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Self-Help Housing: The Story of the Urban Homesteading Assistance Board



Urban Omnibus • Dec 19, 2012

Public policy in the United States has always considered the availability of good-quality housing for lower-income citizens to be linked irrevocably to the broader challenges facing American cities. (The only federal agency with “Urban” in its name, the Department of Housing and Urban Development (HUD), is a housing agency, as opposed to, say, the Department of Education and Urban Development). Multi-family housing may be the building blocks of urban communities, but the challenges of providing safe and affordable housing change along with cities themselves, often in ways governments are unable to anticipate. To succeed, advocates on the front lines of maintaining housing options for lower-income citizens must be the ones to adjust, staying agile enough to respond to new priorities while maintaining their values and core skill sets.

The Urban Homesteading Assistance Board (UHAB) is an organization that has remained effective in its quest to create home ownership opportunities by constantly adapting to New York City’s shifting circumstances over the past 40 years. Forged in the dark days of the urban crisis of the 1970s, UHAB got its start helping motivated pioneers carve habitable homes out of neglected and deserted properties. Over the years, in order to continue to create affordable home ownership opportunities for all New Yorkers, it has evolved into a tenant organizer, technical assistance provider, home ownership trainer, public advocate, facilitator of financing and insurance, and even property developer. Throughout, it has maintained its core commitment to helping residents address their own housing needs through co-operative ownership and a firm commitment to “people development.” Since 1973, UHAB has assisted in the preservation of over 1,700 buildings and created homeownership opportunities for over 30,000 households. Today, New York City has the largest community of shared-equity housing co-ops in the country.

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evolution from addressing the crisis of abandonment to contemporary crises of foreclosure, speculation, and affordability. –C.S.



Clinton Street and Grand Street, 1980 | Photo (c) [Harvey Wang](#)

Cassim Shepard (CS): Describe New York City's housing situation in the years leading up to the founding of the Urban Homesteading Assistance Board.

Andrew Reicher (AR): Throughout the 1970s, New York City was experiencing widespread real estate abandonment. In those days, the City wouldn't repossess a building for non-payment of taxes for ten years. So, for many landlords in that economy, it was profitable just to stop paying taxes, provide no services or upkeep, continue to collect rent, and then walk away. Tens of thousands of

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people from under-populated areas, razing the buildings, and cutting off services.

In this context of wholesale abandonment, UHAB was founded on the idea that local people are able, with their own hands and some technical assistance, to solve their own housing problems, to stabilize their neighborhoods, and to build up the urban fabric within those neighborhoods.



105th Street Rooftop | Photo courtesy of UHAB

CS: How did UHAB come to be?

AR: The initial idea owed a lot to a man named Don Turner, a professor at MIT and Harvard and one of UHAB's founders. Turner had been studying self-help housing and squatter settlements in large cities in a number of developing countries, which led to his contribution to a 1972 book called *Freedom To Build: Dweller Control of the Housing Process*, co-edited by another professor named

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why couldn't that same level of owner involvement in the building process apply to multi-family apartment buildings in cities?

This question took root and inspired some new thinking at the Cathedral of Saint John the Divine. The Bishop, Paul Moore Jr., and the Dean, James Park Morton, were new, open to new ideas, and eager to infuse a fresh sense of purpose into the church's social justice work. UHAB emerged under the auspices of the church, beginning in 1973 and incorporated in 1975. The idea was to work with people who wanted to take over vacant, abandoned housing in New York, turn them into homes, and become owners.

If you practice democracy at home, you practice democracy in your community.

At first, these homesteaders would be extended groups of people who knew each other, maybe a band or an extended family or a church group or just a bunch of neighbors and friends. They would take buildings over, start fixing them up, and then approach the City for grants and assistance, and cobble together what we've called a "sweat-equity" homesteading program. Sweat equity (a term my predecessors here at UHAB claim to have coined) refers to the contribution of labor in lieu of money. In the beginning, the homesteaders did an enormous amount of the rehab work. In some of our later iterations of homesteading, we tried to limit sweat equity to an amount of work roughly equivalent to a down payment: 10, 15, 20% of the value of the property.

For the city at that time, this was an exciting idea, a romantic notion. So UHAB received a lot of good press. Most people interested in homesteading heard about us and sought us out. We would help them to determine if a particular building was City-owned, help with the relevant paperwork, help source architects and contractors to volunteer necessary services. Over time, the tactics have evolved, but the mission has remained, in essence, to turn renters into homeowners and to provide permanently affordable, quality housing.

CS: Explain what a "limited-equity co-op" is. Why was that the chosen strategy to turn renters into owners?

AR: What folks call a "limited-equity co-op" is what we consider to be a true co-op; a co-op that isn't limited equity is what I would call a market-rate or a speculative co-op. A co-op is a stock corporation. So if you are a member of a co-op, you get a return on what you invest, proportionate to your investment and shared among the community of co-operative members. By limiting that return for departing shareholders to the original cost of their shares plus a modest profit, we can preserve the co-op's affordability. Buyers forego possible future profits in favor of the low purchase price and

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Renovating 519 East 11th Street, a homesteading project that become home to the first roof-mounted, urban windmill in the United States | Photo courtesy of UHAB

CS: After this initial period of self-initiated homesteading projects, what happened next?

AR: Towards the end of the '70s, the City began ratcheting down the number of years a building could not pay its property taxes before it would repossess that building. It went from ten years to five years to three years to, by 1978, just one year. That year, the City reclaimed 11,000 buildings, 4,000 of which were still occupied. 4,000 buildings is 100,000 apartments; that's like the city of San Francisco!

Almost overnight, the City was managing occupied rather than abandoned buildings, and they had to worry about keeping the heat on, the doors locked and a roof on these buildings. The City became a landlord, or, more accurately, a slumlord. So, the folks at UHAB, along with several City officials – including elected City Council members – got together with community groups and proposed the creation of a series of programs to address the challenges of the occupied buildings. We proposed helping residents to renovate their buildings and to turn them into co-ops. And unlike my experience

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contract for UHAB to provide assistance to the residents renovating and managing these buildings.

CS: At that time, was it a new idea that tenants deserved a say in the disposition of the properties where they lived?

AR: I think engaging residents was a new idea. Engaging communities or neighborhoods in urban renewal projects was already widely discussed. But the notion that residents of multi-family apartment buildings have the capacity to help themselves when it comes to housing needs – that was somewhat unique.

Americans have always built and renovated their own houses, but the idea of renovating apartment buildings was new in the 1970s. Before that, you would just tear a building down if it fell out of use or into disrepair. You wouldn't do these major gut renovations. That whole idea was new, especially for larger apartment buildings.

CS: What size buildings are we talking about?

AR: The typical New York City buildings in UHAB's portfolio were Old Law Tenements, so about 20 to 25 units. Our largest buildings were 100 units and occasionally we'd work on a great three-unit building. The average number of units for us has traditionally been 23 or 24.

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The opening of the co-op at 985 Amsterdam Avenue | Photo courtesy of UHAB

CS: Let's talk a little bit about the technical advice and the training aspects of the work. Were these considered to be transferable skills to other aspects of people's lives?

AR: I think UHAB has always been a "people development" program. We don't manage the buildings; we don't do the physical rehab. What we do is to facilitate groups of people to help themselves do these things. In many ways, the technical skills we brought to this were people skills. Our brand of participatory training is about learning by example how to do the kinds of things residents will have to do as leaders of a co-op board: solving bookkeeping problems, figuring out what to do with a problem resident, understanding how to go to court or deal with Con Edison, hiring a contractor.

The initial training was very hands-on and then, when it came to technical assistance, we had to learn to sit back and listen. In our first week of the Tenant Interim Lease (TIL) program, for example, we had staff who would go out night after night and hear what issues had arisen at different buildings. In our first month there were 20 buildings, and by the end of the first year there were 200.



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is our firm belief that the folks out there are perfectly capable of managing their own buildings. It doesn't matter if some didn't finish high school, or if others never had a checking account. When you get a group of people together, between them they'll have – or they'll learn – the skills. And there's no better training in how to run a building than having lived through the bad days of abandonment.

CS: Is the model you've been describing considered to be a widely applicable and scalable strategy for affordable housing?

AR: In terms of the disposition of occupied City-owned property, it was considered to be widely applicable. And it was incredibly popular in public opinion as well as with City Council members. Elected officials liked these programs because they bred engaged and vocal citizens. Research has proven that folks who live in co-ops are more likely to vote and to be active in the civic realm. If you practice democracy at home, well, then you practice democracy in your community.

But in terms of technical assistance for homesteading, our model is not as widely applicable. First of all, we no longer have the same abandoned buildings we were faced with in the 1970s. And the homesteading programs take a long time. As insurance and interest costs have risen, and as we have run into lead and asbestos and other toxins, it has become more difficult and more costly to undertake the lengthy process of homesteading. The decision-making can be very slow and cumbersome.

Of course, part of the goal is to get the group to take charge, to make decisions, to live with their decisions. During the rehab process, residents get to practice everything: dealing with government, with contractors, with banks and financing. So, the rehab process is great practice for actually running a co-op; getting people involved in creating their own housing is a big, teachable moment. The great thing about the homesteading and sweat-equity projects was this intense learning period. But homesteading of the type we were involved in 35 years ago doesn't happen in the same way anymore. We aren't dealing with a crisis of abandonment anymore. We're dealing with a crisis of affordability.

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UHAB Press Conference: Fighting Predatory Equity. Tenants, advocates, and elected officials joined UHAB to call on building owner Vantage and private-equity investment group Lone Star Funds to sell ten buildings in foreclosure at a sustainable price to ensure the buildings' conditions do not deteriorate. | Photo courtesy of UHAB

CS: Tell me what happened in terms of City-owned property in the 1990s. How did UHAB respond to those changes?

AR: Mayor Giuliani, perhaps surprisingly, continued all the programs from the previous administration and kept some great housing officials. But Giuliani was of the belief that the City shouldn't own any properties, so instead of taking tax-delinquent properties into public ownership, the City began to transfer them to third-party real estate developers. As we watched this happen, we watched the source of all the home ownership opportunities that we dealt with start to disappear. And we knew that some number of the residents of these buildings would still prefer to live in a co-op that they managed themselves. Because of the relationships we had formed through tenant organizing and training programs, we were able to make sure that residents were aware that when the City was set to transfer their building to a community group or to a developer-landlord, they had the option of converting it into a co-op. In the new laws the Giuliani administration created, one of the options for ownership was tenant ownership. But if a building chose to become a co-op, it had to

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We decided that if the building is given a choice, and petitions and chooses UHAB, then we'll act as the developer. In the early rounds of the third-party development programs in the 1990s, we became the developers of 100 buildings.

CS: How did that change your process as an organization?

AR: When you're doing rehab, or helping with financing, you want the residents to be in control of the project. We worked hard to engage residents, but when you're the developer, you're the landlord. And residents tend to complain about their landlords, especially since many of the buildings we took on were in extremely bad condition and renovating them was complicated and slow.

Obviously, this created a lot of tension. We expected that and wanted to bring the tension right into the room by creating dialogue between the staff responsible for finance and construction, the staff in charge of the management and organizational development, and the residents. There was a lot of back and forth, and we suffered through it. And on top of that, being a developer is not easy: we were undercapitalized at a time when costs were rising every day.

Going forward, we're not sure we want to be the sole developer. But we love the people part. We're good at the legal process of co-op conversion: motivating and helping tenants to buy into the co-op, helping with financing and lending, training residents, and monitoring these buildings after the conversion is complete.



Community Environmental Center (CEC) partners with UHAB on its Weatherization Assistance Program, shown here auditing the roof of 1715 Nelson Avenue | Photo courtesy of UHAB

CS: As UHAB has adapted over the years to meet the housing challenges of the day, what do you see as the biggest obstacles to meeting the housing needs of New Yorkers today, heading into 2013?

AR: Money. People are paying too much for housing. We have price escalation because we have a housing shortage. Family and household sizes are much smaller than they used to be, so the number of housing units needed to serve eight million today is much greater than it was 35 years ago. Another issue is that there is value for housing in every single neighborhood, so speculators will buy up housing, including affordable housing, everywhere.

We also have a crisis of foreclosure. UHAB has been extremely active, both in the run up to the housing crash and after, with organizing in buildings that were being bought out by speculators and are now in foreclosure. We see that as an opportunity to recapture some of those units as affordable housing. On the policy level, we are trying to encourage regulatory changes that would help the foreclosure process work better, so that we don't end up seeing these buildings deteriorate for years because they are being mismanaged by terrible receivers.

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mayors and housing departments, local government does an incredible amount for housing in New York. But we need to structure subsidies so that they are durable, so that housing is permanently affordable. I'm not sure we look far enough into the future.

For example, we put an enormous amount of public money into the Mitchell-Lama Housing Program for middle-income rentals and co-operative ownership — property for which the land was already assembled, paid for, financed, tax-abated, subsidized, and re-subsidized by the taxpayers — just to watch it all walk out the door when there was a real estate boom. Another example: at one time, the City owned 75% of the housing in the South Bronx and 70% of the housing in Harlem. This was during a time when no one cared about housing and no one thought New York would come back. But instead of giving up all that property, government might have looked at these resources as a public utility and considered retaining some interest in it, perhaps leasing it for 30 or 50 years. If we think ahead, we can preserve the ability to look at our public assets again after a generation and see how they could be used to meet future needs.



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Andrew Reicher has worked at UHAB for nearly thirty years, and has served as its Executive Director since 1981. Under his leadership, UHAB's scope has grown from several dozen buildings to over one thousand buildings in New York City and elsewhere. Mr. Reicher's work in low-income housing and community development issues began as a VISTA Volunteer for the South Bronx Community Housing Corporation in 1974. He then worked for the State of California's Department of Housing and Community Development, under the direct tutelage of Don Turner, UHAB's founder. In addition to his work at UHAB, Mr. Reicher is further involved in community development issues as the President of City Futures, a board member of the Green Guerillas, as well as numerous other organizations. He has a Masters Degree in Architecture from the University of California at Berkeley and was awarded Bowdoin College's 1997 Common Good Award. Mr. Reicher brings vast experience in non-for-profit organization management, program design, problem solving, personnel management, fundraising, and training methodology.

The views expressed here are those of the authors only and do not reflect the position of The Architectural League of New York.

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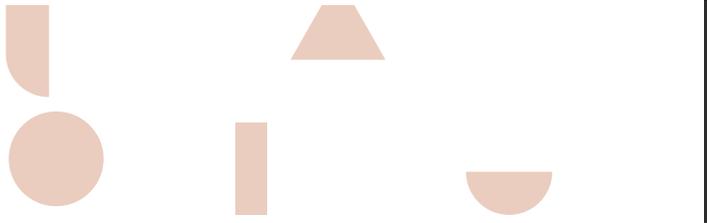




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