listed next to the age category.

Research Methods and Analysis

Interviews

The primary research method was in-depth personal interviews with respondents in their homes⁹. Each interview took approximately two hours to complete, and covered various aspects of cooperative ownership. The questionnaire contained both fixed choice and open ended questions dependent upon the subject matter. An exploratory, optional photographic method, which involved the use of a Polaroid camera to explore the meaning of changes in the physical environment, was conducted at the end of the interview. It took a approximately one year to complete 52 interviews, which began in March, 1991 and ended in June of 1992¹⁰.

Topically the interviewed addressed a range of issues. The primary sections of the questionnaire covered¹¹:

- Demographic Profile
 - Building History and the Process of Conversion
 - Cooperative Ownership
 - Management Structure
 - Group Dynamics
 - Resale Policy
-

⁹Except for five interviews which were conducted in the respondent's building, but not their own apartments.

¹⁰ Two pretested interviews were included in the sample since the subsequent questionnaire changes were minor.

¹¹ See the Appendix for a copy of the questionnaire.

- Financial Factors
- Building Maintenance Conditions and Changes

Subsumed within these broader sections were questions that examined how being a tenant in the building compared to being a cooperative owner, levels of involvement with cooperative management and knowledge about the building's history and cooperative conversion. Numerous questions related specifically to how people felt about cooperative ownership, especially as it related to feelings of control, security and responsibility. Respondents' home ownership histories were investigated as were their preferences for cooperative versus private ownership.

Both the research design, and the interview questions, explored how things had changed over time at an emotional and physical level. Motivations for ownership, and expectations of what it would be like were compared with the reality of cooperative ownership and the effect it had on their lives. Building and apartment conditions in the past were described, as were the changes which had been made and plans for physical changes in the future. The photographic method in particular explored the meaning or importance of these physical changes.

The Photographic Method

The photographic method was intended to explore whether feelings related to becoming home owners were reflected specifically in the physical environment. If residents saw home ownership as a symbol of self, status or identity, the appearance of the building or apartment could relate to the meaning of ownership. Perceptions of how the physical environment looked, and how it had changed, might also reflect feelings of control and pride.

At the end of each interview, respondents were given the option of taking Polaroid photographs. Respondents were asked to take up to three Polaroid photographs of the physical changes they considered to be important or meaningful in their apartments or buildings¹². The use of a Polaroid camera allowed the photograph to develop instantly (in three to five minutes) so respondents could see whether the photograph captured what they had intended.

Since this method was meant to be exploratory, questions related to the meaning of the photographs were broad and open ended. After the photographs were taken, respondents were asked to describe why they selected what was photographed and why it was important to them. If the photos were related to change, respondents were asked to describe what had changed and how it happened. This change

¹² If respondents were uncomfortable using the camera the researcher volunteered to take the photographs following their instructions.

could be an addition to the property, a removal of something, or the result of individual or collective effort. The role of personal actions and meanings, as well as feelings of control or responsibility related to these changes, were also explored.

Photographs capture a physical reality in a very different manner than words. Too often environmental psychology, which investigates how the physical environment can affect people's lives, neglects the incorporation of photography as a research method. Its use in this study was intended to cause respondents to focus specifically on the physical and aesthetic aspects of their housing that might relate to the meaning of home ownership.

Data Analysis

Interviews

Although the interviews addressed a variety of relatively concrete factors (such as management, maintenance and finance) that might have influenced the experience of cooperative ownership, the core of this investigation was to discover the meanings of ownership. Therefore, the most appropriate and primary method of analysis was qualitative. Qualitative analysis allowed the essential qualities related to the experience of cooperative ownership to emerge.

In particular, the open ended questions allowed feelings related to the meaning of ownership to be explored. People were not forced onto a scale but able to explain their experience. Qualitative analysis allowed for factors to emerge that led to a grounded theory of the meaning of home ownership. This research engaged a transactional system of analysis which is important in the creation of grounded theory (Strauss & Corbin, 1990).

As the core categories of meaning were identified and dimensionalized through open coding, more axial and selective coding began (Strauss & Corbin, 1990). As the conditions and context within which certain feelings emerged were examined, a more abstract level of analysis was developed. Causal conditions were related to the properties of the found meanings of cooperative ownership.

Although the open ended questions were the basis of the analysis, the fixed choice questions¹³ (that were scaled or had pre-coded yes or no responses) were also important. The percentages that resulted provided descriptive information, and were a useful measure against which to test the validity of the themes which emerged from the qualitative analysis. Additionally, the pre-coded question responses resulted in the sample demographics described earlier.

¹³ The fixed choice responses were entered into a computer database.

Once funds became available¹⁴ all taped interviews were transcribed and the qualitative analysis began. Six months were spent meticulously reviewing each of the 52 transcribed interviews. Notes were taken and converted to typed summaries of the meaning of cooperative ownership to each respondent. Although the nuances and influences specific to each person were noted, as well as elements related to each cooperative, common categories of meaning emerged. These categories were developed into the themes of meaning which can be found summarized in the Discussion Chapter and were integrated into various chapters.

Summaries of each of the 15 cooperatives in this study were also constructed from their respondent's interviews and used to guide the qualitative analysis. Co-op summaries outlined the building history, process of conversion and renovation, management and social dynamic factors specific to each cooperative. It was often through the combination and cross-checking of respondents stories that a more complete picture of historical and current co-op conditions (both physical and inter-personal) was drawn.

Crosstabs were performed to assess possible relationships between demographic and dependent variables. The demographic variables of sex, race, income, education, income, leadership and Board of Director role were

¹⁴ Thanks to being awarded the 1993-94 City University of New York Proshansky Dissertation Fellowship.

crosstabulated with a variety of precoded questions. Possible relationships between these demographic factors and variables related to security and control, ownership preferences and perceptions, changes in feelings over time and satisfaction with apartments, buildings and neighborhoods were explored. Additionally, cooperatives by size and age were crosstabulated with social dynamic and management variables related to conflict, community, influence and building information. Any significant relationships found from the crosstabs have been integrated into the appropriate chapters.

Given the small sample size, it was possible to see fixed question responses for all 52 respondents, grouped by cooperative, on short reports. These reports were created topically to reflect the primary sections of the questionnaire (such as management, financial, maintenance, etc.) which thematically evolved into dissertation chapters. Relationships between variables were often discovered by a visual examination of the responses to fixed questions and their resulting percentages.

Comparisons between cooperatives and respondents were discovered through examining reports and related percentages while simultaneously being aware of the themes which had emerged from each interview and cooperative's histories. The qualitative co-op summaries, combined with individual themes of meaning, led to the conceptualization and

understanding of the meaning of cooperative ownership. Thus throughout this dissertation the analysis was conducted simultaneously at both an individual respondent and co-op building level.

Photographs

The photographs were also content analyzed using a qualitative method. The categories used for analysis were both descriptive (what was photographed) and thematic (its importance). The photographs were evaluated topically to determine how many were taken of kitchens, bathrooms, other building elements or general apartment or building improvements. Interview transcripts were also examined to understand why these things were important enough for respondents to photograph. The photographs were looked at in combination with the explanations given for why what was photographed was important in order to understand their meaning.

Thirty-four people (65% of the sample) in 13 different cooperatives took a total of 102 Polaroid photographs. In only two cooperatives (Co-ops 2 and 15) did no respondents choose to take photographs. The great majority of photographs were taken in and of their apartment. Only six respondents photographed their buildings instead of their apartments.

This method, though exploratory, did bring out the meaning of the physical environment in a way which words alone did not. Although the photographic method followed a series of questions about how the apartment or building had changed, and what they would show someone on a tour, additional information was gained through the use of photographs. Taking a photograph often prompted respondents to really look around them. Thus the focus of the photo, though it might repeat themes found in answers to the preceding questions, brought out an additional level of detail. For example, a respondent might state their bathroom renovation was an important change, but when they photographed it they would explain exactly how it had changed and what they had done to fix it up themselves.

Since these photographs reflected the meaning of physical changes, the conceptual themes developed to understand the meaning of physical building changes were also utilized to analyze the meaning photographs¹⁵. There were three themes of physical changes: safety and security, physical essentials and comfort, and appearance and functionality. Although all these themes were evident to some extent in the photographs, given the visual focus of photography, the photos frequently reflected the importance of appearance and functionality since respondents would

¹⁵ The results are found more completely in Chapter 4 on Physical Building Transformations.

photograph changes they had made themselves to improve appearances or save space.

PART II

THE COOPERATIVE BUILDING CONTEXT

CHAPTER 3

THE PATH TO TENANT OWNERSHIP

The path a building follows to cooperative ownership is usually complicated. For the buildings in this study the journey began when the landlord abandoned the property and stopped caring for it physically. In order to protect their homes, and keep the building viable as shelter, tenants came together to improve the physical conditions in which they lived. It was usually during the struggle to improve building conditions and wrest control from the landlord that tenants learned of cooperative ownership as a way to prevent their displacement and gain legal control.

For the great majority of buildings in this study it was the tenant's efforts to improve and control their living conditions, not usually the urge for ownership per se, that led to the conversion of the building to cooperative ownership. The process of gaining control over the building involved court battles, related rent strikes and 7A Administrators. It was generally through their relationship with community groups that assisted in the legal battles that tenants learned of the possibility of tenant ownership. Buildings were referred to the Ownership Transfer Program of the Community Service Society which made the conversion to a tenant owned cooperative a reality.

This chapter will discuss the precipitating factors that led to the conversion of buildings to limited equity cooperatives. It will describe how the idea of buying the building developed, and the motivation of residents for cooperative ownership. The actual process of cooperative conversion was often complicated and involved many steps. The roles and importance of the various community groups involved will be discussed, as will residents' involvement in the process.

Motivations for the Cooperative Conversion

The majority of buildings in this study had various landlords who collected rent but made few or no repairs so that physical conditions deteriorated over time. Cooperative 4, a large building in Harlem, was a typical example. Residents had gone through series of landlords who didn't provide services. Inez, who had been in the building for 29 years, had lived through no heat and having a ceiling fall into her child's bed. The tenants eventually went on a rent strike and formed a tenant association which functioned for several years before actual ownership. She noted that "The landlord didn't do what he was suppose to and because we're not gonna be run away. He finally gave up." Inez states that the tenants bought the building because "We didn't want to move, we liked where we were, and you

couldn't just walk out and get what we had... for what we were paying." It was the persistence of the building's tenants who wanting to stay and affordability considerations that resulted in the eventual conversion.

Landlord harassment also motivated tenants to come together to control the building in order to protect themselves and feel safe in their homes. The harassment was usually related to rent collection but could also be combined with not being provided with services because at times landlords would withhold heat in order to extract money from tenants. This story, told by Mrs. Holmes from Co-op 1 depicting both a series of landlords and tenant harassment, was unfortunately similar to what happened in a couple of other cooperatives in this study. It also portrays how tenants came together to form tenant associations in order to protect themselves.

So he sold the building and then we got a new owner. Well it was first a young man but he didn't keep the building long either because he saw that he couldn't increase any rents because there were too many violations on the building. So he couldn't put anybody out because it was rent control and then he sold the building to another gentleman who, as soon as he got the building, the first thing he did was shut off all the heat on us, shut off all the hot water, first asked for increase from each one of the tenants without the rent control. He just knocked on the door and said I want your rent, it's going to go up \$100. Then when I told him he couldn't do that under rent control and he would have to go to rent control to get the increase. He immediately told me then that he was going to take my apartment and put me in an apartment in Ridgewood and there was nothing I could do about it. Then everybody was having the same problems, he was telling everybody the same thing. So then we joined a tenant's association.

Wanting to keep their homes, and not be put out on the street and displaced by this or yet another landlord, was a prime motivation for tenants to want to gain control of their building. Staying was related to attachment to place, affordability considerations and the perception of a lack of available housing options. Louise, from Co-op 8, depicts feelings of attachment to her home and the fear of being put out by a new landlord when she explained why the tenants bought the building.

Because nobody else had anyplace else to go and the option was given to us. There were five families that lived in here for over 25 years. It is a eight family building. People just didn't want to move. I certainly didn't want to move because at that time there was rent control and nobody could put me out, they could raise my rent but they couldn't put me out....And another thing, I lived alone and I just couldn't start looking for another place after living in here 36 years, I was settled, I knew all my neighbors. I was comfortable, I wasn't frightened. Mr. Rotkin frightened me when he came, the new landlord.

The fear of displacement because of rising rent (often associated with gentrification or real estate speculation) was real to many people. Respondents often remarked how high the rents in other neighborhood buildings were, and feared that if another landlord bought their building their rent would become unaffordable. As evidenced below, some tenants worried that their building would be bought for speculation and result in unaffordable rent increase which would force the tenants to move out. As Louise from Cooperative 8 stated:

I said if somebody else comes in we wouldn't know what was going to happen because it was very low price, \$75,000 for both buildings, which was cheap, 3 years ago. So we knew anybody buys they're only going to be speculating and that was it. Who was gonna have to move, who was gonna have to go, where were we going to go.

In Cooperative 15, a large building in the Fordham section of the Bronx, a fear of rent raises specifically related to landlord speculation was the prime motivation for respondents to buy their building. This building was unusual because it had not suffered from a cycle of landlord neglect, and is the only building in this study that was rated in good condition prior to tenant ownership. The conversion was precipitated by the death of the owner and the relatives who inherited the building plan to sell it. A member of a community organization living in the building at the time saw tenant ownership as a strategy to prevent speculation in the neighborhood and preserve affordable housing. All the respondents in this cooperative were motivated to purchase the building to prevent another landlord from buying it and raising the rent. Ownership was a way to keep their housing affordable and stay in place.

Certain neighborhoods in Manhattan, particularly the Lower East Side and East Village, were subject to gentrification and real estate speculation. Alisa, a building leader in Co-op 7, a large building on the Lower East Side, described how the fear of displacement, combined

with an attachment to the neighborhood, was a motivation for tenants to buy the building.

Because we would have been all displaced. We all would have been sent to different places, different neighborhoods. We all would have had to start all over again and I guess people are used to living where they are and it was really not much of a choice that you made at that time. It was either having the landlord, having the city as the landlord, and the other alternative was for us to own it and that seemed to be the best all the way around.

Not Wanting Another Landlord

All factors noted above relate to the most frequently mentioned reason for why tenants bought their building; residents did not want another landlord. Landlords were people who had control over their homes and the physical quality of their lives. As stated by Diane, who was a leader in Co-op 12, landlords had "absolute total power, that is what a landlord can do and he can get away with it and there isn't a damn thing you can do about it." In contrast to the above experiences, not having a landlord (either getting rid of the current one or preventing a new unknown one from gaining control) meant freedom as well as security and control. Most respondents had seen many landlords come and go. Bill from Co-op 12 explains the feelings and experience of most respondents when he describes how he felt "scared to go to another landlord who would have it for a year and then dump it". If the tenants owned the building, they felt they would be free from poor

conditions and harassment which translated to physical security. According to Victoria in Co-op 13 the tenants bought the building so they "wouldn't have to suffer anymore".

Although many tenants were strongly motivated not to have another landlord who was a stranger control their lives, this did not necessarily mean they had a strong urge to own the property themselves. Rather, many people felt that tenant ownership and control was the best of the available options. In contrast to having another landlord, owning the building themselves meant physical and financial control as well as psychological security. At times the decision to own was made out of necessity as evidenced by the statement from Gail (from Co-op 10);

I mean we really didn't have a choice, we couldn't get a decent landlord. Anyone who wanted to buy it wanted to buy us out and they would of just taken the building, either did it over and make double apartments out of it, and nobody wanted to move. So we decided if we owned it ourselves, you know we could stay here.

Tenants were also motivated to own since they felt they would take better care of the building than any landlord would. Particularly in Cooperative 12, a large building in the Bronx, the tenants believed they could manage the building better than another landlord since as building residents they were the most invested in properly maintaining it. As described by Diane, the tenants took action and interrupted the foreclosure sale to keep the

building from being sold to yet another landlord who would have bought it sight unseen.

We went down to the court to interrupt that particular sale and to let anybody know who came to it to buy the building that we wanted to buy the building....We told all of them that they would have to deal with the tenant association that didn't want to deal with them. I mean we really didn't have a choice. It was us or those guys. I didn't have much confidence in people who didn't know enough, at least come look at the building, open the front door, walk through the hall.

Building Control Prior to Ownership

The tenants in this study achieved some sort of control over the building prior to actual legal ownership.

Buildings were either managed by tenant associations, in conjunction with a community group's tenant organizer, or by a court appointed 7A Administrator. The great majority of buildings in this study had at some time been part of the 7A Administration Receivership Program of the City of New York.

The 7A Administration Program involved having a court appoint a 7A Administrator to manage the building's financial affairs and make the necessary repairs in the building when the landlord was not doing so. Although the court could appoint the 7A Administrator, a request could be made to have it be a tenant or someone from a local community organization. In at least four of the buildings¹ 7A Administrators were also tenants in the building at the

¹ Cooperatives 2, 3, 9 and 14.

time, while in several others they were from local community groups. 7A Administrators were often pivotal in providing the leadership and expertise necessary to help turn the building around, especially when they came from a local trusted community group.

The 7A Administrator of Co-op 7 in the Lower East Side of Manhattan (who was from a local group and worked as a community organizer in the building prior to being appointed) had led the fight to prevent the displacement of the mostly Hispanic residents in the gentrifying neighborhood. Alisa, a leader who had lived there during the early struggle to gain control of the building, described how the 7A Administrator was "very instrumental in turning this building around and organizing the group." She felt the 7A was "the heartbeat that turned this place around" especially given "all the different contractors that had to be contracted for all these different things."

For Pauline, becoming the 7A Administrator in Co-op 9 after living in the building 23 years was an important change since it allowed her to collect the rent and "I got things fixed up that needed to be fixed." Having some form of control over the building, via an active tenant association or a 7A Administrator, meant that tenants were able to improve building conditions and stop landlord harassment. Life in these buildings became more secure and stable.

Yet there was still the understanding, and the fear, that since the landlord retained ownership and legal control over the building they could return to reclaim it or sell it. An example of this sentiment is seen in Co-op 11 in the Clinton neighborhood in Manhattan. The tenants had essentially managed and controlled the building since they moved in through a tenants association and court appointed 7A Administrator from a local community group. The building was in very poor physical condition but extensive repairs had been made to the building, many by tenants' sweat equity under the guidance of the 7A Administrator. Yet, even though the 7A Administrator provided de facto control over the building, there was still fear the landlord could some day get the building back and reap the rewards of the physical improvements the tenants had made in the building. This is depicted by Greg's explanation of why the tenants bought the building.

Because we never wanted to deal with the landlord again more than any other reason. He could do anything and people were afraid that theoretically he could pay the taxes and get the building out of receivership and then charge the tenants for all the work they've done by upping the rents for improvements made under the 7A.

Additionally, without legal ownership, residents could sometimes experience problems getting necessary repairs done to the building or their apartments. In a couple of instances tenants had to pool personal loans to make needed repairs to keep a building habitable. In Co-op 2, a small building in Brooklyn, respondents took out personal loans to

repair the building's windows since they could not borrow money collectively as the legal owners. Additionally, in this building prior to cooperative ownership, Nelly reported that contractors refused to redo her bathroom since she was not the legal landlord.

Thinking about Buying the Building

For the greater majority of buildings in this study it was tenant efforts to improve and control their living conditions, not the motivation for ownership per say, that led to the cooperative ownership conversion. This is not to say that tenants were not interested in pursuing ownership once they realized it might be possible, but the majority of tenants did not generally perceive it as an available option. Rather the cooperative conversion to tenant ownership was often considered unattainable due to its complexity and expense.

Usually the idea to convert the property to tenant ownership originated from a person working with the tenant group during the struggle with the landlord. This could be a lawyer helping the tenants with court battles, the 7A Administrator or Ownership Transfer Program (OTP) staff who believed the tenants could handle the responsibility of ownership and were capable building managers. The building would be referred to the Ownership Transfer Program who investigated the ownership transfer possibility and had the

expertise necessary to lead the tenants through the complicated process.

In only one cooperative did tenants move into the building with the intention of tenant ownership. In Co-op 2, a small building in Brooklyn, a neighborhood group initially sponsored the conversion of the building to preserve affordable housing. Yet this original attempt at conversion failed due to complicated legal and financial factors. It was only through the assistance and expertise of the Ownership Transfer Program staff that the building was successfully converted. In all the other buildings the ownership idea evolved along with legal efforts to gain control over the building.

Sometimes, as can be seen by the two women below, the suggestion that the tenants could own the building was initially dismissed or not taken seriously. Sometimes ownership was thought impossible due to the low incomes of residents. It was through taking the landlord to court for needed repairs that tenants from Co-op 8, a small building in Brooklyn, met professionals who suggested they buy the building themselves. Louise, one of the building leaders, stated how the tenants laughed when they first considered the possibility of owning the building - until they realized it would give them more control over their homes.

The landlord...he was putting the building up for sale and then Liza from Legal Aid said why don't we buy the building and we sat there and laughed at her. We said how can we buy the building, I'm on fixed income and

most of the people. And she said no, no, and she was the one who got in touch with Community Services and set everything up. You know, the first time we mentioned it everybody stood there and laughed. Then as we started talking and thinking about it, the new landlord comes in. Donna says there goes my dog, there goes my washing machine, there goes my kids.

A similar reaction is described by Linda, a leader in Co-op 14 in Brooklyn who had lived in the building and been acting as the 7A Administrator for several years. Although, as a court appointed 7A Administrator, she was essentially in control of the building's management she still felt the landlord had ultimate control. Linda initially dismissed the idea of tenant ownership until she realized that tenants having ownership would mean control over building maintenance and more physical and financial security.

Because we were...probably under the 7A administrative program longer than any building in the city and we just had it....One of those many times that I had to run back and forth to court with [the landlord], an attorney said to me once, well why don't you see if you can buy the building from him. You're already taking care of it, so might as well take the full responsibility and get something out of it. So I just threw the idea around, didn't pay it any mind. Then about 2 years later, I said this is crazy, why shouldn't we try to own it ?

Linda also believed, as did others, that tenant ownership would guarantee the ability to keep the building in better shape, control costs and maintain affordable rents.

The thought of being able to maintain our own building ...we realized that if we maintained it properly we won't have to worry about being homeless a year or so from now, we won't have to worry about the crazy high rents out there. The folks in this building are low to middle income. So it sounded like a very good idea, we started working on it.

The Process of Conversion to Cooperative Ownership

The actual process of converting a landlord-owned rental property into a tenant-owned cooperative is complicated and often involves intricate legal and financial maneuvering. In each conversion the process involved the cooperation of community and technical assistance groups who contributed various skills including legal, architectural, financial and organizational expertise. Although the tenants were involved in some way, and the majority had to want ownership, usually outside groups who had the necessary financial and legal expertise were required to lead the building through the complicated conversion process.

Each of the fifteen cooperatives in this study shared a somewhat common path in the steps they had to go, yet they also had their own specific conversion story. Although various groups were involved in the conversion process, the particular combination of assistance could differ by building. In all conversions the actual ownership transfer was accomplished through the assistance of the Ownership Transfer Program (OTP) of the Community Service Society, yet their role also varied by building.

The Ownership Transfer Program's goal is to arrange the transfer of residential buildings from private to tenant cooperative ownership to preserve affordable low income housing. OTP staff's assistance ranged from tenant

organizing and training to negotiation with banks and the City of New York for loans to purchase the building. They were usually the lead group that negotiated the actual sale with the landlord and also coordinated all the players in the transfer process. OTP staff would negotiate with other groups to provide free legal and low cost architectural services, and if necessary, would also provide short term low interest loans.

Various steps are involved with converting a building to low income, cooperative ownership. Individually these steps may appear simple, but putting them together in a way that makes the ownership transfer work and be affordable to tenants is often complicated. The financial assessment, which was crucial, required an estimate of the building's operating budget which included the rehabilitation costs necessary to bring the building to liveable standards and meet building codes. Eligibility for sources of rental subsidies and low interest loans necessary to keep the rents affordable had to be figured into the financial assessment (and some were contingent on the building being brought up to code). The different avenues for building acquisition had to be considered, financed and negotiated with the landlord. The tenants' management capabilities, and desire for ownership, also had to be considered before the process of conversion would proceed.

Resident Involvement and Knowledge of the Process

Being sure that the tenants were interested in owning the building was crucial, so very early in the process OTP staff met with the tenants and discussed what cooperative ownership meant. In order to be eligible for the Ownership Transfer Program 75% of the tenants had to be willing to purchase their building. Additionally, the building had to be privately owned, 90% occupied and have a strong tenant association.

During the process of conversion regular meetings were usually held with the building's tenants to explain the process. These meetings were crucial to tenants' understanding of what ownership meant and also made them feel involved in the process. As described by Alisa in Cooperative 7:

We always had meetings and we had lots of meetings and at each meeting it was sort of an educational process where this woman took us through the steps and tried to explain to us what it meant to have a co-op, what it meant to us, what was equity, that it meant that we would own the building, what it would mean the commitment that we had to make. That it was not just now we have a cheap apartment, now we own this building. It was now we have to maintain this building.

Prior to conversion, most respondents had only a vague idea of what cooperative ownership was. For most Americans and many respondents the concept and structure of cooperative ownership is not easily understood. Although the cooperative ownership of apartment buildings is more common in New York City than the rest of the country, the

majority of these cooperatives are owned by middle income people who sought out ownership opportunities. Respondents in this study did not have the goal of owning an apartment but rather had ownership introduced to them as a way to gain control over the building. Thus, the path to cooperative conversion for the buildings in this study involved a process of education about what cooperative ownership was. (In fact, many respondents would preface a reply to question about cooperative ownership by noting "they told us".)

This study investigates the meaning of cooperative ownership which is linked, to some extent, to the cognitive understanding of it. Information about cooperative ownership was often gained during the conversion process, so this study looked at what people knew about the conversion process and how involved they were with it. Involvement in the process related to feelings of participation and group solidarity, which also affected the meaning of cooperative ownership.

In the interviews, respondents were asked both what they knew about the process of buying the building and whether they were involved in it. The majority of respondents reported both knowing something about the process and being involved with it to some extent. Ninety percent stated they knew at least something about the process, while 75% felt they had been involved during the

conversion.² However, it must be noted that when people responded that they knew about the process or were involved in it, exactly how "knowledge" or "involvement" was defined could vary greatly.

For many people knowing only that loans were required meant they knew the process, and attending an occasional meeting made them feel involved in it. Some people named a variety of outside groups who were involved in the process, while others knew of only one or two. Not surprisingly, leaders generally knew the most specific information about the details of the process of conversion and had the most sophisticated understanding of its complexity.

When asked what the process involved, the majority of people mentioned getting loans, which is not surprising since financing is such a critical component of buying a building. Many people also mentioned the necessity of legal advice and related court battles with the landlord. Respondents generally acknowledged how important it was to the success of the conversion process to involve a variety of outside groups that offered technical assistance. Sometimes particular people, usually associated with community groups working with the building or from the

²These percents do not include three respondents who were not tenants prior to the ownership conversion, and thus not assumed to have knowledge or involvement with the process.

Ownership Transfer Program, were credited with having been crucial to the tenants' achievement of ownership.

For the majority of respondents being involved in the process of cooperative conversion was defined as attendance at meetings, voting or signing papers. Yet several people remarked on how taxing and time consuming the involvement could be, especially when it required going to court frequently to battle with the landlord. Although it was not unusual for tenants from entire buildings to show up at court for crucial dates, Mrs. Holmes, from Co-op 1 in Brooklyn, showed a particularly high level of commitment in order to save her home.

I went to every court hearing, because I was not about to be put out of this building. I was already in my late 60's I had lived in this apartment all these years, we made it livable, my husband worked hard trying to do things to make it liveable, and I was not about to be put out on the street....I worked nights and got up in the morning and would go to these court hearings and believe me sometimes I didn't know whether I was coming or going. My dishes in my sink were stacking up because I didn't have time to do them. I went to all the meetings and I just wanted to make sure that I was going to have an apartment.

Each of the buildings in this study had its own unique story of struggle and conversion, and required different levels of commitment from residents. For most, the conversion came after years of fighting the landlord. Sometimes the conversion to cooperative ownership went smoothly, (especially if the landlord was willing to sell the property to the tenants), and at it other times it was more difficult to achieve.

Leadership Involvement During the Conversion

Usually tenant leaders both knew the most about the conversion process and felt involved with it, and their feelings of involvement in the process were influenced by a variety of factors. Personality and ego differences probably played a large part in how people described their involvement. Yet dynamics inside and outside of the building, such as the specific amount of outside help which was available and the support and cohesion of building residents, also had an effect on how involved leaders were in the building's conversion.

Cooperative 3, a small building in the East Village of Manhattan, had struggled for many years prior to the conversion and had many building conflicts even during conversion. Cooperative 12, a large building in the Bronx, had a contentious relationship with both its community group and the 7A Administrator from that group, as well as among tenants. The leaders of these buildings, Daria in Co-op 3 and Diane in Co-op 12, both felt that they were basically responsible for the conversion and made a lot of 'I' statements when describing the process. Daria felt that she had essentially negotiated the conversion and coordinated the different players, while Diane felt she was responsible for organizing the tenant association. They both felt they had played a role in educating other tenants, knew the process intimately and had been very involved with it.

On the other hand, Cooperative 8, a small building in Brooklyn, had a smooth conversion with cohesive tenants, as did Cooperative 14, a large building in Brooklyn. The leaders, Louise, from Co-op 8, and Linda, from Co-op 14 (who both at first dismissing the possibility of buying the building), felt they were not really involved with the process of buying the building since essentially OTP staff did all the work while they did very little in comparison. Louise from Co-op 8 felt she was only somewhat aware of what the process was, and only slightly involved because OTP did all the paperwork and all they had to do was get the insurance. Linda from Co-op 14 stated she did not know what the process was exactly, nor was she really involved in it. She was aware that the process of buying the building was complicated and involved a lot of work but felt OTP staff took care of all of that. Rather, her involvement was limited to whatever had to be done on the tenant end, such as getting papers signed and setting up meetings.

Both Daria and Linda had been the 7A Administrators for their buildings and as such had a lot of responsibility and were involved in building management. While Daria felt she both knew the process of conversion and was involved with it, Linda did not believe she really knew the process or was involved with it. Linda felt it had been basically done for her, while Daria felt she had done a lot of the work herself.

Daria stated she had negotiated the purchase with the landlord in her role as the 7A Administrator. At the same time Daria recognized how difficult the process was and that they had been "very well represented". As she stated:

I often wonder how people do it that aren't as educated or not as resourceful, cause even though I had an arts background, I learned everything on my own, but again I went out of my way to find these people, talk to other buildings...

She acknowledged how OTP gave the tenants a lot of guidance and showed them there was a way when "no one believed we would buy it".

The perceptions building leaders had of their involvement in the conversion were influenced by the difficulty of the process itself, the role outside groups did or didn't play in the building, and dynamics within the building. Daria's and Diane's buildings were more conflictual and less cohesive than Louise's and Linda's. Additionally, it appears that in Louise's and Linda's buildings OTP staff did play a more pivotal role in the conversion and were relied on more than in other buildings to take care of the details.

The Involvement of Outside Groups

Despite the fact that the majority of tenants felt they had knowledge about and were involved in the conversion process, many also acknowledged the importance of the involvement of outside groups that offered technical

assistance in "saving the building". Regardless of who actually did the conversion, having a person who took a leadership role and organized the building during the particularly trying time of conversion was essential. Some of the leadership was provided from inside the building, but usually expertise was required from outside groups as well.

Often the Ownership Transfer Program (OTP) was seen as the group with the expertise to do what was needed to be done. When asked which groups had helped with the conversion, OTP was mentioned the most frequently. OTP staff often played a leadership role and coordinated all the players in the conversion process, even though the exact extent of their involvement varied by building. OTP was always involved in some way with the financial packaging of the purchase, and usually trained and educated tenants in the responsibilities of ownership.

Other outside groups, such as the City of New York, banks, legal and architectural assistance groups, were also mentioned as being involved in and important to the conversion process. The City of New York, or more specifically their Department of Housing Preservation and Development, was frequently known by respondents to have assisted in the conversion. Yet the City of New York was not seen in a leadership role but rather provided financial assistance or loans and contractors for necessary building rehabilitation.

For one-third of the buildings, community groups were reported as having been crucial to the success of the conversion. At times it was a particular person from a local community group who played a pivotal role by providing a vision that they could do it and knowing how to arrange what had to be done. Tenant organizers in Cooperative 7 in the Lower East Side and Cooperative 10 in the Clinton neighborhood in Manhattan were felt by respondents to have been especially important in the tenants being able to ultimately purchase the building.

Alisa from Cooperative 7 in the Lower East Side, which was being subjected to intense gentrification in the 1980's, tells how important the vision of their 7A Administrator was in motivating tenants and achieving ownership.

...she was the 7A administrator who was appointed by the courts, and she was instrumental in turning this building around....She was influential, she was very strong and she guided us. Otherwise we never knew, we never would have known about these different programs. Like I said she was a very politically active brilliant woman and she told us, she came into the building and said "you don't have to accept living in these conditions, you can live better".

Similarly in Cooperative 10 in Clinton residents felt that an organizer from a local community group provided instrumental support and respondents felt he essentially saved the building. This organizer fought not to have the building condemned and was able to find money to purchase the building. Ricardo, describes how crucial the organizer's connections were:

...when we bought the building, we signed the paper and we know that we are the owners of the whole building. That's...finish years and years of fighting, of suffering...going to court and trying to get money. And when you have no money, you know how difficult it is to get money. Very difficult. We are lucky, very lucky find Bill because Bill's office, he knows so many people inside the government who give him help, who tell him what to do, where to go, what lawyers to get, and all those things, and you don't have those connections. We never could do it. He did for us, that's the whole thing. So we don't know too much, about how difficult it was.

Knowing where to turn for what, and how to get things done was especially important during the complicated conversion process. OTP staff had knowledge of bureaucracy that was especially valuable and something that the tenants wouldn't have known themselves. As Lisa from Co-op 1 described:

Well CSS³ was the major one because the first time that we made contact with them they in turn helped pick up some of the stuff that we couldn't handle dealing with agencies. They knew who to contact, they knew when to contact and they knew how to pressure them in the right way to get the answers we needed as quickly as we needed them and to get us into court as soon as possible, to get us a lawyer.

The complicated, and often strenuous, path to tenant ownership required the commitment of tenants and the leadership and vision that it could actually be done. Although leadership existed within the building invariably people from outside groups, such as OTP, were pivotal to the success of the conversion. Despite the commitment and desire of residents for control and ownership, the process

³ CSS is the Community Service Society, of which the Ownership Transfer Program was a part.

itself required technical and bureaucratic skills which were often beyond the scope of building leaders.

Summary

The conversion of a building to cooperative housing is a complicated task, yet was successful for the fifteen buildings in this study. It was accomplished, in part, through the tenants determination to stay and fight for their homes. Yet it was also through the expertise of local community and technical assistance groups, such as the CSS's Ownership Transfer Program, that the long road to tenant ownership became a reality.

Even though tenants may have had de facto control of the building, and were often essentially managing it prior to actual ownership, there were limits to their control over the building. As long as a landlord owned it they could return and take over. The tenant's major motivation for ownership was to not have another landlord rule their home and the physical quality of their lives.

Not having a landlord was related to feelings of control and security on both a physical and financial level. Tenant ownership of the building meant financial security because without speculation and profit the money would be sure to go back into the building's maintenance. This, in

turn, meant minimal rent raises and the ability to stay in place and not be displaced.

Affordability was an important motivation for tenants to want to purchase the building. It was especially important since the primarily low income respondents perceived few other affordable housing options. For some people, wanting to stay in their apartment was related to attachment to place and not wanting to move, while others felt there were not many places they could afford to move to. Usually the desire to stay in place was a combination of both factors.

In these cooperatives, the majority of respondents knew what the process of conversion involved and felt involved with it to some extent. This knowledge and involvement, even if it wasn't too specific, contributed to feeling a sense of accomplishment in achieving ownership. Leaders generally knew more specifics about what it took to buy the building, yet their level of involvement in it could vary depending on the type of technical assistance they received and the ease of the conversion.

CHAPTER 4

PHYSICAL BUILDING TRANSFORMATIONS

In conjunction with their conversion to cooperative ownership, the buildings in this study went through dramatic physical transformations which significantly changed the quality of life for residents. Virtually all the buildings suffered from a cycle of landlord abandonment and were in generally poor physical condition prior to tenant ownership. Physical conditions in most buildings improved so radically that many respondents stated you really had to have been there to experience the extent of the change. Especially in contrast to what building conditions were like prior to ownership, the significance of the physical changes in the buildings to respondents cannot be underestimated.

Residents received better building services, such as heat, and other upgraded building systems, such as electricity, doors and windows, which increased safety from fires and physical security from intruders. These physical improvements, many related to the provision of essential building services, affected basic levels of physical comfort and significantly affected feelings of safety and security. However the effects renovations had on appearances were also important, as were changes that improved function, especially at an apartment level. The meaning of the

physical transformations were clustered around three themes which overlapped and were linked to some extent: safety and security, physical essentials and comfort, and appearances and functionality.

This chapter will illustrate how the buildings were physically transformed and what this meant to the people who lived in them. Accounts of what conditions were like under the landlord, living through the process of renovation and feelings about current building conditions will be portrayed. This chapter will also describe which physical changes were considered the most important, and respondents future plans and hopes for their buildings. Descriptions of what people would show people on a tour (at both a building and an apartment level) exhibited feelings of pride and accomplishment. Finally it will examine how photographs taken by respondents to depict important physical changes also reflected the meaning of these changes.

Building Conditions Prior to Tenant Ownership

Through respondents' stories, this section will illustrate what life was like in buildings before conversion. The majority of buildings were rated by the majority of respondents (62%) as being in poor or very poor physical condition prior to tenant ownership. More specifically, respondents' ratings of building conditions at

the time of move in were as follows: 48% found them very poor, 14% poor, 21% fair, 17% good and only 2% rated them as very good. When these individual ratings were averaged by cooperative the following overall building ratings were determined: five¹ (33%) co-ops were rated very poor, four² (28%) were poor, five³ (33%) were fair and only one⁴ (6%) co-op was in good condition.

However, since the physical conditions ratings were made retrospectively to the time a respondent moved in, building rating averages were sometimes confounded by the length of time in the building which was an average of 15 years. A number of people had moved in when the building had been in good or fair condition and watched it deteriorate, usually caused by a cycle of landlord abandonment and disinvestment. A few people had even moved in as children with their families. Gail, from 10, described what the building was like when she first moved in as a child with her parents.

Forty-eight years ago it was beautiful. It had a beautiful yard. It had grass, flowers, you could go downstairs. And over the years...it just deteriorated 'cause the landlord didn't do any repairs....You weren't getting heat all the time, you weren't getting hot water. I mean I don't think in 48 years anybody painted. They didn't do any work. You just paid your

¹ Co-ops 2, 3, 5, 11 and 13.

² Co-ops 1, 4, 6 and 7.

³ Co-ops 8, 9, 10, 12 and 14.

⁴ Co-op 15.

rent and they delivered oil, that was it. When they delivered it.

On the other hand, many of the buildings were in truly dilapidated conditions when people moved in. One had been officially condemned, another scheduled to be demolished while three others were virtually uninhabitable at the time people were living there prior to tenant ownership.

It could be questioned why people moved into buildings that were often in such poor shape. At times the reasons were customary; sometimes (around 20%) people had family or knew someone in the building, while others (20%) needed more space. Yet more often the reason to move in, and not move out, had to do with having few available or affordable housing options. Twenty-four percent of respondents had been displaced or had to leave where they were living because of even worse physical conditions, while affordability considerations were explicitly stated by 30% as a reason for moving in. Respondents either moved in when the building was in good shape and for a variety of reasons, mostly attachment and cost considerations, did not leave when the conditions started deteriorating. Or they moved in even though the building was in poor condition since they did not have many available housing choices they could afford.

Below are two stories of women who had moved into buildings with very poor physical conditions because they were the only place they could afford if they didn't want to

live with their mothers. Although these examples may seem extreme they are actually representative of the severely dilapidated conditions found in several buildings in this study. Victoria (who became a leader of Co-op 13) told of taking an apartment on a lower floor with no functioning bathroom since it felt safer than one on a higher floor with no hall lights. Alisa (who also became the leader of Co-op 7) chose an apartment on a higher floor since she believed she might escape the rats roaming the hallways.

When Victoria first moved into Cooperative 13 in Brooklyn eight years prior the rent was \$270 and even though she felt it was not worth \$100 she took the apartment.

It was terrible because when I moved to this building it was a lot of drug problems involved. All kinds of types of people, you can imagine. In the apartment, you used to go inside the apartment, you could pass through the other apartment through the walls, okay? When it used to rain, it used to rain inside the building. And they used to make lines, from the entrance all the way up to here just to buy drugs. It was terrible. I was real desperate when I got this apartment because I wanted a safe place for my kids, I wanted to be alone with my kids. Because I was a month at my mother's house, and I was going crazy....

In Victoria's description of how she got an apartment, she also depicted the horrible building and apartment conditions, as well as some landlord discrimination.

What happened, when I came to ask for an apartment.... He didn't want to give it to me cause he saw me, I was a young woman and he thought maybe I was going to do something out of my apartment. And then when I was back and forth he decided to give me an apartment...on the top floor. But when I went to see the apartment, it was recently burned...it was terrible. But I signed a lease for it....it was no light at all on fifth and sixth floor. Everybody was really attached to the

hallway lights. Nobody had lights here....And when I was coming down the stairs, after I saw my apartment, I find out that apartment A was open and it was empty on the second floor. And...then I call him and I said how come if you have an apartment on the lower floor, you sending me to the sixth floor where I could get killed?.... Let me see it, and then when I came inside the apartment there weren't nearly any windows because the drug guys used to get inside to get cured and all. So, I looked at the apartment and the only thing was that I couldn't use the bathroom. Because it was clogged and no wall, no nothing....So I said anyway, I just want a safe place. I can give them a shower in the sink....So I call the man and he say well if you like it, you stay with it. I said okay, no problem, I stay here....And I'm here.

Despite the conditions of the apartment she took, Victoria felt it was a "safe place" since even though it might have been unsanitary, it somehow did not feel dangerous.

Following is the amazing description of what it was like to live with a non-functioning bathroom that had an active sewage leak from above.

I spent around three months giving my kids a shower in the sink. So then I said, I can't take it no longer, it's not the same. So I had to go inside the bathroom with an umbrella. Because the main pipe, it was a big hole in the main pipe and all the water that they wasted used to come inside, it used to rain in the hallway. The waste water, okay? So I pay an old guy to clean up my bathroom, my bathtub is full of the wall and ceiling of the bathroom. My toilet couldn't be used. So he cleaned up the stuff and dumped it on the roof because that was the dumping area. It was full up with garbage, rats, everything. So I decided to go inside the bathroom with a umbrella, and I even got sick. Because it was like little insects. I started going to the doctors and get cream because I got infected. But I didn't put my kids in there. Little by little and then by one day he sent a company to fix the pipe, I remember, it was \$802, but he paid for that....And they did the job.

Alisa moved into Co-op 7, which was also in very bad shape, due to financial desperation.

I needed a place to live and I couldn't afford to go anyplace else. At that time this neighborhood, right here this corner, was like a drug supermarket. So is was a very adventurous move for me and it was really out of financial need, desperation, because the building was in very bad shape but it was the only apartment that I could afford at that time. The rent was very cheap, it was like \$150, I mean compared to today's prices and even at that time it wasn't cheap but it was affordable.

She specifically notes horrible the building conditions were at that time.

Very very poor. We had tin in the hallway which was rusted, on the walls....When we walked into the building we sort of had to stomp very loud to scare the rats out of the way to be able to walk through the hallway. That's one of the reasons why I took the apartment on the top floor because it was lighter, it was more airy and I felt that maybe the rats couldn't climb up here. But it was not that way at all because I used to sit here in this living room...and just as casually as we are here the rats used to just walk right by, like this was their home, not mine....I am talking huge rats. We are talking the real thing. It was really tough living here at that time....We hardly ever had heat and like I said the bastards were in the kitchen, the plumbing was over 100 years old....The windows, they were like the wooden windows and they had been painted over and over again to the point where you couldn't bring it up or bring it down or close it and if they were open they stayed open and in the winter you had to put like rags in between the holes because you couldn't caulk them, it was just impossible....It was tough and I was going to school at the time, I was going to City College and it was the only thing that I could afford without living at Mom's.

For the women above, and low income people in general, the ability to afford an apartment can often supersede issues of physical comfort. Having a place they could afford to live on their own was more important to Victoria and Alisa than the poor physical conditions associated with a low rent. Renting an apartment that was cold or leaked,

had rats or no bathtub, was still better than having not having an apartment at all.

Safety and Security

Given the poor conditions described above, it is no surprise that many people interviewed had feared for their physical safety and security prior to ownership when the buildings were going through landlord abandonment. Although safety and security are conceptually close and often overlap, safety concerns are related to dangerous physical conditions such as unsafe stairs and a fear of fire while physical security concerns have more to do with keeping the building safe from intruders. The lack of control tenants had over building conditions which were unsafe and insecure contributed to feelings of fear. At times these feelings were exacerbated by both landlord harassment and the landlord's control over essential services such as heat.

Ricardo, from Co-op 10, described how he felt unsafe and afraid of landlord harassment compared to the security he feels now with a new boiler and windows.

We were waiting for anything that can happen. This owner, you know they do anything to get money...they enter the building to rent them to people who sell drugs....So there was so many things involved that you live afraid as they can set fire and destroy the boiler so you have no heat....now people can sleep, because the basement is clean and they have a new boiler, washed perfectly, new modern boiler, everything is perfect and you can sleep. There are security in the windows. All the windows are new....We live, now we have a big relief in security, extensive security.

Lisa, from Co-op 1, told a story of how her landlord almost blew up the boiler. She stated that one unusual weekend when the building was overheated the landlord called all the tenants and said "... you complain that I don't give you heat now I'm giving you heat. Now how do you like it". When checking the boiler her husband discovered the safety switches had been disconnected so the boiler was running continuously. According to the utility worker who came to fix it, the gas boiler was close to running out of water and only a few minutes away from blowing up the building.

Victoria, who became a leader in Cooperative 13, noted a specific incident of landlord harassment related to a lack of heat and rent collection.

He sent some guys here to collect the rents and then to threaten the tenants, so we were afraid they were going to burn the building, certain things. Once he had us in pure winter, it was about 5 degrees outside, and he said that the boiler was broken that he wanted rent in order to fix it....And I decided to break the lock downstairs to find out what really was going on. And it was a lie, we had 800 gallons of oil in the tank, and the boiler was in perfect condition. Only thing he wanted to get our money to keep on putting in his pocket and without doing nothing in the building. From there when we start, I changed the locks and he didn't have no access to the basement.

Aside from landlord harassment, safety and security fears were generally related to how repairs were under the landlord's control. For Teresa, from Co-op 5, her experience of ownership was in contrast to her fear of a landlord's control over her home. She felt "with a landlord we never secure of anybody staying here". For years the

tenants had one that "just didn't want to fix anything" so that her physical well being was threatened. Teresa described major leaks from the toilet upstairs and using the stove for heat.

Like we used to go to the bathroom with an umbrella. We used to keep the stove on day and night because there was no heat. The doors was always open, and these crazy people used to come in the building, we didn't know who those people were, and sleep on the stairs. All lot of things have changed. Sometime there was no light in the hallway....I used to sleep over here with her {her child}, I used to put a little heater and leave the stove on...that's the way it was. Now thank God we have heat. I feel very happy you know.

Often safety concerns were associated with a fear of fires being caused by bad electrical wiring. Gail from Co-op 10 had always been bothered by the electrical system which "We knew...was a hundred years old". Since she had felt it was dangerous, its replacement was the most important building change for her. Mrs. Neale, from Co-op 1, also felt one of the most important building changes was getting:

...new wiring throughout the building which was good because the wires were very bad here....In fact it started smoking behind my washing machine, I took the plug out and then I called the Fire Department, because I had read about fires starting in the wall and I was really scared. And I was embarrassed but they said that I did the right thing, that there could have been a fire in the wall.

Although for Louise, from Co-op 8, the electrical was also an important safety change, the halls were the most important change overall because of how hazardous they had been. Usually hallways were identified with security issues

related to being safe from intruders. However, in this building the hallways were so physically deteriorated that Louise was afraid to be in the hall since she could be hit by a falling brick or fall down from using a rotting bannister. As she described the hallway was:

...falling apart, the vestibule ceiling fell down, bricks....They had bricks above the ceiling, when it came down we had about eight bricks and it almost hit that man in the head. When the ceiling on the top floor came down it came all the way down here....it was like taking your life in your hands. It was dangerous, you couldn't hold on to the bannister because if you shook the bannister it would like shake all the way upstairs. That was the most dangerous....But it didn't happen overnight, most of it was water damage. It started leaking November just before my 18 year old was born and it leaked for 17 years. I couldn't understand, we had a new roof put on and it still leaked. We always thought we had it fixed but it was the bulkhead.... All those years through the bulkhead....You know around the bottom...some days it didn't leak, the harder it rained the more it leaked....So you know what it did to every landing. Knocked out every ceiling, every floor was warped and rotted away, the banisters were...cause the water was dripping down on them, they rotted away.

Building security was a primary concern to residents, especially since many of the buildings were in neighborhoods with crime problems. Thus, having hallways that felt safe with doors that were really secure was important to many respondents. In many buildings the doors (and even walls or floors) were so physically deteriorated that residents did not feel either safe or secure. Louise from Co-op 8 describes how her apartment doors were in such horrible shape that she had to push furniture against them to feel secure.

Because the neighborhood outside, without a hall door locked it would be terrible...even my house door. I used to push my table up at night with a chair cause ...the door was solid, it was the frame around it was rotted away. I mean, 3 locks, what good are they because you push the door and all the locks fell off. Didn't make sense (laughs). Get another lock what for? Cause the frame itself was rotted.

In addition to secure doors, having walls without holes was also important to protect children from rodents. As stated by Teresa in Co-op 5, the apartment changes she found the most important were "For security the walls, no holes in the walls because kids get bit in there and my door is very secure too. Nobody will get in to kill me or to do anything."

Janice in Co-op 14 also felt strongly about the security in the hallways as it related to windows and doors. She described her fear in the hallways, even at six o'clock in the morning, before she felt secure from intruders.

Like I was saying about the windows and the doors, to me that's the most important thing. I felt that was more important than inside my own home, because I've travelled through the hallways upstairs to my mother-in-law's house or one of the neighbor's house, and the children also do and I used to get kind of spooky going through the hallways myself so....I feel safe in the hallways now....But before that, don't let me have to go and borrow a blouse from her, I go put on my trench coat and my slippers run across the hall and this is like six o'clock in the morning. Nobody else is up, if something was gonna happen who would be around to help me. So I do feel more secure in the hallways.

Feelings of safety and security substantially increased as the physical conditions in the buildings improved and as owners residents felt more control over building conditions. This is made clear when ratings of physical security before

and after the tenants bought the building were examined⁵. When the landlord owned the building 63% of respondents rated physical security as poor or very poor, while after the tenants bought the building 87% rated physical security as good or very good. More specifically, before tenant ownership ratings were as follows: 38% very poor, 25% poor, 27% fair and 10% good with 0% very good. In comparison, after tenant ownership the ratings were: 0% very poor, 2% poor, 21% fair, 40% good and 37% very good.

The Building Renovation Process

Physical renovations, which usually involved changing at least some of the building systems, affected basic human comfort levels. Replacing electrical, plumbing, heating systems and windows led to more consistent essential services and also protected inhabitants from leaks, poor heat and the fear of fire related to old electrical wiring. Replacing doors and installing intercoms made residents feel more secure.

Ninety-eight percent of the respondents reported physical changes had been made to their buildings. These changes were found to be important to the majority of people interviewed. Seventy-one percent of respondents (a majority

⁵ These ratings were done retrospectively, and were not an actual repeated measure before and after ownership.

in each of the 11 cooperatives⁶) stated the most important change since they moved in was related to the physical renovations in the building.

In order to determine how specific building conditions had changed after cooperative ownership, respondents were asked to rate particular building systems. As can be seen in Table 3, physical conditions were perceived as generally poor prior to ownership to good or very good by almost all respondents after cooperative ownership⁷.

Table 3

Ratings of Physical Changes

	<u>BEFORE OWNERSHIP</u>			<u>AFTER OWNERSHIP</u>		
	<u>VP/Pⁱ</u>	<u>FAIR</u>	<u>G/VGⁱⁱ</u>	<u>VP/P</u>	<u>FAIR</u>	<u>G/VG</u>
HEAT	67%	10%	23%	4%	2%	94%
HOT WATER	50%	21%	29%	2%	9%	89%
ELECTRIC	69%	6%	25%	0%	7%	93%
PLUMBING	71%	17%	12%	4%	9%	87%
WINDOWS	88%	8%	4%	0%	15%	85%

Although 65% of respondents stated these changes were made to the buildings after the conversion to co-op

⁶ Co-ops 2, 2, 5, 6, 7, 8, 9, 10, 11, 13, 14. In the other four co-ops (3,4,12 and 15) the majority reported the most important change to be cooperative ownership.

⁷ These conditions were rated retrospectively, and were not an actual repeated measure before and after ownership.

ⁱ VP/P is a combination of Very Poor and Poor ratings.

ⁱⁱ G/VG is a combination of Good and Very Good ratings.

ownership was completed, 31% said they were made both before and after and 4% that they were made before the building was bought. Usually changes were made after the transition to ownership since the financing for building renovation was part of the conversion package. However, in a number of cases renovations were begun or made out of necessity when the building was not yet formally cooperatively owned by the tenants but being run by a tenant association or through a court-appointed 7A administrator.

Cooperative 11, a small building in the Clinton neighborhood of Manhattan, was virtually uninhabitable when the residents first moved in. When the tenants first moved in, the building looked like a burned out shell with four feet of garbage in apartments and no stairs to the second floor. Much of the renovation in this Co-op was done via the 7A program and some through the sweat equity efforts of the early tenants, prior to actual tenant ownership.

In several buildings residents did repairs themselves, some more substantial than others. Usually this was primarily renovation work in their apartments, but in a few cases would involve working together to fix the halls or clean out a basement or a backyard. In three buildings, specifically Co-ops 3 and 6 in the East Village neighborhood and Co-op 11 in the Clinton neighborhood, residents did more extensive building renovation work themselves. In Co-op 6

residents put on a roof together while in Co-op 11 they wired their own apartments.

Living through Building Renovations

Although living with the poor physical conditions when the building was still landlord owned was demanding, going through the process of building renovation itself could also be a challenge. Ongoing building renovations could seriously affect residents' lives even though the quality of life for residents substantially improved after renovations were completed.

Every co-op in this study underwent building renovations, some more extensive than others. Although ongoing repairs could often be the case for these buildings, at the time of the study only two Co-op, 13 and 14, were in the middle of the renovation process. Cooperatives 13 and 14 were both new and large, but the renovations were not going as smoothly in Co-op 13 as in Co-op 14. This was due partly to the type and process of renovations. In Co-op 13 there were problems completing structural and bathroom repairs since the contractor ran out of money, while in Co-op 14 the work being done was not structural and it seemed to be going smoothly. (Additionally Co-op 13 had tenant conflicts while Co-op 14 was especially socially cohesive.)

Structural repairs often associated with bathroom replacements were the most demanding renovations to live through. In a number of cases structural repairs were necessary due to damage caused over time by frequent, prolonged and persistent plumbing problems. Also in order to meet housing quality standards to be eligible for Section 8 subsidies, bathrooms often had to be substantially improved to contain "three pieces" (tub, toilet and sink).

Many respondents noted the difficulty of these times but two cooperatives (8 and 13) stand out since they went without bathrooms for an extended period of time, something that affected life at an intimate level. These bathroom renovations were not completed in a timely manner because of contractor payment problems with HPD⁸ or because of additional costs related to unseen pre-existing conditions. The stories of Cooperatives 8 and 13 illustrate the challenge of living through building renovations, and the particular importance of bathrooms.

Due to the way structural repairs are done, it is preferable to have residents move out of their apartments while renovations are in progress. Yet often this is not possible since the residents do not want to leave their apartments or there are no empty ones in the building to relocate to temporarily. In Co-op 13 there were no empty

⁸ The City of New York's Department of Housing Preservation and Development.

apartments to relocate residents to during the renovation, while in residents from Co-op 8 did not feel safe leaving their apartments unattended in such a bad neighborhood, or did not have any other place to go to. Thus in these two buildings, and many others in this study, residents stayed in place rather than move out and had to live with the conditions during building renovations.

Donna from Cooperative 8 felt the bathroom was the most important change since she moved in. This is easily understood when conditions prior to the renovation were described.

There used to be holes. I used to be able to see my brother who lives next door. So if I was standing at the bathroom door I could see his feet through the holes...through the wall....You couldn't see in this apartment underneath you, but you could see the floor boards through the ceiling boards and that was all I could see. If you dropped something forget it, it was gone, it fell in the hole and you'll never get it back.

However the holes got even bigger when the work was in progress. During the structural renovation Donna could:

Stand there and look down into my basement....There was a hole which went down all the way to the basement, four stories you could say....No water, no toilet, no gas, no nothing for three, two months....They really prefer that you move out when you're having it done but where are you going to go?....They said it was only going to take six weeks for the whole building it took almost a year.

Louise, also from Cooperative 8, talked about how intimate her relationship with her neighbors had become when living through a renovation where walls were being replaced with residents still living there.

...seemed like it was forever with the bathroom structure. We had a hole all the way up from the basement to the top floor. No wall here, use to talk to him next door, no walls in between....You coughed, you sneezed in your bedroom and somebody said bless you. The whole 6 families were living together.

Contractor non-payment problems combined with slow inspections from HPD led to this building not having bathrooms for approximately eight months. As Louise described the problem.

It was somebody Pratt hired, a contractor, he wasn't getting payment from HPD so he would stop work, then he would come and do a little work, then he couldn't install because he was waiting for HPD to come and look at the pipes. We waited nine weeks for a man to come in stand there and say that one I don't like, take it out, which meant another six weeks. But they had to wait for the inspector to come back and say okay you can close up the wall and do whatever. Fifteen weeks. HPD said they only had two inspectors for plumbing for Brooklyn. Does that man know, I wanted to go and take his toilet out, the both of them.

Louise noted how she dealt with not having a bathroom by relying on neighbors and nearby institutions.

The hospital would let you come in the middle of the night to use the emergency room. After a couple of visits they began to wave at me. But during the day time, the next door, my neighbor was very good....I used to go over in the morning and take my bath, but they used to go to bed at 10 o'clock. So then it was Williams Houses. But they were very good, and next door was very good too. When it came to the inconvenience, they used to holler at the workers, put in their toilets. It's too much toilet paper over here. It was rough and then they took out our sinks too so you had no water....It was ridiculous....I believe you shouldn't live on the premises....[but] If we would have left it the neighborhood, they would have robbed everything. So we had to stay.

Cooperative 13 currently was in the midst of a renovation that was not going well. Some apartments were

without bathrooms and kitchens, and had been for some time. The problem was since the need for additional structural work was discovered while the work was in progress the current contract did not cover it. Completing the work required processing an additional loan and hiring a new contractor, which took many months to process through the City's bureaucracy.

Due to the problems with the building renovation, and disgruntled residents, this co-op had not had regular meetings the past few months. For as Victoria, the President described, the tenants were:

...not in a good humor. They just want their services. It's not easy when you got kids and you don't have no bathroom and no kitchen...and sometimes, no water at all....Ourself, we had to go down there, to the back of the yard, work with a hose and water, because some people just dumped it out a window. And it can't be because it's affecting the other tenants....we can't blame them because they don't have no service at all.

To make matters worse, it appeared that when the contractors walked off the job without completing the work they left an open hole on the roof related to the plumbing repairs. This meant it would rain inside the building, destroying some of the bathrooms and kitchens that had already been fixed. As Victoria described:

Until they finish the job on the roof, it's going to keep raining inside. That work is going to be destroyed. Like I said, there's a lot of teenagers in the building. Some of them, they go to the roof and they take out the piece of wood that be covering the pipes from the bathrooms. You know because it's not completed yet. When they don't cover that, when it rains, the water goes straight inside the apartment. So, I always tell the tenants from the top floor...when

you see it's going to rain, always check the roof. Because I can't keep going up there. The other ones that live on the top floor, they supposed to be more interested in protecting their property....They don't want no rain going inside their apartments. After they breaking their heads in fixing the apartment.

These two buildings are examples of particular problems with renovations and how they were handled. Although Cooperative 8 had gone through this process in the recent past, Cooperative 13 was in the middle of it. Both cooperatives were located in Brooklyn and new, though Co-op 8 was small (6 units), while Co-op 13 was large (34 units). It is hard to determine exactly why the renovation seemed even more difficult for Co-op 13 than Co-op 8. Perhaps it was the building size difference, or being in the middle of renovation instead of after it had been completed, or the behavior of the tenants themselves. Cooperative 8 was more cohesive socially and in their management structure than Cooperative 13 which was having so many building conflicts because of the renovation that they had stopped having meetings. Although having one's home torn up is always stressful, resident relationships and the cooperative's management can either provide support or additional stress during building renovations.

The Extent and Importance of Physical Changes

The investigation of the most important or meaningful changes was done by direct questions and also through giving

respondents the option of taking photographs of their physical environment. Residents' feelings of pride and meaning also came out when they were asked what they would show people on a tour of their building and apartment. Questions about future plans for their homes addressed appearances and perceptions of the buildings' physical potential as well as what work remained.

This chapter identifies the importance and explores the meaning of the physical changes where the three identified themes of safety and security, physical essentials and comfort, and appearances and functionality are linked to some extent. For the purpose of analysis the sections which follow discuss the important building and apartment changes separately. However, since buildings contain apartments within them, the findings in these sections (such as the importance of bathrooms at both a building and apartment level) will overlap at times.

Important Building Changes

Over half of those interviewed (62%) identified the most important building changes as those which were physically essential. Generally these necessary repairs were building system replacements such as new boilers, electric, plumbing and windows. All the building system changes resulted in people being more comfortable, and were associated with people being kept warm or feeling safe. A

few times bathrooms and kitchens were mentioned as the most important building change, and a few people considered changes in their own apartments as the most important building change.

The next most frequently mentioned important building change was related to feelings of safety and security (31%). This often related to the upgrading of doors, wiring and intercoms. However, improved physical systems could also augment feelings of security and safety. Having a boiler that worked and would not blow up made people feel both physically safe and comfortable. Feelings of physical safety often overlapped with being provided with essential services or having a repaired and sound building structure.

Specific Building Stories

At times the most important changes had to do with particularly intense and building specific problems. In Co-op 3, a small building in the East Village that was in very poor condition when respondents moved in, there were major structural problems. In Co-op 12, a large building in the Bronx, major leak problems involved replacing the roof. In both cases the repairs were physically essential and these problems caused building conditions that were both unsafe and uncomfortable.

In Co-op 3 the building's structural problems created a fearful situation for Daria who was a building leader.

I was in terror the first two years cause I knew it was condemnable. I knew certain areas were sinking. My kitchen floor is still the original floor, it's a six inch slope Well my bathroom collapsed. I was the first one to go because this idiot below me started removing her bathroom walls and doing renovation without consulting anyone and Fred was in the bathtub, cause that's the extra weight it took. It didn't collapse but it started going. He's in the bathtub, the floor went just enough it squashed the pipes. She got flooded. She came up screaming at us, and of course I'm like, I'm not gonna let you in, but Fred stop up the tub and get out. And it sunk, the whole floor sunk. So that was the beginning of our knowing we didn't have much time.

For Daria and others in the building the structural repairs were the most important since, as stated by Matt, "If the building doesn't stand up it doesn't matter what you do". The building's structural stability also affected the apartment changes Daria wanted to make. She felt the most important apartment change was:

Definitely the structural stability. I mean...I could only dream about a nice tiled bathroom. I didn't see any point in doing it when that and the kitchen were the places that were sinking and the weak spots. So, although I have a million ideas and now I can do them. The new kitchen window was real exciting when I got that. The plumbing, I was ecstatic about when that came about, and electrical. So each step certainly.

Apartment repairs often had to wait until after building systems were replaced. In a multi-unit building the physical conditions are essentially connected so that the building affects apartments and visa versa. Improved or disintegrating building systems could have a positive or negative effect on daily life in apartments. This can be seen in the example of a disastrous situation with the roof in Cooperative 12.

During a hurricane the water ran down from the top floor and flooded a first floor apartment. As Mike from Cooperative 12 said "Unfortunately I don't have video tape of some of the atrocious conditions brought on by the rainwater, of apartments, whole apartments, in particular ceilings..." Diane stated at first they were only going to repair the roof, but given the conditions described below, the entire roof had to be replaced.

But what they found when they opened it up was that this roofing material was very thick and was acting like a sponge. Instead of repelling the water it was holding whatever water got in there and that had rotted away the decking so when they took the decking up they discovered that there was nothing in there. It was a horror story....visions of the first snow of the year and the whole thing would collapse. It had gotten to the point where everything, everything had to be replaced.

This required both rebuilding the roof as well as putting in a whole new joist system. While the contractor replaced the roof and ceilings, everyone on the top floor had to move out.

Entire Building Transformations

Although the two cooperatives above depict building system specific problems, in actuality both these buildings had many other things repaired during the renovation. Usually respondents would describe numerous things which had changed in their buildings, but were still able to identify the changes they considered to be the most important. However in Co-op 11 the building changes were so extensive

that David, along with other building respondents, could not specifically delineate the most important change since essentially the building had been entirely transformed. As David explained:

...it all comes as a group, the general tenure and physical condition of the building has come up as a whole and not as a one glaring problem that has been fixed, there have been so many that have been looked at as a general condition. Yea, really there was nothing that was here before because it was like a burned out shell of a building.

Similarly, when asked what they would show visitors on a building tour, the responses demonstrate how significant the transformation of a number of buildings and their apartments had been. At least 29% explicitly stated they would have to show "the entire building", while another 29% said they would show particular apartments in the building. Everyone interviewed in Cooperatives 3, 7 and 11 said their entire building had changed.

All respondents in Cooperative 11, and several in other buildings, said it was hard to understand how much the building had changed unless you had actually experienced it. When asked would he would show people in his apartment, David's (from Co-op 11) response was since the changes had been so extensive "There is really nothing left, we have no history of how disgusting it had been before. There is nothing I could show that would compare the condition now to the condition that it had been in." Greg, from Co-op 11 stated if he were to give a visitor a tour:

I'd like to show them a photo...which just shows initially what the place looked like, people would be astonished....Because everything looks just kind of normal now, it's that how it looked before was so abnormal. It was a mess....Most people would say "the place still needs some work" (chuckle). Yeah, a little bit, it's coming along.

Approximately one-third of the respondents (31%) stated you would really have to be shown old photographs or it was hard to imagine what conditions used to be like in both buildings and apartments. Generally people expressed how much living through the transformation affected how they saw the changes. If the building alterations had not been experienced over time they would not be appreciated in the same way. The building looked better to them, but might not be considered particularly attractive by outsiders.

Diane from Co-op 12 (with the leaking roof crises) stated on a tour she would show visitors the roof, which she considered impressive. However she also acknowledged that:

The things that we have done aren't really the kinds of things that anybody is going to appreciate unless you have been through it. We don't have anything that is showy or gorgeous. I mean do you want to look at a cement floor in the basement?

This is also similar to Kevin's comment (from Co-op 15) regarding the roof, which he considered the most important change and was something he would show on a tour. Yet he wasn't sure he would take a photograph of it since although it was an important and essential change, it wasn't "glamorous".

I would be hard pressed, because we did do the important things that are not very glamorous things,

like the roof, first. But, one day, I expect that lobby will be a lot more glamorous, perhaps, at least more inviting. Now, it's a bit gloomy looking, but when that's done, if you had a before and after picture, it would be interesting I'm sure. I loved this building when I first walked into it.

Appearances and Future Plans

Respondents felt changes related to appearances were important, even though they acknowledged that these repairs were secondary to those which were physically essential. They knew that certain necessary repairs had to happen first, but hoped they would eventually be able to do more cosmetic restorations. This is evident when asked about future plans to make physical changes to their buildings or apartments. Forty-eight percent of the respondents expressed plans to make changes to the building facade, halls or lobby which would improve the building's appearance.

Often the physical improvement plans had to do with making the building's face or facade look better. Carolina in Co-op 7 said they wanted to "...do sort of like a face lift to the building outside....Clean the bricks....Or just paint it. Whichever way is going to make the building look a little decent." Joanne from Cooperative 6 said "It's now a vision that we're going to do something about the front of the building, you know, get the paint junk scrapped off. Make it look nice out front." Kendra, also from Co-op 6, when asked if they planned to make changes to the building facade answered "Oh god! I hope so! I mean...there's a

difference of opinion, we should wait until the old paint peels off. You're not supposed to paint the bricks....It's not a plan, it's my hope."

However, plans were sometimes distinguished from hopes. Fifteen percent of the respondents noted that the ability to make future changes would depend on having the money to do so. As Gail from Co-op 10 states below, hopes are not plans when building income is limited.

There are no plans now. We hope to but we have no plans, not until we get the money. There a lot of things we would like to do but we can't plan anything without any money....We want to do the outside of the building, we want to fix the foyer coming into the building, we want to put linoleum in the hall. We have to do the facade outside the building, it's all cracking and everything....But there's no money. We can't pay our bills, we can't even think about it. We know what we would like to do in the future. We'd like to eventually fix the back.

The largest category of future plans was associated with the common spaces and cosmetic repairs noted above. Generally, people perceived that the prior renovations had addressed the necessary building repairs and only the more superficial or optional repairs remained. In two cooperatives, 7 and 12, mention was made of future plans to make an office or a community space in the basement. In two other cooperatives, 8 and 9, no respondents perceived future repairs as necessary at that time.

Although people would occasionally identify additional repairs that needed or would need to be done, for the most part these seemed more optional than immediate. A couple of

people mentioned the need for a metal air shaft, while one man said eventually his building would need another boiler and roof. In only two cooperatives did all respondents perceive the same future building specific repair need. In Co-op 5 they needed windows and were looking for money to get them replaced. In Cooperative 6 every respondent mentioned the eventual need to finish the plumbing or replace some pipes, but this was not considered a future plan per se.

Important Apartment Changes and Future Plans

Although 98% of the respondents reported physical changes had been made to the building, only 71% reported changes that had been made to their apartment. Usually the renovations residents did themselves were at an apartment level and at times these changes were done prior to ownership. Of the 71% who stated physical changes had been made in their apartments, 57% of these were after ownership, 27% both before and after, while 16% were changes prior to ownership.

Making changes prior to ownership was often a necessity, since the apartment had been in bad shape when residents moved in, but they could also be associated with changes people make to an apartment they have lived in for a long time. The changes residents made depended both on need and interest. Some people completed significant apartment

renovations themselves, while others made primarily cosmetic changes. Some of the physical changes reported in apartments, such as new bathrooms, were related to the building-wide renovation, however residents would also make cosmetic changes (such as adding tiles) once the renovations were completed. Their feelings of pride were related to both an improved appearance and better functioning.

When asked which changes were most important or what they would show someone on a tour, 38% of those who reported changes stated their whole apartment had been transformed. In addition to the changes made as part of the building renovations, several people had personally made extensive repairs in their own apartments. For Mark, from Co-op 4, the most important change was the whole apartment since "To me all because its' all blood, sweat and tears." His apartment renovation was one of the most extensive and took him about three years to complete as he went from room to room. "It was the pits, at one time all of us was living in the back room....but we worked it out in the long run."

Aside from the entire apartment being transformed, the most frequently mentioned important change in apartments was bathrooms (43%). As some of the earlier quotes illustrate, bathrooms were generally the room in the worse condition because of persistent leaks and related structural problems. Bathrooms were an important change since they had been in such bad shape and their appearance and function were so

transformed. Now they looked good, and were described as pretty or even "peaceful" by one woman. As a place to get clean, and where people can spend a lot of time, it is especially important that bathrooms are both functional and attractive. Bathrooms are physically essential and provide comfort at both a physical and psychological level.

David, from Co-op 11, described how a nice bathroom made him feel like a "civilized human being".

The bathroom is important because when I moved in it was such a, we put in a temporary shower, and then there was like a hole that went from down from my bathroom to the people down below and there was rotten plaster and half walls and a toilet that was really was an old toilet that was cracked and so just for me being able to have you walk in and not having to apologize for the bathroom it was really important to me.... that's where me as a civilized human being lives, has a civilized human being bathroom.

The important of functional bathrooms is also evidenced by earlier stories of having no bathroom at all while living through building renovations. Joanne from Cooperative 6 tells how important it is to have a functioning bathtub.

Well you know, you try and live without a bathtub for three years and see how you feel about. There's a certain amount of attachment that I have for that little section of this room. You try for three years to wash in a sink....how great it is...what a wonderful thing a bathtub is. Ceilings are pretty important too, I think. Nothing falls on top of your head here....[but] nothing comes close to my bathtub.

Kitchens were the most important apartment change to 24% of those who reported apartment changes. Here too the importance of their change was partially in comparison to their prior appearance. Donna in Cooperative 8 states "I'm

real proud of my kitchen because you just can't imagine what it looked like before".

Some kitchen changes were linked to building repairs, but physical changes were also made by the respondents themselves. These changes could be cosmetic, such as putting down new linoleum, or more substantive renovations related to new cabinets. For some the improvements were specifically related to owning the apartment. As stated by Lisa in Cooperative 1, who replaced the kitchen cabinets "I always hated metal cabinets and that's all I ever had. I always said if I get a place of my own I want wooden cabinets and I own it, I got it."

Kitchens were also important when asked about future plans. Twenty-five percent planned to make changes to the kitchen in the future, and often these were related to changing the cabinets or other major renovations. However thirty-one percent stated they had no plans to make any future changes in their apartments. In a couple of instances people specifically mentioned that the renovations they had done had been extensive enough.

For those people who did have plans, 13% stated that the ability to make changes in the future would depend on if they had the money. They might want to do things but couldn't right now, they would have to save up or "win at Lotto". As Helen in Cooperative 14 stated "I'm poor, I have

to do things little by little". This perspective is also reflected by Joanne's (from Co-op 6) statement:

See you gotta do things inch by inch, you know what I mean? I had this idea that I was gonna come in and completely deal with everything at one time, you learn you can't do that. You do it inch, by inch. Millimeter by millimeter....Unless you want to spend all your money and eat out of garbage cans or something.

Photographs of Important or Meaningful Changes

In many respects the photographs respondents took of the most important changes were similar to the verbal responses to the most important change and tour questions. Yet since they were a specifically perceptual method, they tended to emphasize feelings of pride in how things looked. The photos particularly depicted the theme of appearance and functionality, for most people took photographs of changes they had made themselves.

Thirty-four people in 13 different cooperatives took a total of 102 Polaroid photographs. In two cooperatives, Co-op 2 (an old one in Brooklyn) and Co-op 15 (a new one in the Bronx) no respondents took photos. In Cooperative 2 this was because they were not in the mood or did not want to straighten up things to take a picture. In Cooperative 15 it was because not many changes had been made since this building was in the best physical shape prior to cooperative conversion.

Only six respondents took photographs of their buildings rather than their apartments. This was partly because although respondents felt strongly about some building changes, they did not want to leave their apartment (where the interviews were conducted) to go to the boiler room or roof to take a photo. However, five out of the six who photographed the building displayed the theme of safety and security. The pictures they took were generally in the hallways or stairs. Only the superintendent from Co-op 12 (which had the bad roof described earlier) actually went to the roof to take a photo, and the ex-super from Co-op 4 took a photo of the boiler (which was often mentioned as an important change).

The majority of apartment photographs were of the bathrooms (56%) followed by kitchens and general apartment improvements related to personalization and changing the function of the space. Approximately one-third of those who took photographs had made substantive apartment physical changes which included space saving functional aspects such as building closets and bookshelves.

Mark from Cooperative 4, who had done extensive apartment renovations himself, took a photo of his child's bedroom where he had designed and built a desk that utilized the small space well. As he explained:

The reason why I like this picture is that I shows you the length and space. The room is very small. And this is a table here that folds down where he go sit at and do his school work or something like that. And

right in here is the wall which is a little recessed that they could put their books. Because I also try to utilize all the available space as possible like, you know, cracks and crevices.

Jeff from Cooperative 6 had also done an extensive renovation in his apartment and personalized it partly from found objects on the street. As he stated:

I gave a lot of thought as to what should be done and then it took a lot of effort to actually do it. And each thing is like an accomplishment. It was like a separate project....And the door I found. I built the cabinet except the doors. And originally I was going to change the color of the doors but then I liked the two-tone combination. I left it. I like the combination, like the doors are finished, and the cabinets are rustic.

Thirty-one percent took photos of changes they had made themselves which were mostly related to how these had changed the apartments appearance. Often they were proud of these changes, and would take photos of their "favorites". The changes made were things they had done to improve the appearance and could range from minor to major repairs, depending on the individuals who were making them.

At times being an owner would affect the changes people would make to their apartments, and how they felt about them. Jeff from Co-op notes the importance of ownership in the changes he made. As he stated:

I made a lot of improvements because when I moved in here it was just a rough space so I had to improve it. But every improvement that I made I did it begrudgingly. Because I knew it wasn't mine. I was doing it for the owner. The landlord and that got changed when we bought the building....I think there's a line you won't cross, if you rent, that you do cross in terms of expense, in time and management, and I mean some people won't paint. They want the landlord to

paint. So that's one of the lines....Some people will paint, but they won't have built-in cabinets like this. I remember doing cursory repairs begrudgingly. You know, I had to tell myself, I live here and I can make a little bit. In fact when one of the owners sold the building, prior to his buying, he brought up the prospective buyer to my apartment to show him the improvements that I made. He was going to sell his building!

Mrs. Neale had photographs taken of the bathroom, kitchen and "God Bless Our Home" tiles her son had installed in the bathroom. She felt the bathroom and kitchen were important changes she was proud of. As she states "I feel so proud of it after what it's been. You wouldn't know because you didn't see it before, I know what a great change it is." This woman had lived in her apartment for 51 years and had seen it converted to steam heat. The most important apartment change to her was "Getting rid of the coal stove. It was always sooty, no matter how careful you were that soot would fly all over. It was horrible." Yet when asked if the big change had to do with getting rid of the coal stove she stated "No even after this stove it was still, it was an apartment. Feels like something more, looks a little richer to me....Cause it's mine and it looks better."

Changes in appearance were made more significant due to having lived through changes in the building over time, and especially since the conversion to cooperative ownership. At the same time, cooperative ownership could make it worthwhile to invest in doing additional apartment changes. Daria in Co-op 3, who was in the process of combining two

apartments, felt the structural building repairs were still the most important change. Yet she took a photograph of the hole in the wall in between for its meaning and the potential it represented. As Daria stated:

I will show you the structure and I think that represents that part and then I would do the hole between the, cause that's the thing that keeps me going. I'm just dreaming about when that wall gets knocked down and the apartments get combined....It made it worth it. I have no doubt about why I spend all my time here and why I stuck with this horrendous situation.

To her this hole in the wall represented a spiritual high, a time hole into the possibilities of her home in the future.

The Meaning of Physical Changes

In general the most important aspects of the physical changes noted can be clustered around three themes which are linked with each other to some extent: safety and security, physical essentials and comfort, and appearance and functionality. These themes depict the meaning of the building renovations to respondents and define how these physical changes were important. The themes are not descriptive of the changes per se (are not frequencies of boilers, roofs or walls replaced) but rather portray their importance and meaning. Often the most meaningful physical changes were in comparison to what conditions used to be like.

The safety and security theme relates to physical changes that reduced fire and safety hazards and increased building security through better doors and intercom systems. The generally poor building conditions prior to ownership, described earlier, portrayed many people's fears about unsafe conditions under a landlord. Given this context, it is not surprising that many of the important physical changes were associated with the building being safer and people feeling more secure.

Building renovations involved replacing physical systems that affected basic human comfort levels. The physical essentials and comfort theme includes the structural repairs and major system replacements (such as plumbing and electrical). These renovations led to improved building services and often new bathrooms, kitchens, walls, floors and ceilings. Thus, building renovations resulted in more comfortable conditions in apartments, often in stark contrast to what conditions used to be like. Residents were provided with consistent heat, roofs and plumbing that didn't leak, and had the holes in their walls and ceilings repaired. These physical renovations made life in the building and apartments more comfortable at a basic human level.

The theme of appearance and functionality relates to how the building renovations made things look better and often function better too. Improvements in appearances were

often in comparison to how bad the building or apartment had looked prior to ownership due to dilapidated conditions. This theme was often found at an apartment level and reflected changes respondents had made themselves. Appearance changes were those that made things look better, and could range from repairs that were more simply cosmetic (new wallpaper) to those that also had a functional intent (new kitchen cabinets). Functionality relates to how renovations made often small apartments work better. This could be related to renovating kitchens and cabinets or making space saving changes such as building closets or shelves. The theme of appearance and functionality was most evident in the photographs people took of meaningful changes since they depicted changes respondents had made themselves to improve appearances and save space.

These three themes of physical essentials and comfort, safety and security, and appearance and functionality were often linked to one another. For example, a boiler replacement was physically essential and affected comfort as well as the physical health and safety of building residents. New doors could improve security and also the appearance of an apartment or building.

At the same time, building renovations affected life in apartments. New plumbing systems made bathrooms functional. Structural repairs had to be completed and apartment walls rebuilt before residents could or would make cosmetic

changes to their apartments. Often there was an inevitable overlap caused by the relationship between the building and apartment in a multi-unit building.

Although there was considerable overlap between building and apartment changes, there were some discernable differences. At the building level the majority of the most important changes were those related to physical essentials and comfort followed by safety and security. However at the apartment level the most meaningful changes had to do with changes in bathrooms and kitchens which made homes more comfortable. Although building renovations might have made bathrooms more functional, residents often decorated them according to their own tastes to improve their appearance. Apartment changes also reflected the appearance and functionality theme, as was evidenced by the photographs people took. The photos often duplicated the stated most important apartment changes related to bathrooms and kitchens. Yet many respondents also took photographs of changes they had done themselves to make things look or function better.

Summary

The physical transformations these buildings went through were dramatic and associated with the conversion to cooperative ownership. The meanings of these changes were

colored by the context of having lived through a cycle of landlord abandonment. In many cases the physical renovations entailed changes essential to keep buildings functioning at a physical level. These changes kept homes habitable and helped residents feel more safe and secure as well as comfortable.

Over time, residents had seen building conditions substantially improve. Although some respondents still had some minor concerns, for the most part the necessary work was considered to be completed. Future hopes had to do with the more superficial, but nonetheless important, cosmetic changes to improve building appearances by fixing up the common spaces or building facades.

Appearances were important but secondary to changes necessary to keep or make their homes habitable. Repeatedly respondents explained that you really had to have been there and lived through the conditions to understand the extent of the changes. The meaning of physical changes was affected by seeing things change over time. Respondents' perceptions of their buildings and apartments were often in comparison to how conditions used to be. For many residents of these low income cooperatives, their entire building or apartment had been physically transformed.

CHAPTER 5

MAINTENANCE CONTROL AND RESPONSIBILITY

Ownership involves both control and responsibility for a physical structure. In a cooperative ownership situation it is a group of shareholders that are legally responsible for both financial and physical building maintenance. Instead of having a single landlord who is both responsible for and in control of necessary building repairs, cooperative owners share in the decision making responsibility and control over building maintenance.

This collective control and responsibility for building maintenance relates to both the organizational structure of cooperative ownership and the physical multi-unit building itself. As a cooperative, the owners have the joint financial responsibility to physically maintain the building which provides shelter and a home for building residents.

As a physical structure, the apartment building itself has systems in common (such as plumbing, electric). Although people live in separate apartments, these are all contained in the same multi-unit building. This close physical proximity means that one person's actions can easily affect other residents' lives for when people all live in the same building their lives at a physical structural level are practically intertwined. Living in the

same multi-unit building, even as a tenant, always implies some sort of behavioral responsibility toward your neighbor, but this is made more explicit in a cooperative ownership situation. In a cooperatively owned multi-unit building, where maintenance responsibility is legally and financially shared, residents' lives are more intertwined at both functional and physical levels.

This chapter will describe how people felt about having responsibility for building maintenance and control over repairs. In particular it will discuss conflicts around issues of shared responsibility. Having control over repairs usually associated with the landlord was generally positive, yet it could also lead to leaders feeling burdened by a 'landlord-tenant' mentality. Issues related to common areas, cosmetic repairs, responsibility for the everyday maintenance and feelings of pride are also discussed.

Maintenance Control and Responsibility

For the majority of people in this study a primary and important advantage of cooperative ownership was the ability to control repairs themselves. Seventy-nine percent stated that building maintenance had improved since the tenants became owners. Rather than waiting for the landlord to fix things, they could have things repaired quickly. As noted by Gail in Cooperative 10:

This is much better because we are the landlord. I mean we have never been without heat and hot water since, except one time when the boiler was broke, since we own it. We're not in anybody's, how would you say, where he would leave us without heat and hot water for two weeks and tell us some silly excuse that he couldn't get it or. So us being the landlord we get things done, somehow we get them done.

Having control over repairs was associated with both not having a landlord and the feeling that, as noted above, "we are the landlord". As cooperative owners, respondents felt they had more control over physical conditions in the building than they had as tenants.

Cooperative ownership also changed the way some people felt about the building at a physical level. As an owner, Louise in Cooperative 8 felt more responsibility for the building and would take more control if she saw someone destroying it. She stated:

Now if I see someone now kicking in the hall door we've gotta fix it. Before it didn't belong to me I would call the landlord and he wouldn't do nothing about it so I let them do what they want. That's the way he felt, he told me that so fine. Now I wouldn't let it.

This is similar to a comment by Ellen, from Co-op 14, who also states that "I'm more critical now....Of how the tenants treat the building, how the building looks. More critical of if the windows are clean, if there's a lot of noise in the hallways."

Cooperative property ownership generally gave people a greater sense of responsibility which related to feelings of control. Sixty-one percent of respondents stated that ownership made them feel more responsible for building

maintenance than before they bought. Although thirty-seven percent said it made them feel no different in responsibility, for several of these respondents this was because they had always been responsible even prior to ownership, especially if the building had had an active tenant association.

For some, the feeling of responsibility in a co-op was in comparison to how life had been with an irresponsible landlord who would not fix things. Only one man, Mark (from Cooperative 4, who until recently was the building's superintendent) stated that ownership made him feel less responsible. This was due to how repairs were more quickly taken care by the cooperative than they had been by the landlord.

Less...because when the landlord owned it and we tell the landlord we have a leak in the washer and he didn't come out for it, you have to fix it. But now if you have the problem you just call the Board and the super, he fixes that problem. So its less responsible from that angle....But from...being we own the building we are more responsible for the maintenance. But I'm looking at it from the point of view of when we had it with the landlord. Because an example this lady's bathroom was leaking on us when the landlord own the building. We told him and he told us it isn't his problem, so what you think we did, we fork over \$400 dollars for the plumber to come and fix her lead pan. When we were tenants. Now if we have a problem like that we just pick up the phone dial the President and say listen we have a leak. And the next day that problem is solved, so it made me less responsible.... But before you had to deal with it or live with it.

This ability to get repairs done as a cooperative was often because the leadership was responsive and acted

quickly. Yet this reliance on the leaders could sometimes lead to a feeling that responsibility for building maintenance was not shared. Although control over repairs made some respondents feel positive because "we are the landlord", for several leaders being perceived as the landlord could also be a negative experience. In some cooperatives, where leaders felt they were seen as the landlord and other shareholders still perceived themselves as tenants, responsibility was not shared and leaders felt burdened.

Victoria, a leader in Cooperative 13, felt like the landlord with the responsibility for the whole building.

...I'm the owner of the apartment, at the same time I have the responsibility of the other apartments, of the whole place, so I feel different from the others because I have more responsibility. It's not easy, when 32 are sitting down and one head is only thinking for all of them. Any problem, they knock on my door. Oh, this got broke, I need the plumber to get here, the window got broken, what happened to the heat, it's not going up. You know, it's not easy. At 2 or 3 o'clock in the morning when they knock on your door - well the pipe broke. I say, what am I going to do about it? It will have to wait until the next day.

Jean, from Cooperative 2, also felt like a landlord. She felt some shareholders still perceived the building as a tenant-landlord situation instead of understanding it was cooperatively owned, with the responsibility shared. She did not like:

Having people ring your bell all hours of the day and night telling you that there's water in the hall or what's wrong with the heating system, you know, and would you do this and that? Actually almost playing the role of a little landlord even though you know

you're not likely to, you're still a tenant-landlord kind of situation. To me that's the bad part of it.

Aside from the perception that the leaders were responsible for getting repairs done, thus having a landlord-tenant mentality, at times residents did not understand they were responsible for their own apartment repairs. Teresa, a leader from Cooperative 5, noted problems in the building because some tenants thought that when they bought they wouldn't have to pay rent, or complained about having to do their own repairs - they want to still be tenants. She believed that conflicts had happened over apartment repairs but "now everybody know that they have to get their own paint and they have to do all their repairs in their house, so there are not more conflicts. Think everybody's comfortable the way they are."

Affordability Issues and Cosmetic Repairs

In general there was not much reported conflict over the need to make repairs per se, since these buildings were usually in such poor shape necessary repairs were evident. As Linda in Co-op 14 states "We're not doing any cosmetic surgery, we're only doing what is basic necessity." However due to limited building income there could be conflicts over how to prioritize repairs. Affordability issues often had to be taken into account before repairs could be made. This is evidenced in the statement by Carolina, from Cooperative 7, who stated:

Like if the boiler breaks down, for example, we're always going in for different bids to see who's going to do the job for us, and can do it cheaper...we've been through like, four or five occasions where our boiler broke down and they're all coming in with different bids. And we were just like waiting for someone to get our boiler repaired so we could get some hot water. And then again, if it was owned by a landlord, I know it would have been much easier....in our situation here, we have like so much money to consider before we can say, oh yes, we want someone to come in and fix our boiler or whatever. This is how much we'll pay.

The money issues surrounding repair decisions could also lead to frustration with the group decision making process. Although this is a minority view, Nelly, from Co-op 2, was frustrated both by the lack of building income and the unwillingness of other owners to raise the maintenance to the level where the repairs she wanted could be afforded. As she stated:

As we deal with low income, then the maintenance has to be low. In a building of this nature, that needs a lot of work done, like this building needs total rewiring....The fact that maintenance, is really just enough to cover the day to day operation and the monthly expense....So the other thing that needs to happen, you know, they don't happen.... In terms of this building, it's just too many people at the decision making level....We're talking about a low income housing, you're also talking about a low monthly income which doesn't allow you to do some of the other things that need to be done. Like the building right next door to us. You see it got a face lift. And I want so badly for us to do the same thing, but we don't have the money....

For Nelly part of the problem with her expectations for the physical building was due to the fact that she felt she was no longer 'low income' though the building still was.

Especially when repairs were considered more cosmetic (usually related to common areas or the building facade) there could be disputes as to whether these repairs were necessary. Although Mark from Cooperative 4 also represents a minority view, his comment reflects the differences of opinion that are possible when appearances are the issue.

Yeah, some people got some crazy ideas like putting in brand new wooden doors and marble slabs, marble floor give me a break. We ain't living in Hollywood we living in Harlem. I mean that is a waste of money in my opinion....Hell, we live in a crack infested area. Damn its like putting a Mercedes Benz out there and leaving it, go back and you might not even find the tires.

Carolina was aware the residents had to be careful with money, Nelly felt that there wasn't enough and Mark didn't want to see it wasted. All these opinions reflect how integral financial considerations are to any repair decision. Since the board and shareholders have control over both building maintenance and finances, differences in opinion, especially regarding what are perceived as more optional cosmetic repairs, can be a prime place for conflict.

Everyday Maintenance and Shared Responsibility

Conflict over repairs could also happen around the everyday maintenance of common spaces such as lobbies and hallways. This was related to both the sometimes shared responsibility for the cleanliness of common areas as well as differences in opinions about how well the job was being

done. Often these conflicts had to do with personal feelings of pride as well as the awareness that halls and common spaces were under the group rather than individual control.

Although there could be conflicts over the responsibility and control of common spaces, there was the general perception that the building's cleanliness had improved since becoming a co-op. Prior to becoming a cooperative 60% of respondents rated the building cleanliness as poor or very poor, while after ownership cleanliness was rated as good or very good by 73%¹. Cleanliness ratings were connected with the common areas, and may have been associated with increased feelings of responsibility and control. However the physical renovations which generally made buildings look better, especially compared to when they were generally falling apart prior to ownership, may also have effected cleanliness ratings.

The cooperatives in this study made a variety of arrangements to take care of everyday maintenance tasks such as keeping the halls clean and putting out the garbage. The great majority hired superintendents, usually building residents but sometimes from the neighborhood. However,

¹ These conditions were rated retrospectively, and were not an actual repeated measure before and after ownership.

four² of the smaller cooperatives had residents share in everyday maintenance responsibilities, either by floor or by taking turns.

In two of the newer cooperatives (8 and 9) sharing responsibilities seems to have worked, probably because in both of these buildings a couple of women from each did the work that was supposed to be shared without resenting it. (In Co-op 8 both women had been the building's janitor). However in the other two older cooperatives (1 and 2) sharing cleaning responsibilities led to conflicts.

The conflict in Co-op 1 was related to the perception that others in the building were not doing their share. Being unsatisfied with the maintenance of common spaces might also reflect different personal standards of cleanliness and be influenced by feelings of pride. As stated by Mrs. Holmes, from Co-op 1, who liked to keep things clean:

...the new manager...he had the halls painted, new linoleum throughout the whole hallway and now there for awhile everybody cleaned their own floor, like I would clean my floor and the first stairs going up and the vestibule, and wash the glass on the two doors, I didn't mind doing that but now not everybody was doing their share. You'd walk up the steps you would see that it wasn't clean....it wasn't working out, I mean one would do it and the other one wouldn't do it and when the meetings were attended that is all you heard was people complaining, I cleaned the halls and you didn't do your share. But now, there is a man who comes in once a month and does it.

² Cooperatives 1, 2, 8 and 9.

Another woman from Cooperative 1, Mrs. Neale, felt a generally bad thing about cooperative ownership was people disagreeing and not wanting to take responsibility for building maintenance. She noted how in a co-op it is important that "everybody has to pitch in and help."

They all want to be Indian chiefs but not work it. I said what do you want to do let it get like it was before we bought it, if we don't keep it together who's going to do it. Everybody has to pitch in and help. I hope things will change. They listened to what I said and they agreed I was right. Like our yard was such a terrible mess last summer, the weeds were so overgrown and nobody was doing anything about it. I put a big sign on the wall that said with all the able bodied men in this house something should be done. And it worked....They can't realize that they wanted it so much but if they don't take care of it, its going to go to seed. All I see is them arguing about this one should do this and this one should do that. I said wait, I am the oldest lady here and I'll go out and do it and then they get embarrassed.

For both Mrs. Neale and Mrs. Holmes, cooperative ownership made them feel both more responsible for building maintenance and proud about the building. Mrs. Neale wanted to see the building kept up because she owns and "wants to be proud and not ashamed". For these women, and often other respondents, keeping the common spaces clean and neat meant respect and courtesy for one another related to living in the same building. As an owner Mrs. Holmes felt proud but realized this pride was affected by others' actions. Her feelings of pride were affected when other residents didn't share in keeping the halls clean. As she stated:

...its different since I own....Because if you don't care about what the outside looks like you can do everything for your apartment inside, but you know you

have to walk through those halls to get in here and if you don't feel pride about the outside, do your share to keep it clean, then you can't be proud about it.

Although feelings of pride relate to responsibility and control, in a multi-unit building there is often an awareness that building maintenance is not under your personal control. Mrs. Holmes differentiated the control she had over her own apartment with not having much control "with what goes on outside of my door". In fact, in an apartment building a neighbor's behavior can affect life in one's own apartment. Her feelings of control were affected by her upstairs neighbor whose plumbing has repeatedly leaked into her apartment. As she stated:

Co-ops, what it means to me, well first when you have a co-op if there is one tenant who doesn't give a damn it can ruin the whole thing and I have that one tenant upstairs. After we had all the work done and we painted the bathroom, in the kitchen did all this work and everything, in the 4 years when we were co-op he let his bathtub run over twice while he slept in the living room. Water coming down my walls, water coming thru my ceiling, over my China closet, over my refrigerator, went into the bathroom and water just gushing down, that was one time....If you have tenant's who don't give a damn, have no respect for other people, it could be pretty bad....The wallpaper has held up good because the water just rolled off it, but the ceiling especially the bathroom. Maybe one day it will be done.

In any apartment buildings, through the reality of physical proximity and shared building systems, one residents' actions can easily effect others lives. Yet this is made more intimate and complicated in a cooperative ownership situation people where shareholders are more bound together by the financial relationship. As Mrs. Holmes

notes "I own this apartment and I can do what I want but we are all in it together."

Summary

With responsibility for the building comes control over its maintenance and repairs. Yet control involves group decision making, which can be conflictual in a cooperative setting. Deciding how to spend the money required to make repairs can be complicated when affordability is an issue. It is especially complicated when more cosmetic repairs, or those concerning common spaces, are being considered.

Nonetheless, cooperative owners who have gone through a cycle of landlord abandonment greatly appreciate the ability to decide on and control building repairs. Being "the landlord" is generally a positive experience, although for some leaders this means having too much responsibility. Although over half of the respondents reported feeling more responsible for building maintenance as owners, there is sometimes a perception that this responsibility is not evenly shared. This can be especially prevalent in older cooperatives where the responsibility for everyday maintenance is shared by residents (instead of hiring a super).

Cooperative ownership involves shared financial responsibility which translates into collective

responsibility for the physical care of the building. Yet this maintenance relationship with the building is affected by the mutual dependency between residents which is created by both cooperative ownership and the multi-unit physical structure itself. In a cooperatively owned multi-unit building, where maintenance responsibility is legally and financially shared, residents' lives are more intertwined at both a functional and physical level.

CHAPTER 6

FINANCIAL FACTORS

Financial factors are intimately related to the ownership of property. Owners become legally and financially responsible for mortgages, taxes and the maintenance of the physical structure. However in a cooperative ownership situation, where residents own shares in the corporation which owns the building, the financial responsibility is shared. Jointly the cooperative must collect adequate income from the maintenance charges in order to keep the building operational and physically safe.

Since the cooperatives in this study are intended for low and moderate income people, it is important to keep maintenance charges affordable. Yet the effort to keep costs low, and non-profit, can result in a lack of financial flexibility. Low income cooperatives are often found on the edge of financial solvency in their struggle to both meet the obligations of ownership and keep costs affordable for residents.

This chapter will examine various financial aspects of the cooperatives studied. It will explore the reasons for financial crises experienced by some cooperatives and the conflicts that resulted from those crises as well as summarize the financial concerns of individuals. However it

is important to recognize that although this chapter will summarize financial aspects of the cooperatives studied, the data was collected via verbal reporting during interviews. An actual financial accounting was not done, and was not part of this study's intent. Rather what is reported here is from the collective stories and experiences of cooperative home owners.

This chapter will also discuss how maintenance charges and eviction policies affected how residents' experience of co-op ownership. Having maintenance charges defined by the building's physical needs instead of a landlord's profit led to feelings of control. For many respondents, feelings of security were related to their experience of cooperative ownership as affordable, and thus some place they would not be forced to leave. Security also had to do with the cooperative being a place where financial problems could be discussed and agreements made, since in general the eviction policies were not too firmly enforced.

Affordability of Maintenance Charges

For many respondents, feelings of financial security related to the fact that everyone considered their monthly maintenance charge¹ to be "reasonable"². This perception of

¹ Maintenance charges, which are collected monthly by the cooperative, are sometimes also referred to as rent in this text.

affordability was despite the fact that 69% of respondents reported their maintenance charges had been raised during the conversion to cooperative ownership. Most people knew the increased charges were to pay for loans to repair and maintain the building. In general people believed the increases were necessary and "worth it" often because they had seen building conditions improve. The rent increases were generally accepted during the conversion in part because respondents believed they were still low compared to other rents in the neighborhood. (However this is not to say that rent raises did not produce conflicts, as will be seen later in this chapter.)

For many respondents, their experience of cooperative ownership as affordable was associated with feelings of security and being able to stay in place. For Mrs. Neale, from Co-op 1, it was a place she would not be forced to leave. For her cooperative ownership meant:

...more freedom of mind and knowing I can stay here gives me some peace of mind. Also that is low income, I wouldn't be happy to have to pay rent that I couldn't afford and become another bag lady in the streets. Its very affordable for me.

This is similar to how Rose, from Co-op 10, felt when she stated:

I figure I'll stay right here....The problem you know, how the rents are going high. You don't even know what's gonna happen, as the years go on....There will be no place for you to live, everything's going high.

² The average current maintenance charge in the sampled cooperatives was \$337.

Feelings about their apartment's affordability were often in comparison to how expensive it would be to rent another apartment. Compared to similar apartments in the neighborhood respondents found their monthly housing costs to be either "inexpensive" (65%) or "very inexpensive" (35%). Quite often people's feelings would be in relation to other people they knew who were paying more and yet were less secure. Mrs. Holmes, of Cooperative 1, related a story of an elderly friend:

She found a four room apartment for \$400 and she is a widow and she lived there one year and the couple who owns the house, a young couple from Poland, a year later increased her rent to \$560....so she had to go looking for another apartment. Luckily she found another apartment for \$400 but I don't know how long she will be safe there either. This situation is much better.

Feelings of financial security were also associated with the non-profit aspect of cooperative ownership as compared to having a landlord. The cooperative was in control of the maintenance charges which were defined by the building's physical needs. This is stated below by Teresa, from Cooperative 5.

...it will never be as high as the building next to us, because we only have to raise the rent to cover the expenses of the building....Another thing is that we know that nobody is gonna come and tell us that the rent now is 387, now its gonna be 600. That will never happen, not even for the biggest emergency....The other thing is keep the building low income, which we are, low income people.

People knew their rent money went back into the building in contrast to being profit in a landlord's pocket. This point is described by Mrs. Neale from Cooperative 1.

Everybody shares in the expense because the rent money, of course it goes towards mortgage and taxes and everything, but whatever is accumulated it goes towards the work that has to be done on the house. That's the good thing....Better than to have the landlord, he may be taking your rent and going to fix up his \$50,000 house up in Westbury someplace.

The perception was that the cooperative would try to control costs and keep the rent affordable for low income people as compared to having a landlord. This perspective is noted by Frank (from Co-op 4) when he stated what ownership meant to him.

Well to me it means a piece of mind that...never have a landlord tell me that I have to pay a \$50 increase in the maintenance bill....We can manage the building the best way we can, and not for the sake of just making a profit but keeping it like...the building stands, a low income cooperative, and this way we can have a better line of how you can manage your money.

Kevin (from Co-op 15) states how a collective effort to keep rents affordable was associated with people being able to stay in the building.

Well, I'd say it was just that there were enough people in the building who would be interested in staying here for the foreseeable future, and keeping the rents moderate, because we knew if somebody, if a private owner bought this and spent a lot of money on it, he would have to put the rents up, if not astronomically, way above, perhaps, our ability to pay.

Eviction Policies

Evictions and eviction policies can be an indicator of rent collection problems in a building. Maintenance charges that can not be collected can create serious financial crises in low income cooperatives which often do not have very flexible finances. Yet, despite problems experienced in rent collection, the social component found in cooperatively owned buildings where people often feel like 'family' affects the enforcement of eviction policies.

Though every building had some sort of eviction policy, of which people understood the specifics in varying degrees, the enforcement of those policies was often lax. It was generally understood that if you could not pay your rent, as long as you talked to the management about the problem a payment plan could be worked out. Actual evictions were carried out only when the nonpayment problems were persistent and attempts at resolution had failed or no explanation was given, or when drugs or other behavioral problems were involved. Eviction proceedings might be started, but often this was with the purpose of making people agree in court to a payment plan for back rent.

This is not to say that evictions did not happen in buildings. Nine³ (60%) out of the 15 cooperatives in this study had evicted people at some time in the past. Out of

³ Cooperatives 2, 3, 4, 6, 7, 11, 12, 13 and 14.

the six⁴ cooperatives which hadn't had evictions yet, four were new co-ops⁵. (However in this non-eviction group Co-op 1, an older co-op, had an eviction in process). When evictions did occur it was most often for non-payment of maintenance charges and/or a problem with drugs, although occasionally it would be for purely behavioral problems.

In general a cooperative's eviction policies were known by all respondents to varying degrees of specificity. Presumably the exact rules were written down but respondents within the same cooperative generally did not give exactly the same interpretation of those rules. When asked what the policy for non-payment of rent was, the majority of respondents stated that notices would be sent but this could be after one, two or three months of nonpayment. Some noted that various types of notices would be sent, first a warning and ultimately a three day notice, while others stated only one or the other. Only a handful of respondents stated they didn't know what the policy was, but they were still able to describe part of what happened.

Late fees were also commonly cited as being charged. In most cases it was \$10 though in one building it would go up to \$25 if you were late three times. In two co-ops⁶ that had had serious problems with nonpayment, the late charge

⁴ Cooperatives 1, 5, 8, 9, 10 and 15.

⁵ Cooperatives 8, 9, 10 and 15.

⁶ Co-ops 3 and 4.

had increased to \$50, yet in one of these it was stated that the \$50 fee was imposed only if being late became a habit. An overall summary of stated non-payment policies found ten cooperatives with late charges and ten that sent notices, while six did both. Additionally two cooperatives⁷ stated that not paying rent resulted in losing your vote.

Eviction Enforcement and Social Support

Although all the low income cooperatives in this study had some sort of eviction policy, often these policies were not absolutely enforced. The cooperatives dealt with non-payment problems in different ways, most often through late fees and a variety of notices. Some cooperatives were tougher on enforcement of the rules and would actually charge late fees or begin eviction proceedings. Yet the majority of people interviewed understood that they would be given a chance to catch up on their rent as long as they went to the management and explained the problem. At the same time, persistent non-payment problems were not treated as sympathetically.

Respondents would sometimes state that non-payment policies were enforced and then add that they would always try to work something out before proceeding. This can be clearly seen in Cooperative 4 which had lost \$4,000 in back rent in an eviction struggle and was one of the co-ops with

⁷ Co-ops 2 and 3.

the \$50 late fine. Inez, who was the president of Co-op 4, stated that they really didn't tolerate non-payment since "We know every penny count in here, every penny it takes to meet that commitment of what we have to do." Though she delineated the late notice process and timing specifically she also noted that the notices would not be sent out automatically but rather "...if they are constant abusers, being after the 10th of the month without an excuse, we send it out right away." In part the allowances made have to do with the social relations in the building. Frank (who also lived in this co-op), stated that since in the building they "tried to live like a family" if you always paid your maintenance but became unemployed and talked to the board the building would work with you. He felt strict enforcement of the rules would make the cooperative "be run like a landlord building".

This understanding of cooperatively owned buildings as family and as different than if landlord owned is repeated in Cooperative 12, which also had problems with rent collection. They had a few evictions and some tenants had also left owing money. None the less Mike from Co-op 12 explained how they try to work out financial problems.

We try to operate on the basis of a family here, and if a person is having a struggle of some kind with their rent, and they make it known to the management, it will be looked upon sympathetically. They're not going to be told, well you have 10 days, you have 2 weeks to get out of here. They're thought of as family, as real people struggling with real problems. So we listen, we listen to their complaints, if they will make it known.

But on the other hand, if they just persistently go on not paying the rent and not saying anything, then of course the procedure is, since we have a retaining lawyer, we take legal action, and take them to court.

Again in this cooperative the way non-payment is handled is contrasted with the way a landlord would do things. As Diane, the President of Co-op 12, illustrates in contrast to a landlord in their cooperative:

That we can do things that are for the benefit of the building and each other. I mean, we are willing to carry somebody, for example, who may not be able to pay the rent for a while, which a landlord wouldn't do, but we will do that because we are a community, we all know one another. We don't want people to take advantage of that...we have a chance to do things on the basis of human values rather than just what the law allows.

However Becky, also from Cooperative 12, was less sympathetic. Although she also felt the building was like a family, it was also like a business where the financial responsibility for the building had to be shared. Not paying the rent was "unneighborly" when the building could not pay an oil bill because of the lack of income. She related a story of one woman who was finally evicted after two years of non-payment and owed almost \$13,000 (drugs and physical building destruction had also been involved).

It's business, it is not friendship it is not oh, this is the lady that I've known for years she took good care of my kids when I'm not home. Forget all of that. This is a business and in order for all of us to live here nice warm comfortable, toasty without the remembrance of the [landlords] where we were left cold and hungry and whatever. You cannot do it this way if you worry about this person....Remember the time when there were homeless....sleeping all over the first floor so you have to walk over them to get to your own apartment. And you were scared, I says you want to go back to that time hey, perfectly fine.

It is important that people understand how the collective income from maintenance charges supports the buildings, and the joint financial responsibility of co-op ownership. As stated by Louise in Cooperative 8:

You have to have the other owners to be willing and understanding their maintenance has to be paid for, to me that is the most important thing. If you cannot get the owners to understand in that, then you are going to be in trouble. If your partner is not willing to hold up his end, then its not going to work....It's like going into business in a way.

However, even though housing co-ops are a sort of business, they are also where people live together. Most often the reason for the lenience with people not paying their maintenance had to do with the social relations within the building. As stated by Nelly from Cooperative 2:

Our policy is sort of lenient. Because, like I said, everybody knows everybody and if you having hardship, it's like you really know that the person is having hardship, you try to make allowances for that. Like myself, I lost my job in April, and we have always paid our rent, the first of every month, but recently, I've been paying the rent the 15th, or sometimes the 21st. And that situation is understood.

Feelings of social support around financial problems are linked to the perception that everyone is low income and can have the same sort of problems. This is described by Carolina in Cooperative 7:

Everyone in the same building always seems to have like the same financial means. And everyone has a little bit of the same experience. The same kind of problems. I think that's where the caring comes in. Because we're like all in the same boat.

Yet the lenience and understanding found in these cooperatives can also lead to financial problems. A man in

Cooperative 11 acknowledged that the "soft spots" in his cooperative and the notion of itself as socially correct resulted in getting "ourselves in trouble a couple times." Though they have been tolerant with non-payment in the past they are trying to tighten up enforcement.

It appears that the social relationships in the buildings both make it easier to be sympathetic and thus harder to evict a person. There are a couple of other instances where the cooperative's management understood the problems people were going through and made allowances. As described by Louise (from Co-op 8) the process of eviction was something they really did not do. "Its very hard thing for somebody, it's like being a landlord." It was especially difficult to evict people with whom you had lived close together for so many years. She described a story of a man in the buildings who:

...had a heart attack, he was in the hospital, he couldn't get unemployment because he was disabled, he wasn't ready to work. He was trying for Social Security, and I think his Social Security just kicked in. It's really bad what are you going to do have him without a home too?

They worked out a payment plan with him and now he was catching up with the maintenance charges he owed.

Cooperative 7, an older and large building located in the Lower East Side of Manhattan, had had a few evictions over the years. Alisa, who was a leader, considered their eviction process to be very effective for notices were sent

and followed up with personally to determine the problems.

However she related the following:

There was a woman who, in this building, who didn't pay rent for like 4 months and nobody knew what had happened. Well, it turned out that she was in the hospital and she had had a premature baby. Nobody even knew that she was pregnant because she didn't have a husband, so we didn't really know the situation. Once the situation came into the open and she came to the Board and explained her situation, she stayed in her apartment. She has two kids now and she has been paying that money that she owed over time and it was not necessary to take her to court.

Alisa remarked how hard it was to actually enforce the eviction policies due to the 'human factor'. It appears that when behavioral problems appear the social control possible in a cooperative, despite feelings of familiarity, will provoke an eviction.

We don't always follow it...the human factor always gets in the way. It's hard to say to somebody that we are going to evict you, unless they are really totally horrible and the whole building is behind us and they are not cooperative. We have had that. We did have one where the whole building was behind getting this particular person out because they were not cooperative, they were always left garbage out, they played loud music, they never came to the meetings. At that point, everybody sort of rallied together to get this person out. That was the only time I ever saw anything like that happen in this building. But otherwise no, usually we try to work it out.

Similarly Cooperative 13 in Brooklyn, which had previously struggled with and eventually succeeded in getting drug dealers evicted, had an eviction for reasons of social control. This eviction was for a combination of behavioral problems for it was an apartment that was overcrowded with too many kids, where property was being

destroyed and drugs were involved. As stated by Victoria, the co-op's President:

...she came with the money and I said I didn't want it. I want her to move out....We had lost a lot of money like that in the building. But it's for the benefit of the building. Because we trying to change the place.

At times the neighbor to neighbor interaction made it so difficult to enforce evictions that hiring someone from the outside to do so was a solution. This was the case in the self-managed Cooperative 6 in Manhattan which reported much more success in rent collections since an para-legal had been hired to collect the maintenance and enforce evictions. No longer could agreements be made verbally or with board members but only in court. In fact the goal in taking people to court was not actual eviction but payment. This is stated succinctly by Joanne from Co-op 6.

We all know that we're not really serious about evicting people, we just want pay the rent, you know. So the purpose of the 72 hour eviction notice is to get people to go into court and make an agreement to pay the rent. It's the threat of eviction, not the actual eviction. Nobody's serious about doing that....The point is not to get them out of the building, the point is to get them to pay the rent. Which I think is one of the good things about the building. It makes it more stable for all of us. We all have this deep internal knowledge that, that we're not really going to get kicked out of here. Unless we do something so awful that, even then you got a good shot at not.

The tactic of actually proceeding with legal actions to take people who are not paying their rent to court is followed more by some co-ops than others, and as with anything has pros and cons. For some it is an effective way to deal with rent collection, and at times it may be

absolutely necessary to get problem tenants out of the building. Yet others would rather avoid court and 'outsiders' and deal with problems on their own. As explained by Lisa from Cooperative 1 in Brooklyn:

Now even though we have been to court and we are not afraid to go to court, we don't want to go to court anymore because its a real hassle and if someone asks for a certain amount of time and they can't pay their rent on time we try to be as understanding as we can.

Cooperative 3 from Manhattan had recently gone to a lawyer for the first time which has created controversy. Although most of the respondents in this cooperative found it an effective way to get things done, one woman believed that "Once you have that mentality of someone else taking care of it from the outside things just don't happen quickly." It seems Mike from Cooperative 12 agreed when he stated "Here in I think, lies the genius of this low income co-op, that we handle our problems inside."

Financial Crises, Conflicts and Concerns

Through data collected via interviews it was possible to generally assess both the overall financial situation of individual cooperatively owned buildings, and the financial concerns of individuals. Not surprisingly, greater participation in the cooperative's management resulted in more detailed information of building finances and understanding of possible financial crises. Thus most of

the descriptions that follow about an individual cooperative's financial crisis were from leaders.

The cooperatively owned buildings in this study experienced a variety of financial crises and conflicts. Financial crises resulted when there was not enough income to cover expenses and were usually caused by a combination of non-payment problems and unexpected repairs. The cooperative's financial need would often necessitate a rent raise which could cause conflicts. For many financial concerns had to do with anticipated shortfalls and the possibility of maintenance charge increases. This was joined with the awareness that in low income cooperatives neither the cooperative nor the low income residents have much financial flexibility.

In five⁸ of the 15 co-ops all respondents reported no current financial concerns. Yet out of those five two of the older co-ops⁹ had had financial crises in the past. In one of these, Co-op 4, the crisis resulted from a lengthy eviction. The other one, Co-op 1, had a leader who had embezzled money and put the building in jeopardy of being foreclosed although the problem had been solved by refinancing and raising the rents. The three remaining cooperatives were new cooperatives¹⁰ and reported no

⁸ Cooperatives 1, 4, 8, 9 and 14.

⁹ Cooperatives 1 and 4.

¹⁰ Cooperatives 8, 9 and 14.

financial crises or concerns. (Not surprisingly, these cooperatives were particularly cohesive with solid leadership.)

Four cooperatives¹¹ reported currently being in a financial crisis. The crises were caused by non-payment problems, having large, unexpected repairs become necessary and waiting for subsidies to begin. The cooperatives in crisis, co-ops 3, 5, 10 and 12, included both old and new, as well as large and small co-op. Thus the crises were not specifically associated with the age or size of the cooperative, but rather related to problems specific to those buildings. (The descriptions which follow were not from a specifically fiscal accounting but mostly self reported from building leaders).

Cooperative 3, is a small, old co-op located in the East Village of Manhattan with all white respondents. Its non-payment problem was described by Daria, a building leader.

We have now which we've never had, a vacant apt, guy moved to Florida, he's back 8 months in rent. We haven't paid real estate taxes for the first time. A lot of it had to do with going through those structural repairs for a year, which drained everyone so much, which was partly the reason the guy left and left a subletter in there....We're in a financial crisis, always been on a tight budget, never a lot of reserve. It was always based on 15 apartments. Never had problem on no one paying rent, people always paid me rent....It's been the most scary financial situation we've ever been it....We're only lacking one vote, but

¹¹ Cooperatives 3, 5, 10 and 12.

well need \$100 extra from each apartment for 6 months to get out of this.

This problem required a lawyer to begin foreclosing on the apartment which supposedly has begun to remedy the situation.

The crisis in Co-op 10 (a small, new cooperative located in the Clinton neighborhood in Manhattan) was because current rents did not cover costs since they were waiting for the Section 8 rental subsidy and J51 tax abatement to come through. A rent increase would be necessary, but they were waiting for the Section 8 subsidy to be processed before doing so. Gail, a building leader, felt they were just barely surviving at this point and "...financially we're in trouble...maybe we'll make it through the winter." More specifically she explained:

See right now we're struggling. There is no money in the building, we can barely pay our bills. To be very honest with you, we are a month behind on the oil, we can't catch up. I mean it's just nothing but a big headache right now, but the people in this building, many of them will go Section 8. When they go Section 8 we will have a bigger income and they keep telling us things will be better....When we have money, maybe things will get easier but right now it's just a lot of work, just a lot of hassle.

Based on the proposed budget for the building people were asked to take voluntary increases. Gail took the biggest increase followed by another building leader while the other owners did not take any voluntary increase. Though she is angry about this she feels "I couldn't take it back because without the money we can't even pay our bills

we are collecting. If I take it away we'll be in even worse shape so we just continue to pay it."

Another new cooperative, Co-op 12 in the Bronx, was in financial trouble due to both non-payment of maintenance as well as a additional loan for an unexpected but necessary roof replacement. As noted by Diane, a building leader:

We are in a bad way because we had to have this extra loan. It means that we are going to have to go back to the people who gave us the money initially and ask if our mortgages can be extended....Three apartments that are bringing us in nothing and our building cannot survive with that. We really need every nickel. We have lost a lot of money over time in dead beat tenants and evicting tenants. We have lost money every single year of operation....The building is going to be in trouble financially. We better do something....We don't want to have to start evicting people because they can't afford to pay the maintenance.

Thus their solution will be to try to refinance the mortgages so not to have to raise the maintenance charges.

The fourth cooperative currently in crisis was Cooperative 5, an old and large co-op located in the Lower East Side in Manhattan. Their financial crisis was precipitated by having to replace the boiler, which necessitated a \$50 rent raise (the first time in four years) and led to conflict. Respondents felt that the conflict was because everyone did not understand they were owners too and should be willing to share in the financial responsibility of a housing cooperative. As asserted by Marcia, a Board member:

They don't understand, some tenants they understand but they don't want to understand because they're only thinking about their problems, their not thinking about

the tenant problems. So...when they raise the rent...the people they don't think about the problem in the building. They only think I have to spend 50 dollars more of my money. So they don't think about what gonna happen to the building if we don't raise the rent.

Not understanding that cooperative ownership involved shared financial responsibility and having a landlord-tenant mentality lead to conflicts not only in the cooperative above, but also in Cooperatives 10 and 12. Leaders in both cooperatives believed they were perceived as the landlord by other shareholders. In Cooperative 12, Diane believed the other shareholders did not really understand they were owners even though she has explained it to them. She stated:

At the moment there is still a feeling of being a tenant. I mean I know they think of me because I collect the rent as the landlady, its very difficult to keep saying to them over and over again you have rights here you are owners.

In Cooperative 10 Gail stated "you don't really have that many people interested in the building who really care about the building. They still consider themselves renters." Because of the amount of work she does she "feels like an owner for everybody in the building".

Although the leaders quoted above believed people did not take enough joint financial responsibility for the cooperative, a little over half (56%) of the respondents did have financial questions or concerns. Sometimes these were just feelings or questions, while other times they were known facts. Most often the concerns reflected an awareness

that the cooperative did not have much financial flexibility, and if something happened and more income was needed, a rent increase might be necessary. As acknowledged by Kevin from Cooperative 15:

They don't have much to play with. Anytime that you're just breaking even some serious setback could mean a rent increase I'm sure....Our water taxes were \$5,000 three years ago, and now they're over \$10,000. So that would mean the rents would have to go up.

In Cooperative 6, although no current financial crisis was noted three out of four respondents felt there would have to be an increase since their expenses had gone up. (One of these respondents felt that since people couldn't afford much, those who could should take a higher voluntary increase.) In Co-op 11, the concern that the maintenance did not bring in enough income was coupled with the awareness that residents could not afford much of an increase. As stated by David, the co-op's President:

I know that if there is going to be a short fall, we are going to have to raise rents in the beginning of September. And because it is a group of low to moderate income people, there is always concern about because nobody in this building has a savings, you know, extended savings, or a bond or stocks that they could cash in or roll it over. Everybody lives pretty much paycheck to paycheck....It could be dicey if somebody falls a couple of months behind, we don't have any a big reserve fund, so it depends on who can sustain....We do have a reserve, but if the boiler goes that could wipe out the reserve.

Low income cooperatives can often be found on the edge of financial solvency in their struggle to both meet the obligations of ownership and to keep costs affordable for residents. Financial crises can easily develop while

financial solutions can cause conflicts. Although the financial solutions by necessity require bringing in additional money, most traditionally from a maintenance increase, these cooperatives also used other methods. Special assessments for a period of time were utilized in Cooperative 3. When finances were tight or to prevent crises, voluntary rent increases were taken by some residents (often higher income) of at least three co-ops. Asking people to pay rent in advance had also been a way to deal with financial problems in Cooperative 6 in the past and in Cooperative 10.

Summary

Cooperative ownership is by definition a joint financial endeavor. Collectively the maintenance charges from all the residents must support the physical building and thus keep people's homes secure. The struggle is to keep costs affordable, and in these cooperatives maintenance charges were experienced as affordable and inexpensive compared to other apartments in New York City. Financial affordability combined with cooperative control over maintenance charges, where the money goes back into the building and does not involve a landlord's profit, contributed to feelings of security.

Sometimes people with low incomes experience problems paying their monthly maintenance. Although people were evicted when non-payment problems become excessive, it was also understood that financial problems could be discussed and agreements made. This sympathetic approach arose from the social connections in the building and affected feelings of security.

At the same time that low income people can easily have financial problems, low income cooperatives do not have much financial flexibility. It is the collective income from maintenance charges that supports the building. Thus it is important that people understand that they should pay their maintenance charges. Feelings of financial security in cooperative ownership are necessarily linked to the fiscal responsibility of others.

Financial factors are integral to the experience of ownership. The overall understanding of the cooperative's financial situation, and feelings about joint responsibility, affect individual feelings of financial security and control. In a cooperative ownership situation, financial feelings are by necessity linked to social relationships.

CHAPTER 7
RESALE RESTRICTIONS

In this country, home ownership and equity are intimately related. For many, the financial advantages of tax deductions and equity gain are strong motivations to own a home. It is assumed that the purchase of a home will lead to equity appreciation beyond the value of the mortgage, and thus financial gain or profit. For many people equity is their most significant fixed financial resource, and is one which can be utilized in many ways.

In contrast to the expectations of equity gain, non-profit or limited equity ownership has long been seen as a strategy to keep housing affordable. Limited equity cooperative ownership is seen as a way to give people the control over their housing associated with ownership but without large financial gain. By limiting the profit that is made when a unit sells, it stays affordable for other low or moderate income people. Yet limited equity cooperatively owned housing also removes most of the traditional financial benefits associated with home ownership in the United States.

Although housing advocates promote limited equity ownership as a means to keep housing affordable, it is not known how the low income people who live in limited equity

co-ops actually experience the resale restrictions. This chapter investigates the awareness and understanding of the resale restrictions, and how respondents felt about the limited equity aspect of cooperative ownership.

The Resale Restriction Rules

Limited equity cooperatives regulate the resale value of the membership shares. The resale restriction rules are often set up by the government agencies or community groups that helped obtain financing with the intent to keep housing affordable for low income people over time. Although there may be slight variations in the exact policy, depending on when the building became a cooperative and the specific organizations involved in the conversion, all the buildings had restrictions on the resale of apartments¹. The Ownership Transfer Program (OTP) set up the resale rules for most of the buildings in this study. In fact OTP would not work with a building if they were not willing to agree to these resale restrictions.

The general Ownership Transfer Program "affordable housing" policy defined in the proprietary lease was set up as follows. When a shareholder sold their shares they would receive the original purchase price plus 10% of that price

¹ One building, Cooperative 6, was not incorporated as an HDFC cooperative but still had a limited resale policy in its bylaws.

compounded annually; the portion of principal paid; and the value of improvements after purchase which were approved by the Board of Directors with the value set according to the City's J-51 guidelines. In addition to the financial formula, individual shares would go back to the cooperative which would resell them to a new owner, subject to Board approval.

Almost all respondents (96%) were aware that there were restrictions on the resale of an apartment, yet their understanding of what the rules entailed varied². Seventy-five percent knew, with varying degrees of detail, that there was a financial formula which would determine the amount a seller would receive. Most respondents knew that a seller would get back what they paid plus some percentage, while some were also aware that the physical improvements made to apartments could also be reimbursed (according to a formula). Fifty-four percent also stated that the apartments were returned to the building, so that the Board and/or tenants would decide to whom they would be sold.

Understanding and Feelings

Although people generally knew there were restrictions on the resale of their apartment, they weren't as clear on

² Since a respondent could give more than one reason for the rules, these counts were not mutually exclusive.

exactly why the rules were there. Twenty-one percent didn't know why there were rules. Thirty-three percent saw the rules as being imposed by the group which helped with the conversion, that they were part of the financial package. However, almost half of the respondents (46%) were aware that the intention of the limited equity rules was to keep the housing affordable since these cooperatives were for low income people and/or non-profit.

However respondents understood the reasons for the resale restrictions, the majority of people perceived them as positive. Sixty percent of the respondents felt positive about the rules. Twenty-five percent were more neutral in their response stating they were "OK" or having no opinion. Only five respondents (9%) felt negatively about the rules (restricted by not getting profit), while three people (6%) stated that they found the restrictions to be both good and bad.

Positive feelings about the resale restrictions were often related to maintaining the affordability of the apartments. The non-profit aspect gave other low income people a chance to afford a home, and preventing speculation meant less building resident turnover. The 'back to the Board' resale policy was seen as a way to maintain control over both cost and tenant selection.

A few people felt the rules were good since they gave other low income people a chance to have an affordable apartment. As stated by Frank from Cooperative 4 in Harlem:

For the individual living in the apartment now will say that silly and stupid due to the fact that they live in the apartment but look on the other side. How about the other guy would like to have an apartment but don't have that big buck a lot of money to pay for it....In other words its giving the poor person a chance to have...to live some place or be able to afford some place for a very low price.

This sentiment is echoed by Carolina, from Cooperative 7 in the Lower East side. As she stated:

I'm comfortable with it because it gives someone else a chance. And I know what it's like to start off in the beginning and...and having an opportunity to be able to...afford where to live that's the kind of place to make your home.

Many people also noted that the units could not be sold directly but went back to the Board. This was seen by some as offering flexibility, and making them easier to sell.

Louise, from Cooperative 8 in Bushwick, perceived that keeping the price down also made it easier to find somebody who could afford it, especially in a neighborhood that she perceived as not being that good. She felt the resale restrictions would make a sale more flexible since when a resident left they would get their money back and not have to pay for two places at once.

The 'back to the Board' policy upon resale also maintained control over new tenants. It was perceived that since the Board and often other shareholders had to approve the new buyer this would insure that the cooperative would

get responsible people. As stated by Christina, from Cooperative 13 in Bushwick:

It is good because a lot of people...in other co-ops we heard about, were selling them to the person that they wanted to. And people started coming out, weren't following the rules and the building just collapsed again. And the cooperative will know who's coming in, who's coming out, who this person is basically.

Board control over resale was perceived as a financial control to help insure that the units would not be sold under the table for a profit.

Resale limits (which gave the housing a non-speculative tone) were also seen as preventing a lot of resident turnover. Less turnover was thought to result in a commitment to the building as well as a way to keep the costs low. As stated by Daria, from Cooperative 3 in the East Village "...the financial restriction came from the OTP program which was to insure less turnover and people making this a home and a commitment to it and keeping the rent down and so on." As Alisa, from Cooperative 7 in the Lower East Side of Manhattan noted:

I think they are important to have because if we didn't have that we would have had a lot of people who as soon as they got a little discouraged they would turn around and sell their apartment to anybody and then we wouldn't have the time to develop the comradeship, and the apartments would keep changing hands and there would be no control. And then the rest of us, who would probably stay behind, would probably have to keep paying higher and higher maintenance to accommodate these new people who are coming in and buying these more expensive apartments and expecting more services.

Joanne (from Co-op 6 also in the East Village) perceived selling apartments for profit dangerous to her security for

richer people with higher expectations would move in. She felt the resale restrictions served to prevent the gentrification of her building, something that could ultimately lead to her displacement.

These rules can't be broken because what can destroy the building in my judgement faster than anything else, is for people to sell the building for a lot of money then you get successively richer and richer people coming in and it's very very dangerous, very dangerous to our survival I would say....Cause if the rules weren't there, we would know what would happen. People would walk out of here and find some rich person to sell their apartment to in a minute. For what would seem to any of us an outlandish amount of money would seem to them peanuts and then they'd take over the building and then all of us would be gone.

The impact that the resale restrictions had on keeping the apartments affordable was important and affected feelings of security. Alisa from Cooperative 7 admits that although at one time she looked forward to profiting she ultimately ended up feeling having a home that is affordable was more important.

Well, I thought that the neighborhood was going to turn around and I thought that it would be a good investment and at any point if I was not happy with it that I could turn around and just sell my apartment at market value, etcetera, and that came from not knowing exactly what co-op meant. Then I started dealing with the reality and started to see the complete picture and noticing that in the long run that it is better for all of us, so what I didn't make the million dollars but at least I have a place that is my place. I don't have to kill myself to pay the rent. It's affordable for me. I have everything that I need here and it's comfortable. And if I had been in the situation with a landlord or had turned around and sold my apartment for whatever amount of money and then moved into another situation I would just be working for the rent.

Although most people acknowledged and agreed with the non-profit intention of the resale restrictions, a few felt negative about the limits on profit. However this was not so much not being able to make a lot of money, as not being compensated for the years of hardship and work. As stated by Renee, from Co-op 3 in the East Village;

I think the intentions on the people who imposed them was that this should remain housing for low income. Which sounds good, but the problem with is that it sort of has condemned us to live in a really bad way... we were obligated to use certain contractors because of the agreement with the City. The work was not of a very high caliber, and there's sort of no consideration given of all the years of hardship...its sort of like, you lived through all of this, tough luck, you're still not gonna make anything on it.

This point is also echoed passionately by Diane, from Cooperative 12 in the Bronx.

I think it's a bad thing in that it...penalizes us, we do all the work and struggle to pay the building off, but we don't actually benefit in the way that anybody else would from owning a co-op...we were the ones who are carrying the burden here. We have to do without repairs until we can afford to do them ourselves and we are the ones that are going to have to pay for it, and we have to raise our rents in order to pay for it....You know there is a lot of investment here on the part of the tenants...we are the ones who are spending the money, it's coming out of our pockets, we are paying for this building and it's not just financial, it's emotional, physical.

Greg, from Cooperative 11 in the Clinton neighborhood in Manhattan, felt the restrictions were both good and bad. He echoed this sentiment when he noted that:

I think that a lot of people in the building have similar ideas and ideologies...but which sometimes become tested by the amount of energy that the building requires.... I don't know, I mean, I would love to make

more money off this place...alternatively, I feel that the restrictions are there for a good reason, so I can deal with it. The only reason I'd like to make some money off it, because I feel I've earned it. But, you know, I understand the situation. The only thing that bugs me, is that in 20 years or so, somebody will move in here and will make a killing off it, because by then the loan will be up, and they will not have done anything.

Building Conflict over Resale Restrictions

Resale restrictions can be a source of conflict in cooperatives, especially the older ones where the restrictions may be about to expire depending on the terms of the loan. However out of the 15 cooperatives investigated only two cooperatives had clear conflicts over resale. Both of these, Cooperatives 3 and 6, were self managed and located in the gentrified neighborhood of Manhattan's East Village. The respondents, and most of these cooperative's residents, were white. In both cases the cooperative had either developed or made additions to the resale policy. Cooperative 3 had the highest original purchase prices in the study (\$6,000 to \$11,000), while Cooperative 6 had the lowest at 250 dollars.

Cooperative 3 had developed a resale policy that entailed \$2,000 going back to the co-op upon sale both to help fund the co-op and 'pay' for all the time and effort the original owners had to put in. This cooperative has a history of power struggles within the management, which were made worse by the impending expiration of the resale restrictions. The original leader of the building (Daria),

who was more in favor of keeping some restrictions, felt her influence eroded as the movement toward profit got stronger. Her feelings of security were related to the resale restrictions since she saw them as limiting the turnover and keeping her rent affordable. Yet she believed that others in the cooperative would vote to lift the resale restriction since they felt they had suffered so long and now would get their break and be compensated for all their work. (This is evident in the quote from Renee, also from Co-op 3).

In this cooperative several sales had occurred in the building already and it was inferred that they had not followed the guidelines. Matt from Cooperative 3 candidly noted the conflict between wanting to profit and at the same time to keep costs low.

When we went to non-profit it was a big controversy and what it turned out to be basically was that everybody wanted to make a profit, everybody was interested in making money but...even more concerned with how much it would cost right now, keeping expenses as low as possible. So what happened was we went non-coop and people just lied about everything.

He believes the co-op went non-profit because otherwise the organization that helped them would have refused to deal with them and they would have had to hire their own lawyers.

Like Cooperative 3, Cooperative 6 is also a building with problems, this time caused by a lack of a management structure. However the conflict about resale in this building was about instituting Housing Development Fund Corporations (HDFC) resale restrictions instead of their

expiration. In part due to the lack of leadership and management structure it was difficult for the cooperative to commit taking the legal steps to actually become an HDFC and there was also resistance to be bound to those guidelines.

This building was not incorporated as a HDFC but does have a resale policy in its corporate by-laws. This co-op devised the following resale restriction guidelines: shareholders would get back their initial share price of \$250 plus the value of improvements, minus a depreciation on improvement of \$25 a month, with a maximum sale price never exceeding \$1500. This meant that if a shareholder made improvements and moved right away they could get up to \$1500 back, but if they stayed they might only get \$500 back.

Jeff, the building leader for many years who had helped devise these rules, stated that they were developed by a group of very ideological people when the East Village was suffering from landlord abandonment. At the time nobody thought the apartments would ever be valuable. Some people who now have young families and want a down payment for a house are not happy with the restrictions, especially since real estate in the gentrified East Village has potential value. Thus Jeff notes that "What's really happening is people move out and then they sublet. They don't want to release it because they know it's valuable. But they can't realize the value so they hang on to it."

Both Kendra and Jeff from Cooperative 6 believe the resale policy should not be so restrictive, although the prices should not be free to go to market value either. Kendra feels since people do invest more than \$1500 in apartments the resale should be a little higher, but noted how difficult it is to determine the real value of the improvements. However she acknowledges that the lack of leadership and management structure in the cooperative means that "No one's really had the energy even beginning to deal with all the details here."

It seems that even though some residents feel some profit should be allowed, the question is how much. Joanne feels her security is threatened if there is turnover in the building (evidenced in her earlier quote). From her point of view the state requirements (related to becoming a HDFC) for low income are too high and the resale rules much less stringent.

I don't know what's the matter with the state. If they think that low income person is going to be able to spend \$10,000 on buying an apartment, they're out of their minds. I don't know what kind of low income people they're used to dealing with. You tell me how a welfare recipient is going to get \$10,000 to spend on an apartment.

Affordability and Apartment Purchase Price

This study did not do a financial assessment of what is the most 'affordable' apartment and share price for low income people. It also did not deal with apartments that

were resold, because all but three of the respondents were the original purchaser of the apartments and had previously been tenants in the building prior to conversion. However it is possible to discuss how affordable respondents found the cooperative apartments they purchased.

The average purchase price of apartments was \$750, although if welfare purchased the apartments the cost was \$2500. When asked if they could afford to purchase their apartment 77% stated they could. Respondents financed the purchase of their shares and thus their apartments in the following ways (either alone or in combination): 38% used savings, 29% bought it via a payment plan over time, 19% used their income and 12% got loans, most often from a family member. (For many of these lower income respondents, having a payment plan was an important factor in their ability to purchase the apartment.) In two cases the apartments were financed in unusual ways. In Cooperative 1 the units were essentially purchased out of their rent strike fund, while Cooperative 11 in Clinton in Manhattan was financed through the State of New York as a part of the Times Square Redevelopment Project.

Overall only 23% (12) stated they couldn't afford to buy the apartment at the time. Seven of the these 12 respondents lived in two co-ops. One was Cooperative 3 which had the highest purchase prices of all with prices ranging from \$6,000 to \$11,000. These respondents were only

able to purchase their units through loans from family members. The other one was Cooperative 13 in the Bushwick neighborhood of Brooklyn, where all the respondents were women on welfare, and the welfare department purchased the apartment shares for them.

Summary

This study found that virtually all respondents knew there were restrictions on selling their apartment. Most respondents understood the rules were imposed by the City or group that helped them become cooperatives and/or were related to being low income non-profit housing. The majority of respondents felt the rules were positive while only a few saw the equity restrictions as negative. Although resale restrictions conflicts brought up issues of what was reasonable financial gain to expect given the work put in, they were also associated with fears of a loss of affordability.

It appears that resale restrictions were seen in these cooperatives as a means of both financial and social control. The 'back to the Board' resale restriction meant that the apartments would not be sold to anyone but that the cooperative had collective control in selecting who would move in. Respondents felt that this would insure that people selected to move in would be both lower income and

responsible. Keeping the building composed of other low income people like themselves, who would also want to keep costs affordable, led to increased feelings of security.

The intent of limited equity is to keep housing affordable for other lower income people. Yet the non-profit aspect of the resale restrictions also made respondents feel it protected their cooperative's financial affordability. Preventing speculation meant less resident turnover and was seen by some as increasing the commitment to the building.

In general feelings about equity may be linked to the expectations of ownership. For these low income respondents, the motivation for ownership was generally to gain control and security over their housing. The prime financial advantage was in having, and being able to maintain, affordable rents which was often related to not having a landlord. This is very different from middle and upper income people who expect tax advantages and equity gain when they purchase a home. Since equity gain was not the prime concern or the motivation for purchase for the people in this study, equity in itself did not mean as much.

CHAPTER 8
MANAGEMENT AND GROUP DYNAMICS

It was primarily the desire to preserve and control their homes that led the tenants in this study down the road to cooperative ownership. Compared to having a landlord, cooperative home owners felt more control and security, yet with ownership also came more responsibility. As joint owners, residents collectively inherited the legal and financial responsibility for the building's management and maintenance.

This chapter depicts how the fifteen cooperatives investigated in this study managed the collective responsibility of cooperative ownership. Cooperative ownership is legally structured as a collective enterprise where shareholders (who together own the corporation that owns the building) jointly have both the control and responsibility of ownership. Even though they are represented by a Board of Directors, each shareholder has a vote and many decisions are made collectively. The collective nature of cooperative ownership, and much of its meaning, is often expressed within the process and structure of management.

In the management of cooperative housing, group decision making plays a central role. Yet cooperative

ownership does not necessarily mean cooperation between all the parties involved. In fact it is the group aspect of decision making that often provides the biggest challenge of cooperative ownership. Collective decision making requires commitment and compromise, but the process can also build a sense of community.

This chapter describes the ways which the buildings in this study were managed. Management forms are described and evaluated by building residents. The importance of meetings and management structure will be discussed along with the issues associated with leadership, responsibility, participation and influence. The process of making collective decisions is depicted, as is how decision making is affected by leadership styles, the frequency of meetings and the flow of information. Social dynamics within the cooperatives associated with working together, conflict and community are portrayed. Finally, how social dynamics are associated with meeting frequency, building problems and management will be discussed.

Management Forms and Assessment

The management of any building requires essentially the same tasks, some more simple than others. At the most basic level rents have to be collected, bills paid and the building physically maintained. Some of the financial tasks

involved (such as paying utility bills) are straightforward, while others (such as property taxes) can be more complicated. Similarly, certain physical problems are relatively simple to resolve, while repairs required to remedy building code violations can be more difficult to understand and correct. Additionally, in a multi-unit building the management may sometimes become involved in conflict resolution between neighbors.

Although the tasks involved in the management of any multi-unit building are similar, how they are accomplished can vary. Traditionally, building management is done by either the building's owner or a paid management firm. Self management by a building's owner or owners may save money, but hiring a managing agent saves time. Regardless of exactly who does the work, the management of a multi-unit building is a difficult and time consuming task, especially when physical or financial problems arise.

Management is even more complicated when a building is cooperatively owned. A privately owned multi-unit building typically has a single owner who makes decisions, even if a private managing agent is retained. In contrast to this, a cooperatively owned building has a group of shareholders who have votes and share in the decision making responsibility. Even though operationally an elected Board of Directors usually makes most of the daily decisions, they are still ultimately responsible to the resident shareholders. This

is very different from the private ownership of an apartment building where residents have no say in building management.

In a cooperatively owned building, the management (either the Board or an outside group) can be held accountable by the other owners. The management should be able to communicate what needs to be done to shareholders and at the same time respond to their collective concerns. Building management of a co-op involves meeting both the financial and physical demands of the physical building and the shareholders who live in the building.

Often cooperatives or private owners hire companies to do the work required in building management. Property management is a business, and companies that do it professionally have support staff and the expertise to understand and deal with legal and repair issues. In many respects it may seem easier to hire managing agents to handle the daily tasks. Yet the owner or owners still hold the legal and financial responsibility for the property if something goes wrong or is not attended to. Ultimately, to protect their property or home, building owners must still manage the property manager.

The cooperatives in this study are both low income and non-profit. The motivations for ownership in these low income limited equity cooperatives were control and affordability instead of the financial gain associated with middle or upper income co-ops. Since their budgets are

generally tighter than middle income cooperatives they are less likely to hire a professional management company. When outside managers are retained by low income cooperatives they are usually local community groups.

The use of local community groups as managers for five cooperatives in this study generally grew out of those particular community groups' assistance with those buildings during the conversion process. These community groups were non-profit organizations committed to the preservation of affordable housing and local communities instead of insuring profit and equity value. Additionally, these community managers had experience in the management of limited equity cooperatives and dealing with issues related to low income populations. Aside from property management experience, the groups had linkages with local community resources and experience dealing with government bureaucracies.

The cooperatively owned buildings in this study were either self managed by the shareholders through elected Boards of Directors or by local community groups. As can be seen in Table 4 the majority of the housing cooperatives in this study (10 or 67%) were self managed by a Board of Directors made up of resident shareholders. The remaining five cooperatives (33%) were managed by local community groups. Additionally Cooperatives 3, 12 and 14 had building

managers from inside the building¹, and Cooperative 6 retained an individual manager from outside specifically for rent collection and non-payment problems.

Regardless of the type of management, the majority of respondents in this study believed their cooperatives to be well managed. When asked to rate the current management of their cooperatives (ranging from very good to very poor) only one respondent rated management as very poor, and none as poor with the majority finding management to be fair, good or very good. Thus overall, the average rating of building management by all respondents was good.

The average rating of current management by cooperative can be seen in Table 4². In summary the ratings were as follows: in two cooperatives (13%) management was rated very good, in nine cooperatives (60%) it was considered good and in four co-ops (27%) it was rated fair. Table 4 depicts there were no discernable differences between ratings of the self managed as compared to those that were community managed. There were also no significant differences between the management ratings of old and new or small and large cooperatives.

¹ In Cooperatives 3 and 12 these individuals were also on the Board, while the manager in Cooperative 14 was not.

² It is important to recognize that given the high percentage of Board members in this sample ratings of the current management performance were at times self reflective.

Table 4Management Form and Rating

<u>CO-OP NUMBER</u>	<u>SIZEⁱ</u>	<u>AGEⁱⁱ</u>	<u>MANAGEMENT FORMⁱⁱⁱ</u>	<u>MANAGEMENT RATING</u>
CO-OP 1	Small	Old	Self	Good
CO-OP 2	Small	Old	Self	Fair
CO-OP 3	Small	Old	Self	Fair
CO-OP 4	Small	Old	Self	Good
CO-OP 5	Large	Old	Community Group A	Good
CO-OP 6	Large	Old	Self	Fair
CO-OP 7	Large	Old	Community Group A	Good
CO-OP 8	Small	New	Self	Good
CO-OP 9	Small	New	Self	Very Good
CO-OP 10	Small	New	Community Group B	Good
CO-OP 11	Small	New	Community Group B	Fair
CO-OP 12	Large	New	Self	Very Good
CO-OP 13	Large	New	Self	Good
CO-OP 14	Large	New	Self	Good
CO-OP 15	Large	New	Community Group C	Good

Both self and community managed cooperatives accomplished the necessary management functions with varying

ⁱ Small cooperatives had less than 20 units while Large had 20 units or more.

ⁱⁱ Old cooperatives were converted prior to 1988 while New cooperatives were converted in 1988 or later.

ⁱⁱⁱ Cooperatives 5 and 7 were managed by the same community group (A) located in the Lower East Side of Manhattan. Cooperatives 10 and 11 were managed by the same community group (B) located in the Clinton neighborhood in mid-town Manhattan. Cooperative 15 was managed by a community group (C) in the Bronx.

degrees of structure. Some of the Boards functioned more cohesively than others, and in several instances one Board member did most of the work. Though generally rare, in a few cooperatives committees made up of residents helped accomplish management tasks. Usually meetings were held to collectively make decisions, execute management tasks and keep shareholders both involved and informed. Yet as will be seen, the frequency of meetings varied over time and by building.

Meeting Frequency and Management Structure

Meetings are essential to the collective management of a cooperative. Typically in co-ops, information about the building is communicated to shareholders in meetings, which is where joint decisions are made. In theory, Board meetings should occur monthly. Additionally, at least once a year a general meeting should be held that includes all shareholders.

In reality, the ways which Board meetings were held, their frequency, and the participation of shareholders varied by building and over time. Meeting frequency was affected by the size of the cooperative, the form of management and current building conditions (especially as related to financial or physical crises). Meeting frequency was also influenced by the level of shareholder

participation which in turn was affected by leadership styles and the group dynamics among shareholders.

In most buildings, Board of Director meetings were reported to be combined with shareholder or "tenant" meetings so that in essence Board and shareholder meetings were the same thing. (In some smaller buildings, although there were elected officers, everyone was considered to be on the Board.) Although Board meetings were often open to shareholders, this did not necessarily mean they attended them. Due to how meetings were described by respondents, and the fact that meetings themselves changed over time, it was difficult to determine exactly who attended Board meetings. However it appeared that most of the time it was primarily Board officers who attended Board meetings.

Although all respondents stated that they had attended meetings when they were held, a few (12%) stated they attended only shareholder or general meetings, not Board meetings. When asked how frequently they attended meetings, the majority (73%) said they always went to them. Yet it must be noted that even though respondents stated they attended meetings, they could only attend meetings when they were actually being held. Thus even though the majority reported always going to meetings, if meetings were actually infrequent so was people's attendance at them.

In general, the frequency of meetings changed over time depending on what was happening in the building. For all

the cooperatives in this study, meetings were held more frequently when the building was being converted to cooperative ownership. During this process of conversion big decisions had to be made by building residents. When everyone had to vote if they wanted to own their apartments and become a cooperative, or when major repairs were planned or decided on, meetings were both more frequent and better attended. In general, meetings became less frequent over time after the structural aspects of management had been set up. This is depicted by Frank from Cooperative 4.

Well, when we first started to form as a cooperative, yes we had a lot of regular meetings because we had a lot of complications. Complications as you know having to set rules, set laws and by laws and everything. As it comes down to actually functioning you know, like a system we find that you have less meetings....

At the time of the study 47% of the cooperatives reported having meetings on a somewhat irregular or on an "as needed" basis (usually meaning they tried to have them every other month). Thirty-three percent of the cooperatives reported having regular meetings, usually on a monthly basis. However 20% of the cooperatives were not having regular meetings at all. The specifics can be seen in Table 5.

Table 5Meeting Frequency

<u>CO- OP#</u>	<u>SIZE/AGE</u>	<u>MANAGEMENT FORM</u>	<u>MEETING FREQUENCY</u>	<u>CRISES</u>
1	Small/Old	Self	Irregular	
2	Small/Old	Self	Irregular	
3	Small/Old	Self	Irregular	
4	Small/Old	Self	Irregular	
5	Large/Old	Community Grp. A	Regular	
6	Large/Old	Self	Not Having	Management
7	Large/Old	Community Grp. A	Regular	
8	Small/New	Self	Irregular	
9	Small/New	Self	Irregular	
10	Small/New	Community Grp. B	Not Having	Financial
11	Small/New	Community Grp. B	Regular	
12	Large/New	Self	Irregular	
13	Large/New	Self	Not Having	Physical
14	Large/New	Self	Regular	
15	Large/New	Community Grp. C	Regular	

As can be seen in Table 5, the majority (6 out of 7 or 86%) of those buildings having irregular meetings were small cooperatives. The majority of buildings (4 out of 5 or 80%) having regular meetings were cooperatives that were community managed. The fifth one with regular meetings, Cooperative 14, had an in-house manager (Linda) who was particularly effective and inclusive. All three cooperatives that were not having meetings were in the midst of either a management, financial or physical renovation

crises. Co-op 6 was essentially without a management decision making structure, Co-op 10³ was in the midst of a financial crises related to subsidy approval, and Co-op 13⁴ was undergoing a particularly difficult building renovation.

The fact that almost half of the co-ops were having meetings on an irregular or "as needed" basis illustrates how meetings tended to become less regular over time. This appears to be the case especially in smaller buildings which can use more informal means to communicate information rather than holding meetings per se. Meeting frequency also declines in small, older self managed co-ops as the big issues related to conversion became resolved and building management became more of a daily grind instead of responses to crises. Over time, Board members in small self managed co-ops can become tired of the management responsibility and the pressures of their daily lives can take precedence over the time required to conduct building management meetings.

In Cooperative 2, a small, older co-op in Brooklyn, respondents acknowledged that meetings should be more frequent. Although people were concerned about not being sufficiently informed, they could not seem to find a time when everyone could meet since they were all so busy. Carmen, the President, stated that at the beginning they met frequently because everyone was anxious, and everyone had

³ Profiled in the Financial Factors chapter.

⁴ Profiled in the Building Transformations chapter.

wanted to be President but "Now you can hardly get anybody to hold office."

The five cooperatives which were still holding regular meetings were community managed or had a paid resident manager who was not also on the Board⁵. Meetings in these co-ops may have been more regular because the building hired someone to be attentive to management tasks. A hired building manager is paid to insure that things are taken care of and regular meetings are held. Also community group property managers who lived outside the building did not have to combine cooperative management responsibilities with their personal lives.

However, having their building managed by an outsider does not mean that the cooperative's Board and shareholders have nothing to do with building management. In actuality, it is important that community managed cooperatives still manage their manager. Co-op 7 is community managed but considers it dual management since their Board must still sign the checks prepared by their community manager. Even though the community manager prepares monthly financial reports, as per Alisa, the Board speaks with them regularly to be sure everything is paid up. Also, the Board meets with the manager prior to quarterly general meetings with the shareholders in order to prepare an agenda.

⁵ Linda in Cooperative 14.

Crises, Meetings and Structure

Meetings are in many ways a focal point of the collective management associated with cooperative ownership. Meetings provide a structure and a forum for participation which is important for effective building management. Regular meetings facilitate the establishment of a standard way to share information and make decisions. This is especially important when stressful building situations arise.

Although building crises can sometime galvanize people to come together to solve problems, they can also exacerbate conflicts that already exist. When stressful building situations arise, strained social relations can become even more so, and meetings can become particularly difficult. When people stop coming to meetings, and participation drops, the co-op leadership sometimes stops having them. This is the case in Cooperatives 10 and 13 profiled below.

Cooperative 13 was one of the buildings not having meetings due to a physical building crisis. This co-op was ethnically cohesive, having all Latino residents, but had experienced a lot of conflict arising from the building renovation problems. This cooperative's President, Victoria, felt she did all the work, and other Board members interviewed agreed she was the one most responsible for management. She felt angry and burned out by the responsibility, and was not currently holding building

meetings since they were so contentious. Victoria explained:

Right now we haven't give no meetings until they finish the situation that's going on in the building because they are not in a good humor. They just want their services. It's not easy when you got kids and you don't have no bathroom and kitchen, and sometimes no water at all.

Similarly Cooperative 10 also was not holding meetings with shareholders, and was in the midst of a financial crises. Cooperative 10 also had strong leadership and little shareholder participation. This was exacerbated by a financial crisis where rents weren't covering costs. The cooperative was currently applying for Section 8 subsidies, but the process made some shareholders nervous and even uncooperative. The leadership was resentful that others did not participate or seem to understand the responsibility of cooperative ownership, and still had a "renter's mentality". Thus Gail and Ricardo (President and Vice President) did all the work, making decisions with the assistance of the community manager, but not with the help or input of other shareholders.

Cooperatives 10 and 13 both had strong leaders carrying too much responsibility which, combined with the low participation of other shareholders in the building, led to feelings of burnout and resentment. Physical or financial crises made social dynamics among shareholders strained, so that there was a lot of conflict at meetings, making them especially difficult to conduct. Probably to reduce stress

and since they felt they carried the management responsibility anyway, the leaders decided to stop having inclusive meetings and take care of things themselves.

However not having open or regular meetings meant shareholders did not get regular information about what was happening in the building, nor were they able to voice their opinions or vote. In some instances, this resulted in feelings of suspicion and mistrust. One respondent in Co-op 10 and one in Co-op 13 were displeased that people had moved into the building without their approval. They had understood that co-op ownership meant they were supposed to vote on who moved in, but since there were no meetings they did not get the chance to do so.

Co-op 6, a large older cooperative in the East Village, was the third building not having meetings. However, in this co-op the breakdown of meetings was not caused by a particular building crisis. Rather its problems were more historical; various forms of management had been tried, but no single structure had been adhered to.

Cooperative 6 was the oldest cooperative in this study, having been converted about ten years prior, largely through the efforts of Jeff who lived in the building and was a past President and leader⁶. It was located in the East Village

⁶ It is also the only cooperative in this study not actually an HDFC (Housing Development Finance Corporation) but was included in the study since it functioned as a cooperative with by-laws and resale restrictions.

of Manhattan, and although ethnically mixed, it had a majority of young white people who were politically active and had experimented with a variety of management types. Jeff admitted he had acted as a landlord in the early years, doing much of the work himself. It appears that over time the leadership was not necessarily elected, and sometimes decisions were made by consensus instead of majority vote, which can be extremely difficult to attain. Six months ago, after the last President got attacked for improprieties and resigned, no one wanted the job. Thus there was currently no way to make decisions for according to Jeff:

Since then we've been operating by means of a quorum of a building. Thirteen people to make decisions. And then a number dropped from the quorum so we haven't been able to make decisions for a few months. So we probably need, actually classes.

Since there was no elected Board in the building, the various management tasks necessary to keep the building running were done by several different people on a volunteer basis. More than any other building this cooperative also used ad hoc committees to get things done. Jeff stated he took care of the boiler and did fiscal tracking, someone else took care of repairs and renovations, and two people took care of bookkeeping and rent collection. The co-op also hired someone from the outside to do rent enforcement and evictions.

Jeff notes how important, and difficult, it is to develop good management and decision making structures.

That's probably the area where if there's resources it should be focused. Because the physical stuff is a snap. Financial stuff is a snap. It's the structural stuff that is so difficult. And that's, if I were to do it over again, that's where I'd focus my energies It really didn't dawn on me that this was the problem until later, and it was too late to do anything about it. I think that is very important. Some kind of structure where decisions are made.

Kendra, another past leader and Board member in Co-op 6, also feels that they need more structure to their decision making. Without a quorum she feels "... kind of impotent because we can't make decisions." Similar to what was found in the other buildings not having meetings, Kendra describes how a lack of management structure and rules can lead to distrust.

I think that this building to the extent that it hasn't had enough structure, there's been distrust I think. That it needs more structure I think. And it needs better bylaws that outline things like, when...the whole building voted on set of guidelines for expansion and selection of new tenants, that was great. People really felt good about that. But the effort had never been done before and that was really good. People do want input in it but they don't want to have to come to meetings. People don't like meetings.

The statements by Jeff and Kendra demonstrate the importance of management structure within which decisions can be made. If no structure exists for people to participate in decision making, people not in leadership positions may feel powerless (especially around tenant selection issues). On the other hand, when meetings are held and people don't attend them leaders can get resentful that others in the cooperative aren't sharing in the responsibility of management and helping to solve problems.

Despite the difficult nature of meetings and collective decision making, meetings are important to have since they are the place where management practices are operationalized.

Leadership, Responsibility and Participation

Integral to the management of any cooperative, whether self or community managed, is the role played by the elected Board of Directors. The primary management role played by the Board of Directors means that they usually inherit a heavy load of responsibility. Although in principle in cooperative ownership decisions are made jointly by shareholders by voting, in reality the majority of daily management tasks are taken care of by the elected Board of Directors, or often primarily by one or two people on the Board⁷.

Often the people perceived as being responsible for building management were leaders during the conversion process and elected to the Board. Although shareholders knew if the building was self managed by people in the building or a local community group, and that they themselves played a role in decision making, their understanding of exactly who was responsible for management

⁷ A Board of Directors usually consists of President, Vice-President, Treasurer and Secretary, although there can also be 'at large' members as well.

varied. Even if people said that the co-op was self managed and thus they themselves were responsible for management, many would also add that in actuality this or that person really did most of the work.

A little more than half (63%) of the people interviewed were currently on the Board of Directors⁸ (defined as elected officer positions) while almost half (42%) of the respondents currently considered themselves leaders⁹. Forty percent of the respondents considered themselves leaders in both the past and present. Similarly, 58% of those interviewed were on the Board of Directors both in the past and present. There was not much turnover in either the leadership or the Board of Directors of the cooperatives in this study.

It is interesting to note that being on the Board did not necessarily mean people considered themselves leaders. In Co-op 2, the two people who no longer considered themselves leaders were still on the Board, though not as active. In fact, 37% of those respondents who were on their co-op's Board of Directors did not consider themselves to be leaders. This suggests that even with a Board of Directors, the leadership and most of the decision making responsibility often fell upon one or two people. Being on

⁸ Sixty-five percent were on the Board in the past.

⁹ Forty-eight percent were leaders in the past.

a Board did not necessarily mean someone was actively involved with building management.

Individual psychological reasons for leadership are hard to discern, and not within the purview of this dissertation. At the same time, some factors related to cooperative leadership can be discerned. The people who became and remained building leaders were willing to give time and energy to their buildings. All had a sense of responsibility, and for some being in control was strongly related to feeling secure about saving, or keeping, their homes.

Leadership demanded availability, ability, interest and understanding. Leaders generally understood that other people in the building had different levels of interest in participating or understanding the work involved in managing the building. As noted by Linda the manager of Co-op 14:

Some people are more dependent upon someone else, and some people are willing to do a lot more work, and some people are a lot more educated. So its all according to the situation. So in here I have to be kind of like a leader cause a lot of them don't know.

There is a fine line between information, understanding and responsibility. Wanting to take responsibility for management in cooperative housing can also relate to feeling able to understand the complexity of the work that has to be done. Board members are usually the most knowledgeable about the structure of cooperative ownership and the specifics of their building's financial and physical

problems. They were often leaders during the conversion process, and involved with the details. Generally, leaders' feelings of responsibility are high, as is their understanding of the ramifications of certain physical or financial problems and how to solve them.

In contrast, shareholders differ in the amount of involvement and responsibility they wanted to have in cooperative management. At times this is related to feeling overwhelmed by the details, for financial matters can be complicated and bureaucratic. As noted by Renee, a college educated woman from Co-op 3 in the East Village, she did not go to building meetings at the beginning since:

...I wanted to live my own private life. I really didn't want to be involved with any one else, and all of the stuff made me really nervous. But then I realized I wouldn't be any less nervous by not knowing.

It was commonly acknowledged in these cooperatives that at times participation, or the sharing of responsibility for building management, could be limited. Greg from Co-op 11 stated that although the management is good "The internal structure is terrible. A few people work very, very hard. It's not distributed evenly, like all democracies". He noted that although certain decisions, such as those on the subletting policy, are ultimately decided by vote they are made "... badly. They are made like a democracy. Really slow. Sometimes, if something has to get done, we do OK. Outside of that, we suck, it's really hard..."

The lack of participation by others leads to frustration by leaders. For David, the President of Cooperative 11 in Manhattan, the frustration that some people are more responsible than others has made his feelings about cooperative ownership become a little more negative over time. As he explained:

It is a natural, like cream rising to the top, there are a few people who do things and get things done, there are people who go along for the ride. That means that the few people who do get involved have more responsibility and more work to do than the people who don't....and its frustrating because there is nothing you can do about it.

David goes on to describe how in cooperative ownership responsibility does not necessarily equal power or control over others since it is a collective, not individual, form of ownership.

Group decision making and very little hierarchy at least in the way it is set up on paper. So the reality is the people who are active and involved are the people who make the decisions, and so like anything else no matter what it is like on paper the people who are...involved have more responsibility. But I don't know if they really have that much more power....its more responsibility, more work, but I don't think that power comes along with that responsibility and work. You can do more work and still wind up just putting in more and not necessarily getting out more....If you are involved there is really no way that you can accumulate some kind of power in order, for example, to coerce or force someone else to do more work, there is really no stick.

Leaders or Board members cannot oblige other shareholders to participate in the work and responsibility of management in the non-hierarchical democratic setting of cooperative ownership.

Transition of Leadership

Only a few cooperatives showed any transition of leadership or change in their Board of Directors. In four older co-ops (2, 4, 6 and 7) respondents who had become less active or resigned were interviewed. Four people had stopped considering themselves leaders: Nelly and Jean from Co-op 2, Mark from Co-op 4 and Kendra from Co-op 6. Four people also reported resigning from their Boards: Jeff and Kendra from Co-op 6, and Alisa and Luis from Co-op 7. In only three co-ops (7, 14 and 15) were new leaders or Board members interviewed. Only one person, Rosalina in Cooperative 7, felt she was now a leader and this was related to having been recently elected as President of the Board. A total of three people were currently Board members now who hadn't been in the past; Rosalina from Co-op 7 above, Janice from Co-op 14 and Kevin from Co-op 15.

Knowing how much responsibility some leaders held, some respondents worried about the consequences if that person got tired and left. Kevin from Cooperative 15 is aware the tenants themselves don't do that much but depend on the management company and leaders in the building for "... if it was left up to the tenants in the building, I don't think they'd accomplish very much." Kevin raised concerns that the leaders aren't appreciated enough and wonders what would happen if they leave. His experience of cooperative ownership was:

I enjoy it, I'm quite impressed that it's worked out as well as it has, and people cooperate and all that. Having said that, I do have lingering thoughts, you know, what if 2 or 3 of our key people in our building decided to move?... I could see us having just 45 disinterested tenants and the place falling apart, and no one would have the initiative to go anyplace to keep any commitments. I don't see that on the horizon, but still it is a lingering thought.

His fear is somewhat reflected by the fatigue and resignation noted by Janet, Co-op 15's Treasurer and leader. She describes how her involvement is partly due to her availability for the work involved since she is elderly and retired. Janet addressed issues related to the transition of leadership in her response to how involved she was with building committees:

...I don't have that much strength or energy or time. So I'm trying to get other people involved....The thing is that...most of our Board members, have left. And so we've had these new people, but they weren't here...for the purchase. We're getting the young ones now interested ...only thing is they're not available during the day because they're either working or going to school and so they can't go to these different meetings. So that's why a lot of it falls on me during the day because I'm really about the only one...a lot of these elderly people, they won't go on subways. And they also are on disability so they can't, you know. So there really is no one....but the little jerk here who can do it. And I'm willing to do it, but I mean ...they're kind of stuck with me in a way, you know ?

Getting others involved is important in the transition of leadership. However, part of the problem has to do with being able to transfer knowledge about the building and cooperative which is often intricate and was gained with experience over time. As mentioned previously, leaders were usually involved with the conversion process, and knew a lot

about financial particulars. They had experience with the different bureaucracies, knew who to call for what, and how to solve various problems. Additionally, the legal aspects of property ownership can make it difficult for people unfamiliar with their complexity to understand.

Becky in Cooperative 12 makes the point that it is typically through meetings that information is imparted. Thus it is particularly important to attend them to insure continuity of knowledge and leadership. As she described:

It's coming to this meeting, and yes it may be boring, and you may not want to know all this information, but that's what it is, so that you can get educated. If Diane died tomorrow there are at least two other people who can pretty much do together what she is able to do, and you need that continuity of leadership. If not exactly to a tee but at least to know the technical areas....so that when it's passed on...there are other people within the building that can make contact with the agencies that we had to deal with over the years.

Kevin, who is a new at-large Board member in Cooperative 15, acknowledges how the amount of information he receives relates to what he can understand. When asked if he was informed by the Board he responded:

Well, as much as I want. If I was better educated, say like Janet, and could really get into it and know all about the loans and everything she's talking about when she goes to Fordham University....And, if I could grasp the whole big picture then I would like to be kept informed about everything, but as it is, I'm only just a little bit, just one cog in the wheel, you know, I try to do the best I can.

Alisa from Co-op 7, who had held various positions on her cooperative's Board continuously for the past eight years, was not a Board member at the time of the interview.

Her resignation was in part to force other people to become less dependent on her, and more involved with the management so they could learn about it. She explains why she resigned from the Board.

One because I felt that a lot of people were becoming sort of dependent on me performing this function over and over again. And, I felt that the more people who become involved and hold position in the building... they would be better together. Because I have benefited from being on the Board and being part of it and I have grown with it and I feel that everybody should be part of the Board. Today nobody really knows what it takes to run the building and once you do that then I think that people become more committed...

Involvement, Information and Influence

Becoming involved with cooperative management, either as a leader or a participant, affects feelings of influence. Yet feelings of influence are not simple to explain. In part they relate to being involved with management, yet since it was cooperative ownership, there was often an acknowledgement that each person could only have some influence since they were only a part of the whole. Feelings of influence could also arise from meeting attendance and receiving information about the building. Yet, the information received is in part determined by what can be understood as well as feelings about who is delivering the information. Information and influence are affected by individual personalities, and as will be seen in

the next section, the social dynamics in the cooperative can relate to feelings of community and conflict.

Building information can be communicated in various ways. Although it can be passed informally, it is typically disclosed during meetings. (Generally verbally since minutes and financial reports were not usually regularly distributed). Thus attendance at meetings affects both the receipt of information and the ability to have influence in decision making. The previously reported finding that everyone stated they attended meetings (if not Board meetings then shareholder or general meetings) is probably related to the majority of respondents (88%) stating they received building information.

Most respondents felt that they had either a lot or some influence (the overall average was "some"). Forty percent felt they had a lot of influence, another 40% reported they had some influence, while only 12% felt they had little and 8% felt they had no influence. Those who reported having a lot of influence were often building leaders who essentially managed the building and knew that others came to them for guidance. Sixty-eight percent of those people who currently considered themselves co-op leaders felt they had a lot of influence. Yet 23% of those building leaders felt they only had some influence. People who felt they had some influence usually acknowledged that in cooperative ownership no one person has total control,

but rather each person has only a share of influence related to their vote.

The four people (8%) who felt they had no influence also reported getting no building information¹⁰. Three of these four people attended only shareholder meetings, and felt that they did not really know what was going on in the building. They weren't getting information, and even if they did were suspicious as to its accuracy. In general these four people who felt they had no influence also tended to feel the most negative about the social dynamics in the building and were the most disgruntled and dissatisfied with cooperative ownership.

The relationship between meeting attendance, getting information and having influence through a vote is evidence by the comment by Ellen in Co-op 14. She believes that in her co-op having influence is not specifically dependent on being on the Board since information is shared at meetings. Ellen stated that "... anything done about the building is being brought up at the meetings....Any tenant that comes to the meetings would know as much as any Board director knows." She believed feelings of influence were related to both attending meetings and speaking up at them.

It depends on who you ask. I would say they do have as much influence if they're at the meetings to decide. If they came to the meeting and voiced their opinion they would definitely be heard. And any decisions, or

¹⁰ Nelly from Co-op 2, Rose from Co-op 10, Bill from Co-op 12 and Pam from Co-op 15.

thoughts that they had, or any ideas would be voted upon. But basically, it's usually that people that say, no I don't have any influence are people that come to the meeting and don't have any input into it. And then after the meetings they're the ones walking around with the sour face, "why did they do that and why don't they do that ?".

The general understanding was that in cooperative ownership shareholders vote and the majority rules. Despite frustrations with the group decision making process, people were very clear that as shareholders they had a vote and the right to voice their opinion on important things, or at least they should have. In fact, not being able to express their opinions or vote on what was going on in the co-op led to feelings of anger and dissatisfaction for a few people. At the same time it must be acknowledged that speaking up at a meetings did not guarantee that people felt heard, or that their opinion mattered, especially if they were in the minority.

Difference in Decision Making

The particular way decisions got made varied in different cooperatives. Even though decisions were usually made during meetings by majority vote, they could also happen in other ways. Shareholders could be informally canvassed, or in a few instances a leader would decide what needed to be done and then inform the shareholders.

The participation of shareholders in decision making could depend both on the immediacy of the problem, the style

of leadership and the frequency of meetings. This can be seen in a comparison between Linda, the resident building manager of Cooperative 14, a large primarily African American building in Brooklyn, and Diane, the President of Cooperative 12, a large ethnically mixed building in the Bronx. Both buildings were large and new, but meetings were regular in Co-op 14 while in Co-op 12 they were not. When confronted with problems that required immediate action, these two women leaders described tonally different attempts to involve others in solving the problems.

The inclusive involvement of others in the decision making process is described by Linda from Cooperative 14. This building had regular meetings, a defined management structure and strong tenant participation.

We give the tenants the opportunity to make decisions....I give them an opportunity to make the decision, but when I present something to them and they don't respond to it right away, you can't wait. Sometimes you just have to go ahead and do. I can understand how that could happen. But we try not to let that happen. I especially try not to let that happen. I stress that all the time. You're a part of this, and I'm your employee actually. But you're a part of this, and you have the say so, you make the decisions.

This perspective can be contrasted with Diane from Cooperative 12, which was not having regular meetings partly due to low participation. The decision making described by Diane below depicts the influence of a repair crises as well as a different style of leadership than Linda from Co-op 12.

The executive committee does most of it, unless it's some really, really big important decision, in which

case we throw it open to everybody but they usually say you decide Diane. But I try....When we're going to co-op, everybody had a say. When we borrowed the money everybody had a say on it. This last loan we didn't bother because there wasn't any choice. It was either that or the building would of dissolved. I stood in the halls with buckets of water from that roof all through hurricane Bob.... Believe me it was not something we could talk about, we had to do it.

In this co-op, low shareholder participation led to a different way of making decisions. As Mike (from Co-op 12) described when asked how much people worked together:

...there hasn't been that kind of a concentrated [attack] on problems by the community, by the body of people. It hasn't been done that way, it is more a case of making problems known to the tenants by the management and they're made aware of what to expect, what's coming. There isn't...too much that could be said by way of tenant input...

Diane stated she tried to include shareholders in decision making: "We have made that very clear. Anybody who wishes to participate in the management of the building or have a say, they are perfectly welcome and I have gone around begging, nudging, it doesn't help." By necessity, low participation and infrequent meetings led to a more informal way of communicating information to shareholders. Yet Diane acknowledged problems in the way information was disseminated as well as the decision making process. Due to meetings with shareholders not being held anymore:

We tried to but we find that we don't get very much attendance, so I found the best way to acquaint everybody is to simply go around and buttonhole people, simply knock on doors. They come to pay the money, and I say wait a minute I have something to tell you. That's mostly the way the information gets around, if it doesn't come from me then it comes from the other Board members or by word of mouth. We have a few

people who just don't want to know and we have a few if they knew wouldn't assimilate it.

Yet she acknowledged that although:

I am kept informed by the Board, I don't know whether anybody else feels that, they may not feel that. I think that there are two problems, one is that not everybody by word of mouth gets the news at the same time and the other is that not everybody remembers that they have been told.

Similar to Co-op 12, Co-ops 8 and 9 were also new co-ops with infrequent meetings and an informal way of communicating information. However these cooperatives were small and cohesive, and seemed able to involve other shareholders in the decision making process without formal meetings. Co-ops 8 and 9 were small buildings of six units each located next to each other in Brooklyn. Both had all white residents who had lived there a long time (some who were actually related).

In these co-ops residents would usually hold informal and infrequent or 'as needed' meetings in the hallways to decide things. In fact, similar to Co-op 12, it was admitted that many times meetings were not really to make decisions through voting, but rather for the leaders to inform shareholders what had to be done and be sure of their approval. Yet both Cooperatives 8 and 9 had the highest average ratings of people working together, with everyone interviewed in Cooperative 9 reporting they felt everyone worked together all the time.

These feelings were related to having trusted leadership who made decisions, but still being informed about what was going on. Pauline, from Cooperative 9, is the building leader and President and clearly solely responsible for the management. "Well, my dear friends and neighbors they always elect me to be the head chief, they trust me. " Yet when asked if she considers herself a leader her response was:

Well, I don't know what you mean by leader but if there are problems we talk about them, if it's something major I tell them what I am going to do....If you can manage it with the money, if you can't then don't do it....Being a 7A, President, they leave everything up to me to do what I think is right, which is what they do.

Although she is essentially solely responsible for building management, other shareholders are still included informally in decision making. An implicit feeling of social solidarity is easy since they are so often together, and also because the building is so small. As Pauline stated "When something changes we get together and talk about it...we are together all the time, we are out the window or on the stoop, and if something is going on we talk about it."

Similarly in Cooperative 8, Donna notes how there is a feeling of family in the building related to the length of residence. As she stated "We're not neighbors, we're all family in the building. Everybody's been here for 15 years or better." Yet she felt that cooperative ownership, by

creating a structure where decisions had to be made jointly, brought them all closer together. For Donna being an cooperative owner meant:

You get to know each other a little bit better, you have to have Board meetings. It's hard because we did it anyway before. We used to have meetings and go down the halls hey you, yeah, call him up, you know? Everybody just came out. Everybody is more united I guess you would say together. They have to make decisions on things together now. You are a part of what is being done.

Working Together, Conflict and Community

Decision making takes a lot of time and effort, requires commitment and compromise, and was repeatedly mentioned as one of worst things about cooperative ownership. On the other hand, it was also acknowledged that the work involved to reach collective decisions could also build a sense of community. In fact, much of the meaning of cooperative ownership is related to the collective form of management.

Alisa in Cooperative 7 exemplifies many respondents who commented that group decision making is difficult and takes a long time since it involves so many people and requires compromise. As she explained, "You have to do what is good for the entire building and what is good for the majority of the people in that building, not your personal preference". Due to this fact, Alisa described cooperative ownership as chaotic and something that requires courage and commitment.

I would say that unless you are really sure and it's worth it don't do it, buy a house in the country somewhere. It's hard dealing...with 40 different opinions. We have some meetings that are just...yelling and screaming going on that you wouldn't believe. The most uncivilized behavior goes on. You have no idea how crazy it can become, it can be really frustrating. But if it came down to it I would say look if you have the courage, you have the time, and you are willing to put in the effort, then in the long run I think it is worth it, it's worth the hard work. But it's not for everybody.

At the same time, for Alisa it was the struggle of people trying to work together collectively that led to "the feeling of family, the unity". Although she acknowledged its difficulty she felt that "It's always like what makes it frustrating sometimes, it's really what is good about it too....The challenge it's good, the fight." For her, a positive aspect of co-op ownership was that coming together at meetings led to people feeling more connected and having more control than with a landlord.

...I also like the idea that the people around you, you hope that they are just as committed as you are. And you are sort of like a family, a unit. You know you see the same people at the meetings, you see the kids growing up. But I guess that's true in every building except because we own it we don't just simply pass each other in the hallway, we have to see each other for meetings, etcetera, and we all come together. I like that part of it. And, I think that is nice, even though you never really get people, a group of people, to agree. But, it is much better than paying rent to a landlord and have no say in it, at all. I mean, it's nice like when we were going to do the hallways and we got to choose the colors. Okay, we took it to a vote but it was fun to do it. It makes you feel important.

Other respondents also recognized how the challenges of cooperative ownership can at the same time lead to social solidarity. This pro and con aspect of co-op ownership is

also clear in comments by Joanne from Co-op 6. Similar to Alisa, she describes the difficult work involved in the cooperative ownership of a building, especially when it is self managed.

All of the functions that are performed by people who worked for landlords, really sort of now have to be done by people who live here. And that does take a lot of time and energy. And making decisions takes a lot of time and energy. And conflicts that occur can be very upsetting to each of us and all of us, and that takes some, takes a great deal of work and some patience. It's not easy. Difficult way to live, it's not an easy way to go.

As noted earlier, Cooperative 6 was currently in the midst of a management crises. Joanne originally believed that everyone would work together equally in the cooperative, but she was disillusioned by the current fragmentation and lack of participation in management. (She used to attend meetings regularly but had stopped going for emotional reasons.) Yet as aggravated as the co-op's meetings can make her, she still felt it was better than having a landlord (an opinion voiced by the majority of people in this study). Her strong contrasting emotions about cooperative ownership are portrayed below.

I will never go to another one of those meetings....You think you don't hardly don't pay any rent, but boy do you pay emotionally, do you pay psychologically, you pay physically, you pay in every other way....You know, I feel like my blood vessels are going to break. I get angry and all this stuff, but hey, you know, it beats living on the streets. And beats living in a landlord building that every other month they tell you that if you have a roommate you can't live in the apartment it beats a lot of other living situations no matter how horrendous it is.

For Joanne, cooperative ownership grants a sense of housing security for both herself and others in the building. This security is intimately connected with collectively working together and caring for each other. As she stated:

...it can give all of us a sense of security in a world where homelessness reigns. One thing about us is, in the building...we do seem to have a great concern about people who are having you know, financial problems or emotional problems or whatever....Once people are here, and they're having problems, people do work together... at least to keep a roof over everybody's head that's here.

The collective work of management in cooperative ownership can affect the social relations between building residents. In addition to examining the structural aspects of management, and how decisions were made, this study explored social dynamics and relations between respondents. People were asked if they worked together, had conflicts, got along with each other and if there was a feeling of community in the building.

Despite the conflicts brought up by decision making, the majority of respondents (92%) believed that people got along with each other and that they individually got along with the other people in the building (98%). However "getting along" was usually interpreted as people in the building being civil in their daily interactions with each other.

The majority (81%) also felt that there was a feeling of community in the cooperative which was attributed to many

things. In part, it was influenced by what the people in the building had gone through together when the landlord abandoned the property. Tom from Cooperative 11 felt the building was like a family "Because it's the same thing like war buddies, we went through such garbage together, so just that kind of going through hell a bond forms." For many people the sense of community was directly linked to having had to work together cooperatively.

However, the feeling of community could also be affected by familiar relationships with other residents which developed over time, since the great majority of people in this study had lived in their buildings a long time¹¹. Gail is a leader from Co-op 10 who, though generally dissatisfied with the fact that people don't work together as a cooperative, still feels that the building is a community or family. For her this was more related to living together for many years than actually working together cooperatively. As she states "I think really we all have lived together for so long that we all feel close....Has nothing to do with them cooperating with the building or anything like that."

When ratings of community were examined by building, some interesting patterns emerged. In nine cooperatives (60%) all respondents felt there was a feeling of community,

¹¹ Average length of residence in buildings was 15 years.

as did the majority in another three co-ops (20%). However, the three buildings where the majority (or at least half) of the respondents did not perceive a sense of community were the same co-ops that were not having meetings¹². (See Table 7.) This characterizes how having meetings can interact with feelings of social solidarity.

For some respondents, a feeling of community or family is necessary in order for the building to be successful as a cooperative. For Liz from Co-op 9, the fact that people get along in the building is significant and helps to explain her satisfaction. She described cooperative ownership as:

I would tell them, you know, like the people next door over here that had the same situation with their landlord and we told them that the tenants should get together and do something about it. I told them first of all the people in the building have to get along before you can even start up anything and then you have to have people that you can count on. I told them if these people don't get along then you just might as well forget about it.

Similarly for Janice from Cooperative 14, coming together as a family was an important first step to becoming a cooperative. This involves trying to work things out with neighbors. When asked to describe what cooperative ownership was she stated:

I guess I would explain to them about first becoming a family. The building itself, the tenants in the building becoming a family. Then, let them work from there. Once you become a family and you get to know one another, you start exchanging ideas and things like that. I believe if you don't become a family there's no way for you to become a co-op. Because there's

¹² Co-ops 6, 10 and 13.

always one sour apple in the bunch....And you can work things out, if everyone gets together and tries, like with my neighbor upstairs, we try. At least there's an effort being made. So it's not really that bad. I look at it and say it could be a lot worse.

The family analogy also implies that people are interdependent and must work together, that there is joint responsibility. Janice stated that cooperative ownership:

...means that with the help of the other tenants as far as maintaining the building, paying their rents and dues and those things on time that's the cooperative part, we'll all be able to own the building. I can't do it by myself and no one else in here can do it by themselves either. So if we all work together we'll own the building. If we don't then the bank will foreclose on their loan and they'll own the building.

Generally, most respondents felt that people tended to work together to solve problems affecting the cooperative and that conflict was relatively rare. Forty-six percent believed that people worked together on problems affecting the cooperative always or often did, while 57% felt that conflicts in the building were seldom or never. (See Table 6 for the specific ratings.) However, twenty-seven percent rated both working together and conflict as something that people "sometimes" did. This rating was associated with comments that how often people worked together or had conflict was somewhat dependent upon the particular situation.

Table 6Working Together and Conflicts Comparison

	NEVER	SELDOM	SOMETIMES	OFTEN	ALWAYS
WORKING TOGETHER	15%	12%	27%	21%	25%
CONFLICTS	21%	36%	27%	10%	6%

Additionally, the size and age of the cooperatives had some affect on the ratings of conflict and working together.

Small co-ops were more likely to report never having conflict (38%) than large co-ops (7%). On the other hand, older cooperatives rated conflict as something that often or always happened (25%) more so than new cooperatives (7%).

When averaged responses of working together were compared with conflict within each cooperative, it also appears that in most co-ops feelings of working together were generally higher than those of conflict. The majority of cooperatives (10¹³ or 67%) had average ratings of working together greater than conflict. However three co-ops¹⁴ (20%) had ratings of working together the same as conflict, and two co-ops¹⁵ (13%) had a higher rating of conflict than working together. (See Table 7 to follow the discussion.)

¹³ Cooperatives 1, 2, 4, 5, 7, 8, 9, 11, 14 and 15.

¹⁴ Cooperatives 2, 10 and 12.

¹⁵ Co-ops 6 and 13.

Table 7Social Dynamics and Meetings

<u>CO- OP #</u>	<u>WORKING TOGETHERⁱ</u>	<u>CONFLICTⁱⁱ</u>	<u>COMMUNITY</u>	<u>MEETING FREQ.</u>	<u>CRISIS</u>
1	Often	Sometimes	All Yes	Irreg.	
2	Sometimes	Seldom	All Yes	Irreg.	
3	Often	Often	Maj. Yes	Irreg.	
4	Often	Never	Maj. Yes	Irreg.	
5	Often	Sometime	All Yes	Regular	
6	Seldom	Often	Maj. No	None	Mang.
7	Sometimes	Seldom	All Yes	Regular	
8	Often	Never	All Yes	Irreg.	
9	Always	Seldom	All Yes	Irreg.	
10	Seldom	Seldom	Maj. No	None	Fin.
11	Often	Sometime	All Yes	Regular	
12	Sometimes	Sometime	Maj. Yes	Irreg.	
13	Seldom	Sometime	Half No	None	Phys.
14	Often	Sometime	All Yes	Regular	
15	Sometimes	Seldom	All Yes	Regular	

The fact that three co-ops (3, 10 and 12) rated working together the same as conflict portrays how feelings of solidarity can exist simultaneously with conflict (which was described by people above). However, these co-ops were also having more problems than others, and this was reflected in the perception of social dynamics where conflict occurred as

ⁱ Averaged rating of working together by co-op.

ⁱⁱ Averaged ratings of conflict by co-op.

frequently as working together to solve problems.

Cooperative 3, which rated both as "often", was having a power struggle in the building which related mostly to a controversy over resale restrictions¹⁸. Cooperative 12, which rated both as "sometimes", was a co-op which has been described in this chapter and others as having problems.

The leadership style is not inclusive, shareholder participation is low, meetings are irregular and the building has had both financial and physical difficulties.

Cooperative 10, which rated both working together and conflict as "seldom" (denoting minimal interaction), was in the midst of a financial crisis and not having meetings.

The two co-ops, 6 and 13, which both rated working together as less frequent than conflict were also not having meetings. All three co-ops, 6, 10 and 13, which rated conflict equal to or greater than the effort to work together, also had half or the majority of respondents feel that there was not a sense of community in the building. Thus having conflict and not working together appears to be related to the sense of community in cooperatives.

It is apparent that the collective aspect of cooperative ownership involves both working together and conflict. How people feel about these social dynamics in their cooperative apparently also affects how they rate the

¹⁸ The specifics are depicted in the Resale Chapter.

sense of community. Working together, conflict and community are interrelated.

Similarly, these indicators of the social dynamics in co-ops are associated with meeting frequency, building problems and management practices in general. However, it is difficult, if not impossible to say which came first, or that one thing clearly affects the other. When shareholders aren't getting along, they are less likely to go to meetings, yet when there are no meetings to go to they don't feel included in management. Building conflicts can be made worse by various crises, and the style of leadership in a cooperative can affect shareholders' involvement in management. Cooperative ownership involves a collective form of management where management practices are affected by the social dynamics between shareholders.

Summary

This chapter has examined the process and structure of management in cooperatively owned housing. Whether self or community group managed, people in this study generally considered their cooperatives to be well managed. For the majority of buildings meetings were being held either regularly or on a somewhat regular ("as needed") basis. The majority of respondents stated they attended meetings when they were held, felt they got building information and

generally had feelings of influence in the cooperative's management.

In general, respondents in this study were involved in the management of their cooperatives in some way. About half of them were leaders, and a little more than half were on their Board of Directors. The democratic management structure of cooperative ownership is realized through an elected Board of Directors and open meetings. Although many people participated in management through decision making at meetings, leaders and Board members still held the most responsibility for building management. Over time this responsibility could weigh on leaders, especially when combined with low shareholder participation.

There is a relationship between leadership and knowledge, understanding and experience. Cooperative ownership can be difficult to understand, as are various aspects of property management tasks. Thus cognitive understanding and interest can affect the ability to lead or participate in management.

Collective decision making is one of the most challenging aspects of cooperative ownership. It is usually through meetings that information is imparted and collective decisions are made. But decision making is affected by more than the simple frequency of meetings. How decisions get made is affected by leadership styles, participation levels, current building conditions (both financial and physical)

and the social dynamics between shareholders. Decision making requires commitment and compromise, but it can also build a sense of community. In many respects, it is in the realm of management where the essence of cooperative ownership is defined.

PART III

THE EXPERIENCE AND MEANING OF COOPERATIVE OWNERSHIP

CHAPTER 9

COOPERATIVE OWNERSHIP EXPECTATIONS AND EFFECTS

Individual meanings of cooperative ownership are undoubtedly influenced by factors evident at the building level. The prior chapters have examined how financial, physical building and management factors influence residents' experience of cooperative ownership. This chapter will explore how the meaning of cooperative ownership relates to expectations and feelings about cooperative ownership and home ownership in general.

Strong cultural ideals about the value of home ownership pervade American society with the presumed preferred form of tenure being the private ownership of a house. This chapter examines and compares preference for the cooperative ownership of an apartment with that of the private ownership of a detached home. Individual ownership histories and previous experiences with home ownership are investigated, as are respondents' desire for home ownership in general.

Surprisingly, given cultural assumptions, not everyone interviewed desired private ownership. Some respondents actually felt more secure with the shared financial responsibility of cooperative ownership. Others might have preferred living in a house, but were not willing to leave

the city to do so. This chapter examines how the desire for private home ownership was in many ways linked with the physical reality of living in a house.

The cooperative ownership of an apartment is presumed to be significantly different than the private ownership of a house. Certainly cooperative ownership is legally a more collective form where decision making, responsibility and control are shared. In contrast, the private ownership of a house has more independent control and responsibility. Yet respondents perceived responsibility to be intimately related to home ownership whether it was the private or cooperative form.

This chapter explores how people actually experienced cooperative ownership. Given the portrayal of cooperative home ownership as a middle ground between owning and renting, an investigation was made as to whether cooperative owners felt like owners, renters or something in between. Feelings of control and security as an owner were compared to being a tenant. Expectations about co-op ownership were examined, as were how feelings about ownership may have changed over time. Whether or not cooperative ownership affected people's lives was analyzed. Finally, general satisfaction levels with apartments, building and neighborhoods were examined, along with whether respondents believed ownership changed their feelings about their apartments, buildings or neighborhoods.

Security and Control

This study's intention was to investigate the psychological aspects of ownership, in particular the feelings of security and control presumed to be associated with low income cooperative ownership. Prior chapters identified how feelings of security and control are affected by financial, physical building and management factors. A primary motivation for the conversion to cooperative ownership, which was not to have another landlord, was clearly associated with the desire for more control and security.

Significant differences were found when respondents rated their feelings of security and control as an owner versus a tenant¹. More specifically, respondents were asked how much they felt a sense of security, in the sense that they would not lose their home. As can be seen in Table 7, respondents reported feelings of security are much higher as an co-op owner than when they were a tenant². As cooperative owners the majority (79%) of respondents felt a lot of security, while as tenants almost half (43%) had felt

¹ These ratings were given retrospectively, and were not an actual repeated measure before and after ownership.

² Three respondents had not been tenants in the building prior to cooperative ownership. Thus the total sample for the tenant security and control question was 49.

no security. As cooperative owners, all respondents felt some or a lot of security.

Table 8
Security and Control as a Tenant and Owner

	AS A TENANT				AS A CO-OP OWNER			
	NONE	LITTLE	SOME	LOT	NONE	LITTLE	SOME	LOT
SECURITY	43%	18%	29%	10%	0%	0%	21%	79%
CONTROL	45%	20%	29%	6%	0	12%	38%	50%

Respondents' greater feelings of security as owners were often in comparison with their experiences as tenants. Security related to the sense of control people felt as owners, and was associated with their attachment to place and the easing of displacement fears. Alisa from Cooperative 7 felt a lot of security as a cooperative owner. She bought her place, in part, so that she could never be put out again. As she stated:

I know now that I can live out my life here and there is nobody that is going to come the next day and say sorry you are too old, or sorry but I need this place for my sister or my brother. I know I am secure in that feeling. That's what I mean by it goes beyond security. It's like it's important to know that you can come home and you can lay your head on your pillow and say this is my house. You never really feel that way about a place that you rent.

To examine feelings of control, respondents were specifically asked if they felt they had personal control over conditions in the building. The differences between feelings of control as a tenant or an owner, though significant, are not as dramatic as for feelings of

security. As owners, one-half (50%) felt a lot of control, while as tenants, 45% of respondents felt no control. Yet the great majority of respondents (88%) felt some or a lot of control as cooperative owners.

Feelings of security increased with ownership since they were associated with no longer having a landlord control their homes at both a financial and physical level. However feelings of personal control, though significantly increased as an owner, were colored by the collective nature of cooperative ownership. People were aware their personal control over building conditions could be affected by other owner shareholders who lived in the building.

Feelings of security and control appeared to be affected by respondents' roles within the cooperative's management. Ninety-two percent of leaders and 83% of Board members reported feeling a lot of security. The majority of leaders and Board members (62% each) also reported feeling a lot of control, in contrast 46% of non-leaders and 60% of non-Board members who felt only some control. Even though leaders and Board members acknowledged that their control was ultimately shared with others, their involvement with building management and decision making gave them a lot of control over conditions in their cooperative.

The great majority of respondents rated control and security higher as cooperative owners than as tenants in the building. However, a few people felt the same amount of

security and control as both a tenant or co-op owner³. Feelings no different in terms of security or control was usually associated with the tenants having been in control of building management, often via a tenant association or 7A Administrator, prior to the actual conversion to cooperative ownership. This was certainly the case with David from Co-op 11, a building over which the tenants had legal control almost immediately, who felt a lot of security and some control as both a tenant and owner. A couple of times people remarked that even as a tenant they knew their legal rights and so they could not be evicted easily.

For only a few respondents, similar security and control ratings mean they did not perceive much of a difference between being a tenant or an owner. Often these feelings were related to dissatisfaction with the cooperative's management. Rose from Co-op 10 and Pam from Co-op 15 felt the same amount of security and control as both tenants and owners. As both a tenant or owner Pam felt "some" security and control, while Rose felt "some" security but only a "little" personal control. Both Pam and Rose reported feeling more like renters than owners, and they were not happy with the management of their cooperatives. These two women had something in common with Nelly from

³ Seventeen percent rated security the same, while 13% rated control the same as both a tenant or owner. The ratings were "some" or "a lot" in both instances, except for Rose noted below.

Cooperative 2, who was the only respondent who felt she had less control (some) as an owner than as a tenant (lot). All three women were part of a small minority who felt they had no influence in their building's management and received no building information.

Pam's feelings of security were directly related to her concern about the co-op's ability to handle the financial responsibility of ownership and building management. She did not feel more secure as an owner, and only felt "some" security since she believed the cooperative had a:

...chance of losing the building...greater now than it was when the landlord had it. I feel that a landlord knows what he's doing. I know that as a co-op owner, we try to learn these things, but we're in the learning process. And I'm just hoping...we don't lose it all.

Also related to financial responsibility, Pam seemed to have even preferred having a landlord⁴. For as Pam explained:

I feel that renting from a landlord has the advantage that you pay your rent and then all the problems are his. If you don't have enough money to fix the boiler, that's not my problem. That's their problem....When you own it, you kind of feel that people are saying, we really don't have enough money for this. What's going to happen now? If we don't have the money for it?

At the same time, Pam preferred cooperative to private ownership. She felt increased security in the fact that in a cooperative, if there is a problem people can pool their

⁴ Pam's preference for a landlord might be affected by the fact that Co-op 15 did not have a 'bad' landlord and the building had been in good physical shape at the time of conversion. This conversion came about when the landlord died, and was intended to prevent speculation and rent raises.

money. In addition, she believed that the money wouldn't come out of their own pockets, but from the maintenance charges, "and if there isn't enough money it can be financed, hopefully".

As can be seen above, responsibility is intimately connected to feelings of security and control. The greater amount of responsibility held by leaders and Board members resulted in higher ratings of feelings of security and control. People's feelings about responsibility, and their desire for control, can affect their inclination for home ownership. For many respondents, the preference for a form of tenure, be it private, cooperative or rental, is associated with a predilection for a certain type of control and responsibility.

An Owner, Renter or Something In Between

In order to explore how the experience of cooperative ownership compared to other forms of tenure, and if co-op ownership was experienced as a "middle ground" between owning and renting, respondents were asked if as a cooperative owner they felt like an owner, renter or something in between. Interestingly, an equal number of respondents felt like either an owner (46%) or something in between (46%), while only 8% of respondents felt like renters. Feeling like an owner appears to be associated

with feelings of control, and in a cooperatively owned building that can mean involvement in management. Fifty-eight percent of those who felt like an owner were building leaders, while 54% of those who felt like something in between were not leaders.

Alisa, a past President and leader from Co-op 7 (who felt like an owner at the time of the interview) describes how over time she felt like a renter, something in between and finally an owner. Her feelings shifted as her level of involvement changed and she learned about ownership and building management. As she stated:

When it first began and I was not involved with the actual running of the building, when I didn't know what the bills were paid for, I felt like a tenant. And then I started getting involved with the Board and started seeing what it was all about, I felt like something in-between. And then after being here for 10 years now, and having been the president for 6 of those years, I feel like a true owner because I have the power to like tell people get off my stoop and at those times it feels pretty good.

Only four people (8%) stated they still felt like a renter. For Pam and Rose above, this was due to not having enough input into how the building was being managed. But for Ricardo from Co-op 10 and Tony from Co-op 8 feeling like a renter had to do with the fact they believed they were still paying rent.

It is hard to discern exactly what made people feel like owners as compared to something in between as a cooperative owner. Respondents who felt like owners had only slightly stronger feelings of having a lot of security

and control (12% higher for each) than did those who felt in between. Similarly, more than half of both those who felt like owners or something in between would still prefer the private ownership of a house. Sixty-four percent of the men in the sample felt like something in between, as did 58% of the White respondents. Fifty-five percent of the women reported feeling like an owner. Ethnically, the majority of African American (55%) and Hispanic (60%) respondents reported feeling like owners.

It appears that those who felt like "something in between" as a cooperative owner were more sensitive to the shared nature of responsibility and control in a cooperative setting. Mark from Co-op 4 felt like something in between because although he still paid rent, as an owner he had control over apartment renovations and could do what he liked with his apartment. Most people noted that although they had a say in decision making, and thus some control or responsibility, it was not as total as with private ownership. As David from Cooperative 11, who feels like something in between described:

I think of an owner as someone who owns a single family detached home. Who has responsibility and the power that goes along with it....Like I always think of my parents...when they wanted to buy an air conditioner for their house, they got one. It was their responsibility they went out and looked for it and they got it. The same dynamics don't hold true here, when you are dealing with other families.

Feeling like something in between as a cooperative owner may also relate to the cultural image of what a real

owner is, and in America real ownership is considered the private ownership of a single family home. The individual owner holds all the responsibility and presumably has all the control over his or her property. Cooperative ownership is a more complicated form of ownership, with varying levels of control and responsibility. For some people, being a 'real' owner means having the absolute control over and responsibility for a private house.

Preferences for Private or Cooperative Ownership

Cooperative ownership has been profiled in the literature as a "middle ground" between owning and renting. The societal assumption is that people prefer the private ownership of a house, and that the cooperative ownership of an apartment is less desired. Traditionally, cooperative conversions are intended to offer home ownership opportunities to middle income people who desire its financial advantages such as equity and mortgage deductions. However, the tenant sponsored conversions in this study came out of a different context with different motivations for ownership.

This study has examined the psychological motivations associated with tenant sponsored cooperative ownership which arose out of a context of landlord abandonment and were created as limited equity cooperatives to keep housing

affordable. In the context of these co-ops, it was found that people did not generally desire ownership in itself⁵, instead it was grasped as a way to keep their homes. However, respondents may still have wanted to own a home someday, or had experienced home ownership previously while growing up or as a child.

Unfortunately, due to the late addition of the explicit ownership desire question (while the interviews were in progress), not all respondents were asked directly if they wanted to own their own home. However, of the 75% of the sample (N=39) who were asked the question the majority (79%) reported having wanted to own their own home. Seventy-seven percent of those who reported having wanted to own were Board members. Seventy-four percent of those who had wanted to own were women, yet at the same time all those (21%) who reported not wanting to own their homes were also women. Since the most traditional form of home ownership is of a private home, for many people wanting to own was connected with the dream of someday having a house.

For some people it was virtually a cultural assumption that as an American they would want to own their own home. David from Cooperative 11 stated how he felt about ownership when he describes "I assumed that that was a mark of success, a milestone as one goes through life. I think it

⁵ Only in Co-op 2 was the desire for ownership per se explicit.

is part of the American ethic." David, and several other respondents remarked that cooperative ownership felt good since it meant having a "little piece of the rock".

For respondents who did have the urge to own, they considered it to be a natural desire that everyone would want. As Linda from Co-op 14 states she would prefer "my own home, cause that's every woman's dream, not every woman's dream, but most folk's dream." Yet Carolina from Cooperative 7 revealed how those urges can be affected by cultural assumptions.

...you're growing up, you're watching TV, you watch magazines....You're like, that picture looks so pretty or when I grow up and I get married, I'm going to have a house. That's kind of a dream....I guess it all just blends in within your own personality and time goes by where you want to have your own house one day.

House Desire

Respondents were asked to compare the cooperative ownership of an apartment to the private ownership of a house, and which they would prefer. The majority (62%) stated they would prefer the private ownership of a house to the cooperative ownership of an apartment (38%). By gender, more women (63%) preferred a house to a cooperatively owned apartment (37%), while men were more evenly split in their preferences for a house (57%) as compared to a co-op apartment (43%). By race, the greater majority of African Americans (91%) preferred the private ownership of a house followed by 67% of the Hispanic respondents. White

respondents were more split in their preferences, with slightly more (54%) actually preferring the ownership of a cooperative apartment.

Generally, the ownership of a house meant more space, land, privacy and quiet. It also meant freedom, in particular for children who in urban locations were often kept in the house for safety reasons. Many respondents with young children preferred the ownership of a house. Liz from Co-op 9 described how her kids love it when they visit her sister's house in New Jersey since "To them it's free, they just can walk right outside and over here you have to argue with them all the time to stay in the house."

Donna from Co-op 8, would also like a house so she can let her son out by himself, which was how she grew up. However she would also like to own a detached house some day to be able to directly touch the ground when she walked out her door. As she described below:

Well I live on the third floor and I have always lived on the third floor so I have dreams of having my own house where I could just open the door and walk right on to the land, period, a stoop, sidewalk, something, just walk out not walking down the stairs.

The physical qualities associated with living in a house were important to many people. For some people, the experience of growing up in or having lived in a house made living in an apartment difficult. Prior ownership experiences were primarily in privately owned houses. A little less than half (46%) of those interviewed had grown

up in a residence their family owned⁶, with 90% of those residences being detached homes⁷. When respondent's adult ownership history was investigated, the majority (79%) had never owned anything before. Yet for the minority (21%) of respondents who had or did own something else, it was always a house (although the majority of these experiences had been in other countries: Barbados, Santa Domingo and Puerto Rico).

Frank from Cooperative 4 in Harlem had always wanted to own and had owned a house in Barbados, where he came from. His desire to own a house was influenced in part by having difficulty living in an apartment. As Frank described "The first thing I had to get accustomed to here was going through only one door...still not accustomed to it".

Although some people thought they would actually own a house someday, others didn't think they would ever be able to afford it. Although Liz would prefer to have a house, she doesn't think she'll ever be able to afford it so to her co-op ownership "It's nothing like your own home, but this is second best."

When asked if they wanted to own something else someday, 65% stated they did while 29% did not. The majority of those who did want to own something else (82%)

⁶ Thirty-eight percent had not been brought up in an owned home, while 15% had sometimes lived in an owned home.

⁷ Ten percent had owned semi-detached dwellings in New York.

preferred the ownership of a house. Even though more than half of respondents reported wanting to own something else some day, typically a house, most did not have actual plans to move.

Only 27% stated they had plans to move. More than half of the respondents (67%) had no plans to move, while 6% stated they might. At times this was related to attachment to place, but it was more often associated with a lack of affordable options. Thus, even though many people may want, or dream about, owning a private home someday, they did not think they could actually afford it, or they were not willing to relocate in order to have a house.

Teresa from Cooperative 5 stated she did not want to move in part since she could not afford to be any place but a ghetto, which would be scary. Yet she would still like to own a house some day, "that's my dream to have a nice house, beautiful house" which she thinks she will be able to do someday. She would prefer to live in a house since

If I could afford to buy a house I would buy a house because I know that I own my house I'm going to be more comfortable. I'm going to put more money in, but I'm gonna get more money in the future, and I'm gonna have more privacy, and I'm gonna live better.

Yet Teresa would advise others to do cooperative ownership "I would tell them that if you are planning to live in New York, come from other country...especially if you...are raising family and you cannot afford to buy a house, having an apartment is secure, like having a house."

Cooperative Apartment Ownership

For several people owning an apartment may not have exactly fit the "dream" of home ownership, but it was the next best thing to owning a house. Alisa from Cooperative 7 described how the cooperative ownership of an apartment made possible the dream of home ownership. To her, cooperative ownership:

It means that as a group we are able to run this building and technically own it....I never could afford a building in downtown Manhattan by myself. This is the only way in my capacity would have the opportunity to own anything in Manhattan. I mean that was sort of like an unattainable dream to me and everybody wants part of the American dream, you know, at least a little bit of it and part of that dream is owning your home. So in this case it's owning an apartment which becomes your home. This is my home.

To Alisa, and several other people, co-op ownership made home ownership possible in an urban setting. Although the majority of people stated a preference for the private ownership of a detached house, actually achieving it would mean moving out of the city. As Daria from Cooperative 3 explained:

I would say I'd prefer a separate detached home, but I'm not sure why I haven't been driven to do that. Maybe again it has to do with circumstances of me going to art school, wanting to be an artist, getting involved in Manhattan...I have such a wonderful network here. I work for a community center nearby....If we didn't own this we probably wouldn't own anything, or at least not in our young lives, would take a lot longer.

It was a locational preference for living in the city, either because of attachment to place or for career reasons, that made their desire for traditional home ownership

unrealistic. Although they may prefer to own a house this did not seem a possible option within the urban environment of New York City, and many were not willing to move to achieve it. As Alisa described:

I think I would prefer a home, a detached home, private ownership. That is my own personal dream. But, I have grown up in Manhattan, and I live here and I work here and it's unrealistic for me to think that I'll ever own, you know, Gracie Mansion. It's the only detached home that I know of here in Manhattan, with a backyard and everything. I don't think there are too many of those in Manhattan....yes I would like a house in the country with a beautiful view and birds and trees, but that is unrealistic. This is where I live, this is what I can afford. This is my home, I love it here.

In addition to the spatial differences between living in a house as compared to an apartment, the preference for private ownership was associated with the desire to have total control over decisions as well as the full and direct responsibility for things. Private ownership meant not compromising as well as individual financial responsibility. As Alisa described:

That if I owned my own place, then I would make my own decisions and I would pay my own taxes, and my own water bill and everything else...I think the responsibility would probably stay the same, except that it would fall on my shoulders instead of being on 30 other people. I guess the independence....And I think that would be the difference. If you own your own home you don't have to consult anyone and if you can afford it, hey go for it.

A Preference for Cooperative Ownership

A significant number (38%) of the respondents in this study actually stated they preferred the cooperative ownership of an apartment to the private ownership of a house. This preference for cooperative ownership was related to the locational preference noted above, as well as the relationship to other life cycle considerations such as being single. As Kevin from Co-op 15 described:

For as long as I'm single, which will probably be the rest of my life, an apartment is fine. You know, I don't think I'd want a house, all the extra work and everything. But if I were married with a family, I wouldn't want to be living here, I'd want to be living in a house with a little room outside for the kids to run around in.

For half of the elderly respondents over 60 (8%), their age was a factor in their preference for co-op ownership. The more salient reason in not wanting to own a house, regardless of age, was not wanting the physical or financial responsibility that went along with private ownership. Janet from Co-op 15 (who was 71 at the time of the interview) had owned a beautiful house by herself years ago before she retired but found it to be too much responsibility. As she describes "...I couldn't get anybody to do all the work around it. Mow the lawn, and all that....I was working. I couldn't do all that stuff. So...I sold it."

For Diane from Cooperative 12 the ownership of an apartment is much better because it is less work and

responsibility than a house. She believes private home ownership is also much more costly. As she described:

If you are owning a private home, you got the yard work, you got the roof. Oh my god I know what my niece goes through. I know it's a nightmare then along comes the city and digs up the road outside and hands you an assessment which you have to pay immediately. Private owners don't have the resources, it's very very hard. And of course there is an enormous difference in the costs, because at least we buy our building at a whole sale price, when you buy a house you are buying retail...less work, less responsibility. You are less likely to have to dig into your pocket and produce a large sum of money at the drop of a hat.

The preference for cooperative ownership was often related to respondents feeling more secure in the shared financial responsibility of a cooperative. People knew that in a co-op if something went wrong people would pool their money to help cover the costs. Becky from Co-op 12 (who preferred a cooperative partly for its urban location) described how this was especially important when living on a fixed income.

With a detached home you have all the other problems it is really solely your responsibility. It's more shared here....When you're in a house and you have a fixed income anything can happen to you at any time. You don't have people to back you up and say that you're a good credit risk. You don't have anybody to stand up with you there.

Victoria from Co-op 13 reiterated the point when she stated that in a cooperative "Everybody's putting money in... maintaining the rent...it's much better...and the money you get is enough to cover all your bills in the building. But when you're alone, you're alone. No hope for you."

Although Louise from Co-op 8 felt like an owner in her cooperative because of the responsibility, she had never wanted to own and liked being a tenant. She preferred the cooperative ownership of an apartment, in part, since she liked the physical proximity of other people and in a multi-unit building she knows "...that I have somebody next door and upstairs....I would not like living in a house by myself." She also likes the joint decision making of co-op ownership since "I wouldn't want all the decisions on myself. At least in cooperative ownership you bring up an idea, you talk it over."

Responsibility is a key ingredient of home ownership, be it the private ownership of a house or the cooperative ownership of an apartment. The primary difference is that in a private home both responsibility and control are more individual endeavors not subject to the input of a group of people. The responsibility of cooperative ownership is shared, and requires group decision making and compromise.

Respondents feeling about this shared responsibility reflected a mixture of their individual personalities and perceptions of the dynamics in their cooperative. Neither Louise from Cooperative 8 above, nor Renee from Cooperative 3, had wanted to own their own home. Louise preferred cooperative ownership, and found collective decision making made her feel more secure. However, Renee would prefer private home ownership since to her cooperative ownership

means "endless trouble" and headaches since it involves trying to make collective decisions with a group of people she feels can't compromise.

The Experience of Cooperative Ownership

Sixty-two percent of respondents stated they had no expectations about what cooperative ownership would be like before they bought, while 38% said they did. For the several respondents who reported they had been told what to expect by the groups helping with the conversion, the reality usually met the image; there was no landlord, better maintenance, and the rent was affordable. However, the several respondents who had an idealistic image of what cooperative ownership would be like (who were usually building leaders), were often disappointed. Most often they had expected it to be easy, and that everyone would work well together, but this had not actually been the case.

Alisa from Cooperative 7 described her expectations of cooperative ownership.

I thought it was going to be very easy. I thought that everybody was going to have meetings, and we were going to have coffee and I would fix my apartment and they would fix their apartments and everybody would live happily ever after. But it didn't turn out to be that way at all.

She explained how in reality she found cooperative ownership to be both hard work and never ending responsibility,

particularly the responsibility for the physical maintenance of your own apartment.

...its hard work....it's not as easy as I thought it would be. I thought that once you owned your apartment and once you owned your space and you could pay your maintenance, that everything was going to be honky-dorey. But no, once you own your space then it becomes your responsibility. It's like owning a home, even though you own it, it's only four walls, and there are other things that go wrong that you never saw before. As a tenant, where you just pick up the phone and complain to the landlord and if he didn't do it then you held off your rent until he did it. Now, if something happens it's up to you to take care of it and it can be a very expensive proposition because now you have to maintain this apartment....then there are always things that always go wrong, especially in a building that is as old as this one is and its had so many repairs. It's ongoing, it never stops.

Alisa describes how the responsibility of ownership was especially difficult for some building residents to understand. This is included most of the people in her building who had no prior experience with owning anything.

...here we were for the first time, many of us, have never owned anything in our lives. And all of us who have lived here have grown up and lived in the ghetto all of our lives and most of us who were living in this building were pretty much on welfare and stuff. So these people were never used to owning anything at all, not even a car or anything, so it was a very new idea for a lot of the people here to accept it....it was difficult for some of the people to comprehend that they were owners. Like they would stop paying the maintenance the same they would do with the landlord... hold it back because they wanted a particular service and slowly people began to realize that there were certain things that they were responsible for now. Like if your roof had a leak and it was coming into your apartment, you have to take care of it now, you can't just call the landlord because now you own it. That was very hard for a lot of people here to accept.

Most of the respondents who had idealistic expectations thought that everyone would work together in unity. They

were often disappointed when other shareholders did not seem to equally share in the responsibility of cooperative ownership. Daria from Co-op 3 described her expectations.

I was excited by it thinking there would be a lot of people helping each other, idealistic yes....I must of had expectations because I've been disappointed to the point of tears....in terms of people not willing to give, not being like me in terms of giving of their time. People being so petty that they could only think about their inconveniences, not what everyone was going through, which of course is important because the funds and everything go into one pool and things had to be worked out that way.

For Daria the reality of cooperative ownership was mixed. Although she was disappointed, she also "came across some wonderful people in the building" and feels that her "biggest expectation came true, I own my place".

Jeff and Joanne, both from Co-op 7 in the East Village, also had idealistic expectations of cooperative ownership. Jeff originally thought it would be wonderful but "its the hardest thing I ever tried to do". Joanne had expected that ownership would be exciting with everyone working together and sharing common goals with a focus more on "the different ways we were living together rather than the actual fact of ownership per se". (This meant preserving the low income status of the building, keeping long term residents in the building and maintaining an ethnic and sexual orientation mix.) In reality they were not able to maintain unity and people were fractionalized. But even given all the fragmentation Joanne still felt they had "done unbelievably well under the circumstances... it was amazing what's been

done in the building...in spite of all the problems". She was especially proud of the physical building changes that had been made.

Another question that investigated how respondents experienced cooperative ownership was how people's feelings about cooperative ownership might have changed over time. The majority of respondents (58%) stated they did not change at all, while for 13% they had changed a little, for 10% they had changed some and for 19% their feelings had changed a lot. For the 42% who stated their feelings had changed over time, most (54%) stated their feelings about cooperative ownership had become more positive while for 23% they had become more negative and for 23% they were mixed.

Negative feelings usually had to do with feeling tired of the responsibility, and were often related to others not doing their share. Positive feelings about co-op ownership usually reflected a sense of accomplishment or pride in being an owner, and could also be related to the social meaning or security associated with co-op ownership. As Teresa from Co-op 5, who felt a lot more positive explained:

...especially when we are low income people, and we look around and see how high rents are around here, and all over New York, and we know that nobodies gonna tell me...to move, and I know that this is secure....We live here as one family....We have no drugs in the building, everybody watch for each other...

Comparison to Other Housing Cooperatives

Janice's feelings (from Co-op 14) about co-op ownership changed considerably in a positive direction since by becoming an cooperative owner she was better able to understand what ownership could mean. This is explained by her perspective on housing cooperatives before becoming an owner herself.

There's co-op apartments that I know of with terraces and things like that, and I used to think it was a waste of time....And then I realized once you have your own...you feel better about it. And you try harder, well I try harder....I used to say it was a waste of time for them to rent that apartment, paying this excess amount of money, then they were paying more because they had a terrace. But, I guess I didn't know much about it then.

Several respondents mentioned how their housing co-op was different than other cooperatives in New York City. It appears that in some instances respondents' perceptions of their cooperative was in comparison to the other more prevalent middle income cooperatives found in New York City. This is particularly true for Nelly from Cooperative 2. She stated her ownership expectations were related to the 'ritzy coops' some of her friends lived in which "had a more sophisticated air about it, to live in an apartment that you own."

Compared to those cooperatives, Nelly considered her low income co-op to be a headache. This was both because there were too many people at a decision making level and since the building was "...low income housing, you're also

talking about a low monthly income which doesn't allow you to do some of the other things that need to be done." When asked if her feelings changed over time, Nelly stated they had a lot but in a mixed way since:

I wouldn't classify myself as a low income person in order to get into a building anymore. We were low income when we moved in here....but I guess the point that I'm trying to drive home is the fact that with each level of income, comes different types of responsibilities and different types of attitudes you know ? So I don't have anything against cooperative living, I would do it again, but from another level. I wouldn't be involved in another low income housing building.

Low income housing cooperatives were generally perceived to be significantly different than other housing cooperatives. 'Regular' co-ops were perceived as having more advantages, fewer restrictions and less responsibility. As explained by Bill from Cooperative 12: "This is...not exactly a co-op, it's like saying a low income convenience. Because a regular cooperative, people were telling me on the outside, when you buy your apartment you're supposed to have everything. Refurnished in other words, new refrigerator, stove....None of that was done." He stated that a 'regular' co-op costs much more money, while this co-op was a lot cheaper and was working class "...so you can't really then say it's the type of co-op you read about on the outside. It's a co-op but yet it's not a genuine co-op."

Greg from Co-op 11 also believes his cooperative to be very different from others in New York City, particularly in terms of responsibility. As he explained:

Co-op ownership in this setting is incredibly different thing from co-op ownership in Tribeca or the Upper West Side where people pay 300,000 and 300 a month for maintenance. They don't have to deal with everything, they go to a Board meeting once every 2 years. Co-op ownership here means a great deal of responsibility. Responsibility for people who are unable or unwilling to do their part of it and finding out how it is that we can get those people activated. So this is certainly a more responsible notion of what it is to be a cooperative than the other idea, and we don't pay a huge maintenance. But you pay one way or the other, either pay in time or money. Its just really, its never free.

Cooperative Ownerships Effect on Life

It would appear from the findings so far that cooperative ownership had some effect on respondents lives. Yet when specifically asked if owning this apartment has affected their life in any way only 48% of respondents stated it did, while 52% felt it did not. All respondents in Cooperatives 3 and 6 felt it had affected their lives, while none in Cooperatives 5, 8, 9 or 13 stated it did. Of those who believed owning their apartment had affected their lives, 60% felt the effect was positive, 36% mixed and 4% negative.

The only person who said the effect on her life was negative was Diane, the leader and President of Cooperative 12. This cooperative's management style was not very inclusive and was having infrequent meetings at the time of the study due to low participation levels. Thus a lot of the responsibility was Diane's. It is not surprising that she described the effect cooperative ownership had on her

life as negative since "I don't have time, I used to have time to do housework, I used to have the sole use of my telephone....People feel free to call me up at any hour of the day and night."

Gail, from Co-op 10, describes how the work and responsibility of cooperative ownership effected her personal time.

It's taken a lot of my time, a lot of my private time is not mine. I mean I have a lot of work to do with this building, keeping books, paying bills, going to meetings....I mean your time is not your own, if people have complaints they come at any hour, if they need to get into the basement they'll knock on your door because a fuse blew and they need to get into the basement. Your life is not really your own. Many times I will be away and I have to come home to take care of the rent. So it does affect your life in some way. I can't even go do the things that need to be done sometimes because I gotta worry about something that has to be taken care of in the building. It's a job but it's not a job.

Yet Gail still felt the effect cooperative ownership had on her life was mixed, since a positive aspect was the security it granted her.

...the fact that I own it and that its mine its you know, a plus. I mean that I know that there is no way anybody can ever tell me they that are gonna take this place away and I have no place to go...

For many respondents the positive effect of cooperative ownership was the security and stability it gave their life. Often this was phrased in terms of financial security since as owners people felt they could afford the rent, and had more control over it than if the building were landlord owned.

For a few people the positive effect was associated with the accomplishment or prestige of being an owner. The positive effect of the ownership of his apartment is described by David from Co-op 11. "The only thing I can think of is like the "wank" of saying is I own my apartment....heads turn when you say so."

Approximately one-quarter of the respondents mentioned that they had learned something by being a cooperative home owner. For some this was related to self growth and learning how to better get along with people, while for others it was related to skills they had developed. Kendra had learned about plumbing, Carolina became interested in real estate while Renee found designing her apartment renovation to be interesting and something she learned from. Both Jeff from Co-op 3 and Daria from Co-op 6 who were leaders and very involved in the conversion of their buildings, had felt that cooperative ownership had both forced personal growth and helped them to discover organizational skills and even a career path.

Only a couple of respondents stated that the positive effect of cooperative ownership was specifically related to a feeling of community. For Luis from Co-op 7 the effect was positive since "Well, owning this apartment I feel more secure and....I feel really good about myself and I feel like, you know, I have a place to be and I have a family

here even though we're not too related like, you know, but I feel like I belong to someone."

Greg from Co-op 11 stated co-op ownership affected his life radically, related to a feeling of home and a sense of community with the neighborhood. He feels ownership made him feel connected with the neighborhood and community since compared to renting he "got to know his neighbors better. Certainly you get more of a sense of the community." He described the mixed effect ownership has had on his life.

...I really have a sense of community with the neighborhood, which I've never expected to have, and that's incredible. And honestly, I tell you, with all the good and bad involved I just feel I've made my home here more than any other place else probably in my whole life....And this, is a demanding situation where we all had to work very hard, and had to deal with each other, and had to deal with institutions Sure, it takes time, it takes energy, sometimes, especially now, everybody's tired, you just don't want to get that phone call saying I got to go to court, do I really want to go to court to deal with this. Is it my job, where did I inherit this, I should be paid for this. So that's the other side of it.

Becky from Co-op 12 believed that owning her apartment affected her standing in the community at large. She felt that being a cooperative owner had an influence on her ability to be elected to the school board.

When I ran for office it's not just that I could claim an investment in the community by virtue of the fact that I was a shareholder. I could, when I represented myself to an agency it had a little bit more weight...I just don't rent here, excuse me I made an investment. ...you come out with that presence and then it means something different....you go to the precinct...this is not a welfare bimbo your talking to okay.....you're more aggressive...because you feel that you have a piece of the rock and you're responsible for what happens to it.

For Becky, the prestige and status cooperative ownership offers has affected her life and empowered her. She felt it was an important component in her being elected as President of the School Board, and the skills she learned in dealing with the City of New York affected her life in other positive ways. Being an owner:

Has been a big thing to me when I ran for office. It really helped....you have to be able to negotiate with people. You have to be able to deal with City agencies, very rarely stipulate and explain it to them in their own language. Learning that process is a very difficult thing especially in our neighborhood. Learning to do it well is even worse. But once you do you are forced to be reckoned with and people begin to recognize that. But it can force you to feel powerful enough to spring forth into other things. And say I not only want the building to look great I want the drugs out of my neighborhood, not just in my building but out of my block. And it just begins to spread from there, you get to feel more in control of the entire area. Not just you personally but because you have other like minded people who are beginning to move in. And they're all making investments too.

Apartment, Building and Neighborhood Feelings

This study investigated how cooperative ownership might affect people's lives as well as their feelings about their apartments, buildings and neighborhoods. Satisfaction levels for apartments, buildings and neighborhoods were examined. Respondents were also asked how ownership might have changed the way they felt about their apartments, buildings or neighborhoods.

As can be seen by Table 9, in general the majority of people were satisfied or very satisfied with their

apartments (79%) or buildings (67%). However, with neighborhoods, only one-third of the respondents were satisfied (31%) and none were very satisfied. Overall averages depicted respondents as being satisfied with their apartments and buildings, while having more neutral feelings toward their neighborhoods.

Table 9

Satisfaction with Apartments, Buildings and Neighborhoods

	Very Unsats.	Unsats.	Neutral	Sats.	Very Sats.
Apartment	0%	6%	15%	44%	35%
Building	2%	4%	27%	46%	21%
Neighborhood	15%	19%	35%	31%	0%

A more open ended question examined how ownership might have changed how respondents felt about their apartments, buildings or neighborhoods. As can be seen in Table 10, about half of those interviewed stated that ownership had changed the way they felt about their apartments or their buildings, while fewer stated it affected how they felt about their neighborhoods.⁸ The majority of those who reported a change since becoming a cooperative owner stated it was positive.

⁸ The sample for this question was 51.

Table 10

Ownership Related Change in Feelings for Apartments,
Buildings and Neighborhoods

	Feelings Changed	Feelings Changed How		
	Yes	Positive	Mixed	Negative
Apartment	51%	96%	4%	
Building	57%	90%	7%	3%
Neighborhood	29%	73%	27%	

Only 1 person, Renee from Co-op 3, reported a negative feeling change, and this was toward her building since she felt stuck working with difficult people as a co-op owner.

Positive feeling changes toward apartments that were connected with ownership were usually associated with feelings of pride associated with physical improvements or ownership per se. For some people there was a stronger sense of possession of their apartment, that this is 'mine'. The physical improvements people could also strengthen a feeling of being home. As stated by Jeff in Co-op 3, who had done extensive apartment renovations and been a building leader, "It's really part of me now, not just a place to live." Reasons noted for a positive feeling change toward the building were similar to those noted above. However regarding the building people would also mention more social aspects, such as they had gotten to know their neighbors better.

Regarding feelings about their neighborhood, only 31% reported being satisfied with it, and only 29% reported feeling that owning the apartment had changed how they felt about their neighborhood. Yet the majority of those who stated that ownership changed their neighborhood feelings reported a positive change (73%), while 27% had a mixed reaction. Both Ellen from Co-op 14 and Kevin from Co-op 15 had mixed feeling changes toward their neighborhoods since as owners they felt more permanent in the neighborhood but were also more worried about it as a result.

Although a few people reported that being an owner made them feel more involved with their neighborhood, this was more related to their buildings' relationship to the neighborhood. Only a couple of people stated that they had specifically become more involved with specific community organizations as a result of becoming an owner (such as Becky above). However several people, though their feelings toward their neighborhood might not have changed as a cooperative owner, stated that as an owner they felt proud and protective of their cooperatively owned building in the neighborhood. They felt as owners they had more control over their building and earned the respect of others on the block. In essence, cooperative ownership granted the building neighborhood status and respect. Becky from Cooperative 12 felt that a good thing about ownership was the control and respect it offers.

...my very best time about cooperative ownership has been that someone decides to try to mark with the building...spit or damage it in some way or sit out in front and smoke or drink or I don't know sell drugs and make the corner a spot. And we tell them that they have to move along, with all due respect, you just have to move along we don't want this in our area in our building. They say what are you, the super? And we said no we're the owner. That is the most satisfying feeling. What are you kidding me, I mean you own the building, you know and they look at your clothes and they look at you and say "you own the building?" Yeah, we own the building. We own it.

Mike, also from Co-op 12, described the respect that the building receives since it is owned by the residents.

The people outside have come to respect this building in a way that they don't respect the other buildings, except maybe for fear of a legal action, you know the police are patrolling the area, or so on. But, I think they've gotten the impression now that the people in this building don't go for it, so they stay away. There's an almost reverential awe about them towards this building.

Neither Mike above, nor Mark from Cooperative 4 below, felt that owning the building changed how they felt about their neighborhood. Rather they felt it changed how the neighborhood perceived their building.

But we know within ourselves that our building is better than all the rest. It may not look so to other people but we have this mental picture and feeling about that. By owning we feel very positive about it within the neighborhood.

From a different perspective, dissatisfaction with their neighborhoods could have affected the meaning of cooperative ownership. Both Lynn from Co-op 9 in Bushwick and Frank from Co-op 4 in Harlem were very dissatisfied with their neighborhoods, particularly since they did not perceive it as safe for their children, and that made them

feel different about owning their apartment. Lynn's feelings about her neighborhood played a significant role in how she felt about ownership. This influenced Lynn's lack of expectations of cooperative ownership for as she described "...not in this neighborhood. If it was in Weschester, White Plains or someplace like that, but here it's a roof over my head". Though she would prefer to own a private house (primarily for the yard and freedom for her kids) she believed that if "this apartment was in a different location I'd have different values about it."

This contrasts with Teresa from Co-op 5 who believed that ownership had affected how she felt about her neighborhood in a positive way. She has seen her neighborhood improve and this makes her feel better "To know that I own an apartment in a better neighborhood, compared to the way the rents are around here."

Summary

This chapter has explored the meaning of cooperative ownership to the people in this study. Feelings of security, control and responsibility are central to the experience of ownership. As co-op owners, respondents felt much more secure than they had as tenants, and had the sense that their apartments belonged to them and could not be taken away. Although the majority of respondents also felt

more control as an owner, this was tainted by the collective aspect of cooperative ownership and the acknowledgement of joint decision making. Similarly responsibility is shared in co-op ownership, and this shared financial responsibility made some respondents feel more secure.

Collective control and responsibility could also be a negative aspect of cooperative ownership. This was especially the case for leaders who held so much responsibility that it affected their lives through taking up a lot of personal time. The amount of ongoing work and responsibility required by cooperative ownership, and how it was not always shared, was surprising to those respondents who had idealistic expectations about what cooperative ownership would be like.

Control and responsibility were perceived to be more independent in the private ownership of a house. Although the majority of respondents would prefer to own a private home this was primarily for the physical and spatial qualities of a house. Several respondents stated that though they would prefer a house, they were not actually willing to move out of the city to do so.

Cooperative ownership may not have been their preferred form of ownership for most respondents, and did not match the 'dream' of having their own home, yet it was often seen as the next best thing. Co-op ownership gave them a 'piece of the rock' and a sense of accomplishment and pride. For

several people, the experience of being a cooperative home owner taught them skills (often social ones) and led to personal growth.

People were generally satisfied with their apartments and buildings but less satisfied with their neighborhoods. About one-half of respondents felt cooperative ownership affected or changed how they felt about their apartments or buildings, for most in a positive direction. Cooperative ownership may not have specifically affected or changed all respondents lives, but the majority of people felt more secure in their homes as owners and had less fear of displacement.

CHAPTER 10

CONCLUSION AND POLICY IMPLICATIONS

This dissertation has explored the experience and meaning of cooperative home ownership. In particular, it assessed how the experience of home ownership was grounded in the societal context of ownership and the financial and physical realities of housing. The significance of cooperative ownership was affected by the physical reality of living in multi-unit buildings in an urban area, and the financial reality of being low income with minimal housing options. Individual meanings of cooperative ownership were influenced by the circumstances which led to it and the context surrounding it.

This study investigated the cooperative form of ownership, which is not common in this country. It determined the meaning and advantages of cooperative ownership were clearly influenced by the collective aspects of this alternative tenure form. Respondents' experiences of cooperative ownership were affected by the fact that their homes were owned together with other people. The compromise required by the group decision making process proved to be the most challenging aspect of cooperative ownership.

Feelings of security, control and responsibility were intertwined with each other. Yet these psychological aspects of ownership were connected not only to each other, but influenced by the actions of the other owners. The collective characteristic of building management was critically related to individual feelings of control, security and responsibility.

Even though cooperative ownership was not considered to be the same as the more traditional private ownership of a house, it was certainly preferable to renting from a landlord. As cooperative owners, respondents had more control over their housing at both a physical and financial level than they did as tenants. In the United States ownership offers significantly stronger legal protections allowing for greater security and control.

In this study, the conversion to cooperative ownership occurred primarily in a housing crisis context where the motivation for ownership was to gain control and security, and to not have another landlord, rather than a desire for home ownership in itself. Even though this form of co-op ownership limited the equity gain, and financial profit was not a motivation for ownership, respondents still felt they achieved something in becoming owners. Co-op ownership offered a sense of accomplishment, security and status.

This dissertation explored psychological aspects of the actual experience of ownership. It was unusual in that

the assumed benefits of home ownership are often posed in a psychological manner, but what ownership actually means to those who have achieved it is seldom explored empirically. Home ownership by low income people brings to the forefront economic and social housing issues. This research explored the actual experience of limited equity cooperative ownership, an alternative tenure form that has been advocated for low income people, and found it had many benefits attached.

This study found the cooperative ownership of multi-unit buildings to offer numerous advantages to low income people. This chapter discusses the common themes of meaning which were identified and found to be imbedded in and influenced by the financial, physical and management context of cooperative housing. Differences between cooperatives are summarized, and the importance of technical and managerial assistance examined. Finally the policy implications of this study, and the factors necessary for the success of cooperative housing conversions, are outlined.

The Preference for Ownership

Explanations of what home ownership is, what it means and why people would desire it can vary greatly. Home ownership is a complicated topic that combines and links

issues of home, ownership and housing. Home ownership can imply the home and housing concerns of an owner occupant, while the consideration of the ownership of housing opens up economic, legal and even philosophical definitions of what property is. Housing can be seen as a commodity or a place of dwelling, and defined in economic or spiritual terms. Both the ownership of housing and home ownership address a myriad of social, psychological, economic and cultural issues.

In the United States, the home ownership of a private house is seen as an ideal to strive for. Single family home ownership is prevalent in the real world, but it also pervades cultural imagery and is certainly idealized. Since the great majority of single family detached homes are owned, it is hard to separate the preference for dwelling type from tenure form (Rossi & Weber, 1996; Shlay, 1986).

Although cooperative ownership has typically been seen as inferior, respondents perceived it as offering various financial and psychological supports. This dissertation found numerous advantages, and sometimes even preferences for, a more collective form of tenure in multi-unit buildings. Thus the benefits of home ownership are not necessarily exclusively found in the private ownership of detached dwelling. In fact, this study found that respondents perceived that cooperative ownership could

strengthen feelings of security specifically because it was a collaborate form of ownership.

Previous literature offers contrasting views on why people appear to want home ownership. Some believe that the dream of home ownership is not universal, but a product of political ideology (Kemeny, 1981; Dreir, 1982; Lundqvist, 1986). Economic, political and social systems can be designed to encourage home ownership. Housing policies can be biased in a way that ownership provides for stronger security and economic advantages. Kemeny (1981) believes that the tenure choice in housing, be it private or collective ownership, is a product rather than a cause of the tenure system which has been set up by the culture.

Others depict the urge to own as part of a natural desire (Borgos, 1986; Duncan, 1982; Stone, 1986). In particular, Saunders (1990) states the home ownership desire is related to a search for emotional or ontological security. Saunders (1990) believes it is not just home, but home ownership, that fosters a sense of ontological security that sustains feelings of autonomy and identity. Only an owned home grants a physical permanence and emotional security (Saunders, 1990).

This dissertation confirmed that cooperative home ownership was motivated by the desire to preserve one's home, the need for security and independence from a landlord's control. These strong psychological motivations

for ownership may seem to fit with Saunder's conception of home ownership as fulfilling the desire for ontological security. However, ownership also offered residents the legal control necessary to preserve their housing and home. It is undeniable that similar to Kemeny's point, in the United States, ownership tenure has been set up to provide for the strongest legal security and control. The urge for home ownership appears to satisfy an elemental need of human beings to have secure shelter which they can control, but the ability to have secure housing is contained within our society's establishment of ownership tenure as the strongest and most secure. Thus the preference for home ownership is constructed from both internal and external factors.

Home ownership also has intertwined economic and psychological meanings and advantages for most people. Especially in terms of security, financial and psychological aspects often overlap and have been found to be the primary value of home ownership (Fannie Mae, 1992). This study also found the advantages of co-op ownership to be security in a psychological, financial and even physical sense.

For the people in this study, the ownership of their housing was intimately linked with the desire to have control over their homes. Home ownership gave respondents legal rights of possession and use, with resulting autonomy and security. This study found important psychological

dimensions of ownership to be embedded in the financial, managerial and physical aspects of their housing.

The Meaning of Cooperative Ownership

The two sections that follow, Common Themes of Meaning and Cooperative Building Comparisons, depict the experience and meaning of cooperative ownership found by this dissertation. The Common Themes of Meaning section portrays the significance of ownership to individual respondents found across the sample. These themes can be found embedded in various chapters which describe how the meanings of cooperative ownership were created, and how they were subject to financial, managerial and physical building influences. In the Cooperative Building Comparisons section the similarities and differences between the individual cooperatives in this study are explored and summarized.

Common Themes of Meaning

The themes depicted below characterize the essential qualities of the meaning of cooperative ownership found by this dissertation. Individual experiences of cooperative ownership were undoubtedly affected by factors evident at the cooperative building level. Thus financial, physical building and management factors specific to certain cooperatives, or often shared by all the cooperative in this

study, colored how residents experienced cooperative ownership.

- The Importance of Not Having a Landlord

Living through landlord abandonment certainly provided the context for the conversion to cooperative ownership and influenced its meaning. When under a landlord's control, residents had been subject to usually poor, and often very dangerous, physical building conditions. As co-op owners, residents gained control over building repairs and conditions. Not having another landlord meant affordability instead of unknown rent raises, safer physical conditions and the security of not having to move.

This dissertation found a primary motivation for the conversion to cooperative ownership was the importance of not having another landlord. Other studies have also found resident control over their housing and living situation to be a more important motivation than ownership per se in low income co-op conversions (Kolodny, 1973; Zimmer, 1977; Sullivan, 1982). Residents wanted to be in control of their own homes at a physical, financial and social level.

- Security and Control

This study found that becoming co-op owners directly contributed to increased feelings of security and control experienced at psychological, financial and physical levels. Through the control granted by legal ownership, respondents felt more secure due to physical building improvements and

financial affordability. Especially compared to being tenants, cooperative owners felt much more security and significantly more control.

Security had the strongest or most salient meaning, while control was more subject to group dynamics. The collective aspect of management and decision making influenced the amount of personal control people felt. Being involved with management could lead to even greater feelings of security and control. The reality of living in the shared space of a multi-unit building also affected feelings of control, especially over building maintenance.

- Financial Security

The financial security offered by cooperative ownership was particularly meaningful for many people in this study. Affordable rents were especially important to low income people who wanted to stay in place and did not perceive many housing options. Compared to having a landlord who profited from their rents, co-op ownership was seen as a way to keep costs low since residents money went back into the building.

The limited equity aspect of cooperative ownership was perceived as a way to keep costs low, and even as a means of social control. The pooling of financial resources, and shared financial responsibility, was seen as an advantage of cooperative ownership. Particularly for low income people, sharing financial resources provides a flexibility that is necessary and added to feelings of financial security. This

was evident in the eviction policies of these cooperatives, where social relationships developed through co-op ownership led to understanding when financial problems arose.

- Joint Responsibility

Responsibility is an essential element of ownership, and cooperative ownership involves collective responsibility. The democratic management and interdependence of co-ops required working together to solve problems, and made it important for all shareholders to be responsible. People understood that with cooperative ownership they were all in together and one person's actions, or lack of action, could influence their home. Even though respondents liked having a voice in the decision making process, the difficulty of collective decision making was noted as the most challenging aspect of co-op ownership.

Although self reports of involvement in decision making were found to be high, many leaders felt that the management responsibility was not often equally shared. At times this was related to the belief that other shareholders in the building did not understand the joint responsibility of co-op ownership. The democratic aspect of cooperative ownership meant that shareholders had votes and would ideally play a part in management, yet people could not be forced to participate in management or maintenance. Management dynamics and structure was such that in actuality

the Board of Directors, or usually a couple people on the Board, held most of the daily responsibility.

- Physical Improvements

For the majority of respondents, the physical changes their buildings had gone through as part of the conversion to cooperative ownership were the most important changes since they had moved in. Given the poor physical conditions prior to co-op ownership, it easy to understand how the physical transformations of these buildings was significant and affected feelings of safety and security. Better building services provided physical essentials and made people more comfortable. Improved living conditions were also important due to enhanced appearances and functionality. This study depicted how physical building conditions are linked to psychological benefits. Regardless of tenure, housing conditions have been found to influence both self esteem and life satisfaction (Rohe & Stegman, 1994).

- Accomplishment and Pride

Many aspects of accomplishment and pride were related to the improved conditions and appearance of people's apartments and buildings. Residents perceived their cooperatively owned building to have more status in the neighborhood. Feelings of pride and accomplishment were also related to the societal prestige associated with becoming a home owner, especially since most people did not

expect to own a home. People felt a sense of achievement as a cooperative owner for they had a 'piece of the rock'. Being involved in the conversion to cooperative ownership, and in the collective decision making process, lead to understanding and feelings of influence which contributed to a sense of accomplishment and pride in achieving ownership.

- Collective Identity

The necessity of working together collectively to accomplish basic management goals, and the joint responsibility required to keep the building functional on a financial and physical level, led to a collective sense of identity. Yet this sense of identity was not so much a sense of joint accomplishment and "we did it" as the acknowledgement that "we're in it together".

Since these buildings were occupied by long time residents, to some extent a collective sense of identity may have preceded cooperative ownership. Yet co-op ownership strengthened a feeling of community since it demanded that people interact to a greater extent than if they were just sharing the same building. Although the struggle of working together and joint decision making was not always a positive experience, it led to feelings of community. Cooperative ownership resulted in a collective meaning of home where together residents were responsible for and protective of the place where they lived.

- Life Effect and Education

For almost half of the respondents in this study, cooperative ownership had affected their lives or changed how they felt about their apartments or buildings, in a primarily positive direction. For many people, the collective processes inherent in cooperative ownership had taught them how to get along better with other people and led to self growth. Several people also stated they learned skills which could help them in the world.

Cooperative Building Comparisons

Metaphorically, cooperatives can be thought of as unique living entities. Physically the buildings are distinct, each with its own history of physical problems and recoveries. Similarly each cooperative has a unique combination of individuals living within it. The physical structure and cooperative's policies affect resident's lives while the personalities and leadership of the cooperative owners affect the way the building is taken care of and run. In effect the cooperatively owned building is connected to its owners in a relation of mutual support and dependency.

There are both differences and similarities in the ways the co-ops in this study were physically transformed and managed. Virtually all the buildings suffered from a cycle of landlord abandonment and were physically renovated during the conversion to cooperative ownership. Often out of

necessity, the residents (some more active than others and with the assistance of community groups) created mechanisms to keep the building systems functioning well enough to support the life within. For many cooperatives, the steps involved in the process of becoming cooperatively owned were the same, yet their management and leadership could be as different as the personalities involved.

Although the cooperatives in this study had many similarities, they represented a range of differences. The fifteen cooperatives in this study had different management forms, being either self or community managed. They were located in different boroughs and neighborhoods of the City of New York. Men and women, White, African American and Hispanic people, leaders and non-leaders were interviewed.

Buildings in this study were selected by size and age¹ to determine if the experience and meaning of cooperative ownership were affected by these variables. Even though in general these factors were not found to be very influential in determining meaning, some differences could be discerned. The majority of co-ops having irregular meetings were small. Since a smaller building size made informal communication easier, formal meetings were considered less necessary. Although generally rare, small buildings were more likely to

¹ Co-ops 1 to 7 were old (having been co-ops for over two years), while Co-ops 8 to 15 were new (converted to co-ops within the prior two years). Co-ops 1 to 4 and 8 to 11 were small (less than 20 units) while Co-ops 5 to 7 and 12 to 15 were large (20 units or more).

have residents share the responsibility for daily maintenance rather than hire superintendents, but only in the older co-ops did this seem to cause conflict.

Newer cooperatives were more likely to be in the process of physical building renovations, but problems with these renovations were caused more by social dynamics within the building than its size. Although older buildings may have had leaders who had lessened their responsibilities to some extent due to burnout, feeling tired or negative about the effects that responsibility had on their lives could also happen to leaders in newer cooperatives, especially if there were building crises.

Financial crises were relatively common, but were not a function of a cooperative being old, new, small or large. However building crises, and current building conditions, related to financial, physical or management factors influenced the frequency of meetings, and this, in turn, could affect feelings of community. Meeting frequency changed over time within cooperatives and was affected by management form, with community managed buildings generally reporting the most regular meetings.

Neither the ethnic composition or location of a cooperative was generally important in explaining the experience of cooperative ownership. In general, resale restrictions were not found to cause controversy. However, race and location did seem to play a role in the two

cooperatives that were in conflict over resale restrictions for both cooperatives were older, had all white respondents and were located in a neighborhood which had gentrified over time.

What emerged to be more significant in how respondents experienced cooperative ownership was not the age or size of the co-op, or the sex or race of respondents, but individual responses to financial, management and physical building aspects of their own cooperative. It was primarily the intra-cooperative factors that created the context which colored individual meanings and experience.

As stated above, it is as though each cooperative was a living entity. Some were healthier than others, with all the parts functioning smoothly together. The way cooperatives worked or did not work was often dependent on the combination of people who lived in them. Since so much of cooperative ownership is essentially socially defined, this is not surprising. Yet the building itself was a physical entity that had to be cared for, and problems with the shell which required renovation or cost money could upset the internal balance. At the same time, the attitude and resources of the people in the building affected the health and recovery of the cooperative.

Policy Implications

Although the dynamics within co-ops were crucial in defining the essence of ownership to individuals, the context within which cooperative ownership occurred also colored the experience. Societal assumptions about being a home owner, and the explicit legal and financial advantages of ownership, influenced the meaning of ownership. The socio-economic conditions which generally limit the provision of secure, affordable housing for low income people affected how people experienced co-op ownership.

Generally, low income people do not achieve home ownership in this country. As tenants in poorly maintained buildings they are subject to social stigma and are typically not secure or comfortable. In fact, it may be this generally insecure housing status that makes home ownership even more desirable.

The meaning and desire for home ownership can differ by class and circumstance. Although home ownership is supposed to offer increased status, the more tangible benefits to low income people are security and control over one's home. Higher income people may move positively toward home ownership for its financial advantages and comforts, while the primary benefits to low income people allow an avoidance of negative housing considerations such as displacement.

National policy efforts to promote low income ownership usually believe that home ownership will transform the poor. They will presumably become better citizens and have a greater stake in society through the empowerment achieved by ownership. Yet in this study these lofty ideals were not the driving force in why low income people wanted to own. Their motivation for ownership had much more to do with wanting to have a secure home. Staying was related to attachment to place, affordability considerations and the perception of a lack of available housing options. Tenant sponsored conversions to cooperative ownership gave low income people facing displacement the control they needed.

However along with the control and security offered by ownership came responsibility on both a financial and managerial level. Although low income ownership has been promoted on an ideological level, there have been doubts as to low income people's ability to handle ownership's responsibilities. Technical assistance is important to both accomplish the conversion to cooperative ownership and preserve the long term management viability of co-ops.

The Importance of Technical Assistance

The conversion of multi-unit rental buildings to cooperative ownership is a complicated task that cannot be accomplished by the tenants alone. Training and technical assistance have been found to be important in the conversion

to cooperative ownership by several authors (Clark et al, 1990; Leavitt & Saegert, 1990; Rohe, 1995; Rohe & Stegman, 1993; Seagert et al, 1989). In this study, the Ownership Transfer Program had the technical expertise to accomplish the conversion to cooperative ownership.

In this study, tenants did not generally think of ownership as an available option. They didn't know how to achieve home ownership or believe they could afford it. Since most renters are uncomfortable with real estate transactions, this can act as a barrier to home ownership (Fannie Mae, 1992). The actual process of converting a landlord-owned rental property into a tenant-owned cooperative is complicated and often involves intricate legal and financial maneuvering.

Although in this study the majority of tenants had to want ownership for a conversion to proceed, outside technical assistance was necessary to achieve it. Usually the idea to convert the property to tenant ownership originated from someone working with the tenant group during the struggle with the landlord who believed the tenants could handle the responsibilities of ownership. Although leadership existed within the building, the involvement of outside groups was pivotal to success for the conversion process required technical and bureaucratic skills which were often beyond the scope of building leaders.

Technical expertise in legal, financial and building renovation issues is necessary to get a building through the complicated conversion process. Yet affordable access to professionals in these fields is also important to help co-op owners address problems as they arise over time. Particularly when crises arise that are beyond the ability of resident owners to solve on their own, they need access to those with the expertise to help remedy the problem. To return to the cooperative as living entity metaphor, co-ops may know how to fix a sprain, but when something breaks they need outside assistance to properly set the cast, figure out how to pay for it (since they may not have much disposable income) and address legal issues which are more complicated in a shared body.

The technical assistance required by low income cooperatives goes beyond real estate and physical repair expertise. Property management in itself can be a difficult task in a multi-unit building, but it is even more demanding when all the residents are also joint owners. Housing cooperatives consist of dynamic groups of people, and must be treated as evolving entities which develop through a life cycle of different stages (Saegert et al, 1989). Since housing cooperatives are social systems, not just mechanical ones, technical assistance must be concerned with addressing management issues and problems (Clark et al, 1990).

Although a management structure is created when a housing cooperative is formed, problems are likely to appear over time as leaders grow tired or specific building crises develop. Meeting frequency and collective decision making is affected by leadership styles, participation levels, current building conditions and the social dynamics between shareholders. Regular maintenance of both the physical and social system is important to keep cooperatives healthy.

An organization with expertise in management and organizational development should be associated with low income co-ops so that over time they can regularly take a cooperatives blood pressure and diagnose possible problems. Sometimes the pressure can be lowered by hiring an outside group to become responsible for certain management tasks such as rent collection or evictions. Yet often management problems are more amorphous and have to do with leadership styles, the decision making process and participation. From time to time, a managerial consultant may need to go in to be sure the circulation is not blocked and redirect the flow if necessary. However, since this procedure is complicated, the group that does the work requires sensitivity as well as the cooperative's trust.

Management, Participation and Housing Quality

The management effort required by cooperative ownership is difficult to sustain over time. Especially when the buildings are self managed, the resident energy necessary to keep management practices operational is challenging. This study found little transfer of leadership roles, and depicted how tired existing leaders can become. Over time management issues become more critical, especially since often there is limited technical assistance oversight available for older low income cooperatives (Turetsky, 1993).

This study has shown that crises that occur in cooperatives are relatively common and can be related to finance, maintenance or management issues. However, the ability of co-op management to rally participation at meetings to deal with crises is much more difficult as time goes on (especially compared to during the conversion process). Building crises have been shown to, in essence, create a management breakdown. When things get too hard to handle, and conflicts occur, leaders often retreat and stop having meetings. Yet not having regular, open meetings is detrimental to democratic management and the sense of community in a building.

An effective management and decision making structure, that remains democratic and participatory, is one of the most difficult yet important things for cooperatives to do.

A study of Canadian housing cooperatives found that it is the process of participation, not the structure of the organization, that creates a sense of community (Cooper & Rodman, 1992). Democratic control is one of the most attractive features but elusive goals of cooperative housing. Democratic member control can operate effectively without universal participation (which is usually an unrealizable goal) but the opportunity to participate has to be present (Cooper & Rodman, 1992).

The participatory process, and having trusted leadership, can be even more important than management structure per se. Van Ryzin's (1991) study showed that assessments of management performance and the sense of control over decision making differed substantially between cooperatives. Yet these differences did not reflect program type or building conditions but rather perceptions of the fairness and responsiveness of resident leaders (Van Ryzin, 1991, 1992).

Although the quality of relationship with leaders can affect perceptions of control and ownership, so can the satisfaction with the social and physical environment (Van Ryzin, 1994). In his study of mutual housing, involving residents in the management and ownership of low income housing leads to an increased sense of control and ownership, which are key elements in the concept of empowerment (Van Ryzin, 1994). Higher ratings of social and

physical conditions have been linked to individuals who participated more, and lived in buildings with frequent meetings and lower conflict (Saegert & Winkel, 1996).

Researchers and policy makers should take into account the social dynamics of the residential community and overall housing quality in their efforts to evaluate and implement resident controlled housing strategies (Van Ryzin, 1994).

In this study, the majority of respondents reported being involved in the process of conversion, having feelings of influence and a sense of community. Their involvement with the decision making process contributed to feelings of responsibility, security, control and a sense of ownership. Involvement could be as simple as having the opportunity to attend and vote at meetings. Yet this participation was crucial to the understanding of what cooperative ownership was and ultimately contributed to a sense of ownership.

Although participation affects the sense of ownership, so can the physical quality of the home which is owned. The positive physical transformations of the buildings in this study contributed to a sense of control and security as well as pride in ownership. Dramatic improvements in housing conditions significantly affected the meaning of ownership.

Housing, and especially home ownership, is linked to a sense of identity. Especially for residents who are in-place when a cooperative conversion occurs, it is critical that the physical environment improves in some way. Given

the linkage between housing conditions and self esteem, and the presumed status increase of ownership, if people become owners without a perceptible improvement in their physical environment home ownership may not have the same significance.

Since home can be seen as an extension of self, perceptions about the adequacy of the physical space can be an important component of psychological empowerment (Bratt, 1991). Regardless of tenure, housing conditions have been found to influence both self esteem and life satisfaction (Rohe & Stegman, 1994). Changes in the physical environment are integrally linked to changes in identity and efficacy, and can contribute to both personal and political empowerment (Saegert & Winkel, 1996).

Collective Empowerment

The process of participation is both powerful and empowering. "Empowering processes are those where people create or are given opportunities to control their own destiny and influence the decisions that affect their lives" (Zimmerman, 1995, p. 583). Housing cooperatives should be seen as micro-environments within which residents can learn to work together, develop skills and empower themselves (Henderson, 1993.)

Although empowerment is often conceptualized in individual terms, it is important to recognize collective

empowerment (Riger, 1993; Saegert & Winkel, 1996; Staples, 1990). Little work has been done to integrate the study of community and connectedness with that of empowerment (Riger, 1993). Leavitt and Saegert (1990) found shared control in low income co-ops to be the basis for empowerment.

Interdependence can be an essential aspect of empowerment where it intrinsically involves individual and group learning and action (Saegert & Winkel, 1996).

Self management creates the context and opportunity for collective empowerment for it is in the context of democratic, egalitarian participation that it emerges. It is linked to the ability and opportunity to become active participants in the creation and implementation of policies, decisions and processes (Staples, 1990). Like the management of housing cooperatives themselves, the process of collective empowerment is dynamic.

It was through collective effort that residents, with the technical assistance of the Ownership Transfer Program and other community groups, were able to achieve cooperative ownership. It was by coming and working together, essentially creating a combined strength, that people protected their homes. The meaning of home ownership was integrally linked to cooperatively owning a multi-unit building together.

As joint cooperative owners of a multi-unit building in many ways home was literally collectively defined. It was a

place where social relationships were contained within the shared physical structure. Safety and security were defined not only by the physical structure but through trust that the people who shared the space would do their part.

Ultimately, regardless of the actual role in management, it was inevitable and acknowledged that one person's behavior could affect another's home and life. There was the understanding that "we're in it together". Becoming owners, preserving affordability, and maintaining the building was a joint endeavor.

The Potential of Low Income Housing Cooperatives

The cooperative form of home ownership has not been popular in this country, yet it has been shown to have numerous advantages for low income people. The conversion of rental housing to cooperative ownership prevented displacement and resulted in a secure living environment. Resident control and co-op ownership granted a collective strength and created opportunities for empowerment. Limited equity non-profit cooperatives can be a way to maintain long term affordability which is important in the provision of low income housing.

The meaning home ownership is affected by the motivation for conversion, quality of technical assistance, tenant participation in decision making and housing quality

after the conversion. The actual benefits of cooperative ownership are not the same in all cases. The sense of ownership that develops, and associated empowerment benefits, depend on the organization and legal structure under which the programs develop and operate (Rohe, 1995; Rohe & Stegman, 1993, 1994; Van Ryzin, 1994).

This study has depicted the crucial role of good technical assistance in order to accomplish the transfer, the involvement of tenants during the process, and the need for an ongoing physical and social support system. Good management practices, such as regular meetings or good communication flows, led to residents feeling involved which contributed to a sense of influence. Being a part of the decision making process affected both the sense of ownership and empowerment.

The motivation for ownership can have a significant effect on how people perceive the advantages of ownership. In this study a dominant motivation for ownership was the desire to not have another landlord which would mean poor housing conditions and the possibility of displacement. Low income people were motivated to own in order to gain control over their housing, not by ownership in itself.

Many public housing conversions to co-op ownership are usually offered by the housing authority itself which is more comparable to a landlord sponsored conversion. The assumption is that the tenants would prefer to own and this

ownership would revitalize the community. However, if public housing tenants already feel good about their housing, find it affordable and have relatively good housing conditions, they may not have much motivation for ownership.

In recent years, Federal housing policy has promoted the resident management and ownership of public housing with the belief that tenant ownership will empower residents. Yet studies of these public housing conversions (Rohe, 1995; Stegman & Rohe, 1993, 1994; Van Ryzin, 1994) identified obstacles to success. In some public housing conversions to cooperatives it was found that success was inhibited by lack of participation, poor quality of the housing stock and inadequate board training (Rohe, 1995).

Resident involvement in the decision making process can be affected by the quality of the technical assistance and training providers. A comparison of two conversions found that the more successful one had technical assistance providers who were familiar with the cooperative form of ownership and knew how to effectively involve residents in the process of conversion (Rohe & Stegman, 1993). In contrast, the conversions in this study were accomplished by the Ownership Transfer Program which has extensive experience in the training and technical assistance needs of tenant co-ops. Compared to the rest of the country, New York City has a variety of technical service providers who

can provide a wealth of expertise in the legal, financial and managerial ramifications of this tenure form.

The New York City housing context certainly colored the meaning of cooperative ownership for respondents. Crisis conditions may have provoked the conversions, but the familiarity with cooperatives in New York City made the conversions easier to accomplish than in other parts of the country. Financial institutions felt more comfortable lending to housing co-ops, making it easier to obtain financing. Also since New York City has more cooperatively owned housing than the rest of the country, cooperatives are a more familiar housing ownership alternative to residents². Familiarity with the co-op ownership form may have influenced its acceptance and perceived benefits.

Studies of the Tenant Interim Lease (TIL) Program co-ops are comparable in many ways to the OTP co-ops studied for both resulted from the crisis situation of landlord abandonment³. Prior to conversion the buildings were in poor condition, and contained low income populations facing displacement with few available affordable housing options in New York City (Sullivan, 1993). In comparison to other New York City housing programs, TIL co-ops reported the best

² Even though many respondents distinguished between their cooperative and the 'other' ones for richer people.

³ Although TIL co-ops had passed through City ownership while the OTP buildings were converted prior to the City of New York taking the building for tax arrears.

building conditions, management quality and tenant satisfaction (Saegert, 1996). OTP co-ops also reported satisfaction with building conditions and management. A preference for tenant ownership was evident in TIL co-ops (Saegert, 1996) and implicit in the OTP building residents desire not to have another landlord. Both the OTP and TIL co-ops provided secure, affordable housing with good building conditions with which residents were satisfied.

Various studies have found low income cooperatives to have economic and social benefits (Burskin, 1983; Cooper & Rodman, 1992; Dansereau, 1993; Kolodny, 1973; Leavitt & Saegert, 1990; Saegert, 1996; Zimmer, 1977). Limited equity co-ops have long been advocated as an affordable housing form which can prevent the displacement of low income people. Yet limited equity ownership removes a major financial benefit traditionally associated with home ownership in the United States.

This research investigated how people experienced limited equity, and found that the majority responded positively to it. Respondents felt that since limited equity prevented speculation, it made their homes more stable and would also give other low income people a chance to afford ownership. It appears that resale restrictions were experienced in these cooperatives as a means of both financial and social control.

Feelings about limited equity may be linked to the expectations of ownership. The low income people in this study did not buy their apartments with the intent of financial gain or profit; instead the motivation was to gain control and security over their housing. The prime financial advantage was in having, and being able to maintain, affordable rents which was often related to not having a landlord. This is very different from middle and upper income people who expect tax advantages and equity gain when they purchase a home. Since equity gain in itself was not the prime concern or motivation for purchase for the people in this study, equity in itself did not mean as much.

Affordability is linked not only to limited equity, but the non-profit character of the cooperatives in this study. Maintenance charges were put back into the building to cover operating costs, and did not contribute to a landlord's profit. Affordable maintenance charges were crucially linked to respondents feelings of security.

However, keeping maintenance charges affordable for these cooperatives can be a challenge. Low income cooperatives can often be found on the edge of financial solvency in their struggle to both meet the obligations of ownership and keep costs affordable for residents. Since neither the co-ops or residents have much financial flexibility crises can easily occur. Pressures to raise maintenance charges can arise internally, from unexpected

repairs or non-payment problems, or can be caused by taxation and service increases by the City of New York.

In New York City, the long term affordability of low income cooperatives is being threatened by the increasing costs of real estate taxes followed by water and sewage charges (Henderson, 1993). Low income co-ops with limited funds are being subject to costs that are increasing at a much faster rate than co-op resident incomes. The City has been treating low income cooperatives the same as for-profit luxury cooperatives in their assessments of taxation and for City services (Henderson, 1993).

Low income limited equity cooperatives, as a non-speculative form of housing, should not be treated or taxed the same as for-profit housing. Property relationships, and the paradigm of ownership, is complex and variable and can form a continuum (Christman, 1994). The motivation for ownership in low income co-ops is possession, not financial gain. Residents of these low income co-ops do not qualify for income tax deductions or gain equity appreciation. In these cooperatives, the value of home ownership is more social and psychological since the traditional financial benefits are removed. The government must recognize that low income cooperatives are a truly alternative form of housing and provide public policies that will support its long term affordability.

Cooperatively owned housing is an alternative form of ownership that deserves more serious consideration than it has typically received in this country. Although it usually is, home ownership does not have to be solely contained in single family homes. To do so limits ownership options for low income people who tend to be concentrated in urban areas with multi-unit buildings (Joint Center for Housing Studies, 1996).

Housing cooperatives provide a way for people to come together to address their housing needs. As a more social form of ownership, co-ops create a collective control and strength. As a group people can manage their expenses in a non-profit manner to keep costs affordable. Particularly for low income people, the collective nature of cooperative ownership grants an opportunity to pool their financial and social resources.

Cooperative ownership can provide a new model of tenure that provides the security, autonomy, control, financial benefits and sense of community membership promised by home ownership (Stone, 1993). As stated by Stone (1993):

As the rungs of affordability between renting and conventional homeownership become farther and farther apart, new models of ownership and tenure are emerging ...that not only respond to the affordability crisis, but may begin to offer more satisfactory ways of responding to the genuine needs imperfectly met within the existing ideology of homeownership. (p. 21)

For the people in this study, cooperative ownership prevented their displacement and stabilized their housing

situation. This was extremely important to residents, especially given their lack of affordable housing options.

As Joanne from Cooperative 6 stated:

In a much larger context...we're really not very different from people who own their little shacks in rural America, or on the other hand people who own expensive houses in the suburbs you know...in the sense that we want some kind of stable living condition. And in the case of those of us who are poor...we don't want to be out on the street as we see people are every day in this society with no roof over their heads.

For the most part, and for the greater majority of respondents, cooperative ownership was a positive experience. Although management in particular was not generally easy, the struggle of working together often strengthened social ties and a sense of community. In conjunction with the conversion to cooperative ownership, residents saw their physical conditions transformed and improved at both an essential and aesthetic level. They felt secure at a physical and financial level due to the collective control that came with cooperative ownership. Cooperative ownership offered people security of tenure and the ability to keep their homes.

APPENDIX**COOPERATIVE OWNERSHIP QUESTIONNAIRE**

6/7/91

INTERVIEW # _____ BLD # _____ DATE ____/____/____

ADDRESS: _____ APT: _____

INTRODUCTION

- EXPLAIN CONSENT FORM AND DESCRIBE RESEARCH/INTERVIEW

DEMOGRAPHIC PROFILE

1. HOW LONG have you lived in this BUILDING ? _____

Has it been in the THIS APARTMENT the entire time ?

YES / NOIF **NO** - What OTHER apt ? __ How long in OTHER apt ? __

How long in THIS apartment ? _____

How long have you lived in this NEIGHBORHOOD ? _____

2. WHY did you move into this building ?

PROBE - Did you KNOW ANYONE BEFORE you moved in YES / NO

3. Note sex of respondent: **MALE / FEMALE**

4. May I ask HOW OLD you are

(OR year you were born) _____?

5. How would you describe your ETHNIC BACKGROUND ?

WHITE / BLACK OR AFRICAN AMERICAN / HISPANIC OR LATINO / ASIAN / OTHER

6. What is the highest grade you completed in school ?

ELEMENTARY SCHOOL / SOME HIGH SCHOOL ____ / HIGH SCHOOL / G.E.D.

SOME COLLEGE ____ / COLLEGE DEGREE - 2 YR / TECHNICAL / 4 YR (BACHELORS)

SOME GRAD SCHOOL ____ / GRADUATE DEGREE - MASTERS / PHD / OTHER

7. Are you currently SINGLE / MARRIED / DIVORCED-SEPARATED /

WIDOWED / LIVING WITH A PARTNER / OTHER _____ ?

8. How many OTHER PEOPLE live in this apartment ?
NONE / 1 / 2 / 3 / 4 / 5 / 6 / 7 / 8 / 9 / 10 / OVER 10
9. Is there anyone UNDER 18 living in your household?
YES / NO
 How many ? _____ What are their ages ? _____
 What is your relationship to them ?
FAMILY / FRIEND / OTHER _____
10. Is there anyone OVER 65 years old living here ? **YES/NO**
 How many ? _____ What are their ages ? _____
 What is your relationship to them ?
FAMILY / FRIEND / OTHER _____

BUILDING HISTORY

11. Do you know who owned this building when you first moved in ?
12. What were the PHYSICAL CONDITIONS of the building then?
+ VERY POOR/ POOR/ FAIR/ GOOD/ VERY GOOD
13. What has been the MOST IMPORTANT CHANGE(S) in the building since you moved in ?
14. Who owns this building now ?
 Is it a cooperative ? **YES / NO - DON'T KNOW**
15. Do you know WHEN the tenants bought the building ?
YES / +NOT SURE / NO - DON'T KNOW
 Do you know WHEN the building became a co-op ?
YES / +NOT SURE / NO - DON'T KNOW (SAME TIME ____)

16. Do you know WHAT was involved with the PROCESS of buying the building ? **YES/SOMEWHAT/+NOT SURE/NO**
 Were you involved in the process ? **YES/SOMEWHAT/NO**
 IF **YES**, How ? IF **NO**, Who was/what happened ?

PROBE - Was there ever a 7A administrator ? YES / NO

17. WHY did the tenants buy the building and turn it into a cooperative ?
18. Did the building receive help from OUTSIDE GROUPS?
YES / NO
 WHICH organizations where they ? **NOT SURE/DON'T KNOW**
 PROBE - OTP / HPD / PRATT / CDLAC(LEGAL) / UHAB / OTHER(S) _____
 HOW did they help ? +PROBE- Who's help was MOST IMPORTANT ?

COOPERATIVE OWNERSHIP

19. HOW LONG have you owned this apartment (had shares)? _____ (OR YEAR BOUGHT)
20. WHY did you buy YOUR apartment ?
21. BEFORE you BOUGHT your apartment, did you have any EXPECTATIONS of what cooperative ownership would be like ?
YES / NO - DON'T KNOW
 IF **YES** - Now that you own, is the REALITY of cooperative ownership what you expected ?
YES / NO / MIXED
22. What does cooperative ownership MEAN to you ?

PROBES - FINANCIAL FACTORS, CONTROL, SECURITY, STATUS

23. What are the good things about cooperative ownership ?
24. What are the bad things about cooperative ownership ?
25. Have your feelings about cooperative ownership

CHANGED OVER TIME ? **NOT AT ALL / A LITTLE / SOME /**

A LOT - NO OPINION

How ? **POSITIVE / NEGATIVE / MIXED**

PROBE - WHEN did they change ?

26. How would you describe WHAT cooperative ownership
is to someone who has never experienced it ?

PROBE - PROS AND CONS

27. As a cooperative home owner, do you feel more like
a **RENTER, OWNER** or something **INBETWEEN** ? **WHY** ?

PROBE - Has it CHANGED OVER TIME ?

28. How would you compare COOPERATIVE OWNERSHIP to
RENTING from a private landlord ?

29. When you were growing up, did your family own their
home ?

YES / SOMETIMES / NO

Was it an

DETACHED HOUSE / SEMI-DETACHED / APT (COOP - CONDO) /OTHER_?

WHERE was that ? _____

30. Have you ever owned any other apartment or house before
or do you NOW ? **YES / NO** **DO / DID**

IF **YES** - was/is it a **DETACHED HOUSE / SEMI-DETACHED /APT**
(COOP-CONDO) /OTHER ?

WHERE was/is it ? _____

What was/is that experience like?

++. Did you want to own your own home ? **YES / MAYBE / NO**

31. How would you COMPARE the COOPERATIVE OWNERSHIP of an apartment to the PRIVATE OWNERSHIP of a detached home and which would you prefer ?

CO-OP - APT / PRIVATE - HOUSE

PROBE - LOCATIONAL PREFERENCE (SUBURB/URBAN),
RESPONSIBILITY, COST, CONTROL

MANAGEMENT

32. Who is responsible for the management of this building?

**SELF-MANG (COOP BOARD) / MANAGER-IN BLD/OUT OF BLD / PRIVATE FIRM/
COMMUNITY GROUP / OTHER**

WHAT do they do ?

Who does the everyday building maintenance ?

33. How do you think this building is being CURRENTLY managed ? Would you say it is:

1-VERY POOR / 2-POOR / 3-FAIR / 4-GOOD / 5-EXCELLENT

Why ?

34. Have you been **PAST - YES/NO**

or are you a 'leader' in the building ?

PRESENT - YES / NO

In what way or role ?

35. Have you been **PAST - YES / NO**

or are you on the Brd of Directors ?

PRESENT - YES / NO

IF **YES**, WHAT position(s), WHEN, for HOW LONG ?

IF **NO**, Would you ever want to be on the Board of
Directors? Why or Why not ? **YES / NO**

36. Are there any committees in the building ? **YES/NO**

IF **YES** - What do they do ? IF **NO** - SKIP BELOW

37. Have you have been involved in any committees? Which
ones?

CHECK IF - 'EVERYONE ON BOARD' ONLY ONE TYPE OF MEETING

38. How often are BOARD meetings held ? _____

+PROBE - FREQUENCY CHANGED OVER TIME ?

Do you ever go to BOARD meetings ? **YES / NO**

How often 1-NEVER / 2-SELDOM / 3-SOMETIMES / 4-OFTEN / 5-ALWAYS

39. How often are SHAREHOLDER meetings held ? _____

+PROBE - FREQUENCY CHANGED OVER TIME

Do you ever go to SHAREHOLDER meetings ? **YES / NO**

How often 1-NEVER / 2-SELDOM / 3-SOMETIMES / 4-OFTEN / 5-ALWAYS

++. Are the meetings well attended ?

How many people attend ?

40. How are decisions made in this cooperative ?

41. Do you feel you are kept informed by the board ? **YES/NO**

PROBE - DO YOU GET FINANCIAL REPORTS OR MEETING MINUTES ?

42. Overall, how much influence do you feel you have
in decisions that get made about the building ?

Why ? NO INFLUENCE / LITTLE INFLUENCE / SOME INFLUENCE /

A LOT OF INFLUENCE - NO OPINION

GROUP DYNAMICS

43. How often do people in the building work together on problems or issues affecting the cooperative ?
 1-NEVER / 2-SELDOM / 3-SOMETIMES / 4-OFTEN / 5-ALWAYS
 How or why is this so ? PROBE - HAS IT CHANGED OVER TIME ?
44. Do people in this cooperative generally get along ?
 YES / NO
 WHY or why not ? PROBE - HAS IT CHANGED OVER TIME ?
45. Do you get along with most people in the building ?
 YES / NO
 PROBE - HAS IT CHANGED OVER TIME ?
46. How often do conflicts arise in the building ?
 1-NEVER / 2-SELDOM / 3-SOMETIMES / 4-OFTEN / 5-ALWAYS
 If so, what are they about ? How/are they resolved ?
47. Overall, do you think there is a sense of community in this building? YES/NO - DON'T KNOW
 PROBE - Do you feel like the building is a 'FAMILY" ? YES / NO
48. Have there been evictions in the building ?
 YES / NO - DON'T KNOW
 WHY were people evicted ? WHEN were they ?
 PAST/PRESENT/BOTH
 How many ? _____
49. Do you know what the coop's policy is for nonpayment of rent?
 YES / NO - DON'T KNOW Is it enforced ? YES/NO

50. As a cooperative owner, HOW MUCH do you feel a sense of security living in the building, in the sense that you won't lose you home ? **DON'T KNOW**
- NO SECURITY / LITTLE SECURITY / SOME SECURITY / A LOT OF SECURITY**
- NO OPINION**

When you were a TENANT in this building here, HOW MUCH did you feel a sense of security living in the building, in the sense that you wouldn't lose your home?

DON'T KNOW NOT A TENANT HERE

NO SECURITY / LITTLE SECURITY / SOME SECURITY / A LOT OF SECURITY

- NO OPINION

51. As a cooperative owner, HOW MUCH do you feel you have personal CONTROL over conditions in the building ?

DON'T KNOW

NO CONTROL / LITTLE CONTROL / SOME CONTROL / A LOT OF CONTROL

- NO OPINION

When you were a TENANT here, HOW MUCH did you feel you had personal control over conditions in the building?

DON'T KNOW NOT A TENANT HERE

NO CONTROL / LITTLE CONTROL / SOME CONTROL / A LOT OF CONTROL

- NO OPINION

52. Has owning this apartment affected the rest of your life in anyway ? **YES / NO - DON'T KNOW**

In what way ? **POSITIVE / NEGATIVE / MIXED**

53. How satisfied are you with your.....

APARTMENT

VERY UNSATISFIED / UNSATISFIED / NEUTRAL / SATISFIED / VERY SATISFIED

BUILDING

VERY UNSATISFIED / UNSATISFIED / NEUTRAL / SATISFIED / VERY SATISFIED

NEIGHBORHOOD

VERY UNSATISFIED / UNSATISFIED / NEUTRAL / SATISFIED / VERY SATISFIED

54. Has ownership CHANGED the way you feel or think

about your APARTMENT ? YES / NO

In what way /HOW ? GENERALLY - NEGATIVE / POSITIVE / MIXED

Has ownership CHANGED the way you feel or think about

your BUILDING ? YES / NO

In what way /HOW ? GENERALLY - NEGATIVE / POSITIVE / MIXED

Has ownership CHANGED the way you feel or think about

your NEIGHBORHOOD ? YES / NO

In what way /HOW ? GENERALLY - NEGATIVE / POSITIVE / MIXED

55. Do you have any plans to move ? YES / MAYBE / NO

If YES - to WHERE ? _____ WHEN ?

56. If you had to move, where would you go ? DON'T KNOW

+ If you had to move within New York City, where COULD
you go ?

PROBE - WHAT DO YOU SEE AS YOUR HOUSING OPTIONS

(AFFORD) DON'T KNOW

57. Do you want to own something else someday ?

YES/ MAYBE / NO

What ? APT (CONDO-COOP) / SEMI-DETACHED HOUSE / DETACHED HOUSE

/ OTHER

PROBE - Do you think you will be able to achieve that goal?

RESALE POLICY

58. Does the cooperative have rules to control the resale price of an apartment ? **YES/NO - DON'T KNOW**
 What they are ? [IF DON'T KNOW SKIP # 59-60]
 Have any apartments sold ? **YES/NO** How many ? _____
59. Do you know WHY this cooperative has these restrictions on the resale price of an apartment ?
YES / NO
60. How do you feel about these resale rules ?

FINANCIAL

- MONTHLY HOUSING CHARGE = MORTGAGE AND CO-OP MAINTENANCE CHARGES BUT
NOT APARTMENT UTILITY COSTS

61. Do you consider your current monthly housing charge to be 'REASONABLE' ? **YES / NO**
 Compared to similar apartments in the neighborhood do you think it is generally
VERY INEXPENSIVE / INEXPENSIVE / NOT INEXP OR EXP / EXPENSIVE / VERY EXPENSIVE
62. May I ask what you pay each month for your monthly housing charge ?
63. Has your monthly housing charge gone UP, DOWN or stayed the SAME since you bought your apartment ?
 If HIGHER, why did it go up, and is it worth it ?
 How much was your rent BEFORE you bought your apartment?

64. Have you ever contributed money to pay for something in the BUILDING beyond your monthly charges ?

1-NEVER / 2-SELDOM / 3-SOMETIMES / 4-OFTEN / 5-ALWAYS

If so, what was it for ?

PROMPT - EMERGENCY FUEL, REPAIRS, SPECIAL ASSESSMENTS

65. Are you currently employed ? YES / NO

IF YES FULL TIME (>30 HOURS) / PART TIME (<30 HOURS)

MORE THAN ONE JOB / OTHER _____

IF NO UNEMPLOYED / RETIRED / STUDENT / DISABLED

OTHER _____

What kind of work do (or did) you do ? (OCCUPATION)

66. Would you estimate the annual income of your entire household to be

UNDER 10K / 10-20K / 21-30K / 31-40K / 40-50K / OVER 50K

67. What are the sources of your households income ?

PAYCHECKS / PUBLIC ASSISTANCE / RETIREMENT / DISABILITY

SOCIAL SECURITY / FAMILY / OTHER _____

68. How much did it cost to buy this apartment ?

+ PROBE - Do you purchase only this apartment ? If NO, what other apartment and why?

69. HOW were you able to finance buying the apartment?

INCOME / SAVINGS / LOANS - FAMILY/BANK / PAYMENT PLAN /

WELFARE / OTHER

Did you feel you COULD you AFFORD to buy the apartment?

YES / NO

PROBE - DIFFICULT TO DO

70. How has cooperative ownership affected you financially?
+NO EFFECT - POSITIVE / NEGATIVE / MIXED
71. Do you have any questions or concerns about the
 cooperatives financial situation ? **YES / NO**

MAINTENANCE

72. Overall, do you think (general building) maintenance
 has gotten **WORSE** / stayed the **SAME** / or **IMPROVED**
 since the tenants became owners ?
 How, in what way/s ?
 PROBE - HAS IT CHANGED OTHER PEOPLE BEHAVIOR?
73. Does ownership make you feel **MORE** or **LESS**
 responsible for **BUILDING MAINTENANCE** than before
 you bought or **NO DIFFERENT?**
74. Have the tenants or cooperative made any **PHYSICAL**
CHANGES in the **BUILDING?** **YES / NO**
 IF NO SKIP BLD 'TOUR' QUESTION
 Were they **BEFORE BOUGHT / AFTER BOUGHT/ BOTH**
 What are they ? **PROBE - ADDITIONS OR REMOVALS**
 Are there plans to make physical changes to the BLD in
 the **FUTURE?**

75. In order to see how building conditions may have changed, could you rate the following building items, such as ..(below)... for both BEFORE and AFTER the tenants bought the building using a scale of

1-VERY POOR / 2-POOR / 3-FAIR / 4-GOOD / 5-VERY GOOD

	BEFORE					AFTER				
Phy Security	VPr	Pr	Fr	Gd	VGd	VPr	Pr	Fr	Gd	VGd
Cleanliness	VPr	Pr	Fr	Gd	VGd	VPr	Pr	Fr	Gd	VGd
Heat	VPr	Pr	Fr	Gd	VGd	VPr	Pr	Fr	Gd	VGd
Hot water	VPr	Pr	Fr	Gd	VGd	VPr	Pr	Fr	Gd	VGd
Plumbing	VPr	Pr	Fr	Gd	VGd	VPr	Pr	Fr	Gd	VGd
Windows	VPr	Pr	Fr	Gd	VGd	VPr	Pr	Fr	Gd	VGd
Electricity	VPr	Pr	Fr	Gd	VGd	VPr	Pr	Fr	Gd	VGd

76. Do you feel that as a cooperative owner, you can make any physical changes you want to your apartment ?

77. Have you made any PHYSICAL CHANGES in your own APARTMENT ?

YES / NO [IF NO SKIP APT TOUR QUESTION]

Were they BEFORE BOUGHT / AFTER BOUGHT / BOTH

What are they ? PROBE - ADDITIONS OR REMOVALS

Do you have any plans to make changes to the APT in the FUTURE ?

78. Do you have any questions or concerns about the condition (PHY OR MANAGEMENT) of your building now or in the future? **YES/NO**

79. If you were to give a visitor a TOUR of the PHYSICAL CHANGES the cooperative has made in the BUILDING, what would you show them ?

PROBE - PRIDE

What physical change in the BUILDING do you consider the MOST IMPORTANT ? Why ?

80. If you were to give a visitor a TOUR of the PHYSICAL CHANGES that you have made as a cooperative owner in your APARTMENT, what would you show them ? PROBE - PRIDE

What physical change in your APARTMENT do you consider the MOST IMPORTANT ? Why ?

PHOTO METHOD

81. Now I would like to ask you to take up to 3 pictures of the physical changes you consider to be important or meaningful. After you do so, I will ask you why you photographed what you did, and if one thing is more important than another.

RESPONDENT TOOK___PHOTOS/ I TOOK___PHOTOS/ NO PHOTOS

BECAUSE ORDER TOOK RANK

1st

2nd

3rd

4th

5th

MOST IMPORTANT

MOST MEANINGFUL

BUILDING ADDRESS _____

IF NECESSARY, I WILL ASK THE RESPONDENT TO RECOMMEND OTHERS
IN THE BUILDING WHO ARE

- SHAREHOLDERS
- HAVE BEEN A TENANT IN THE BLD PRIOR TO CONVERSION
- WHO ARE LESS ACTIVE AND/OR
HAVE A 'DIFFERENT' PERSPECTIVE

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