PENN SOUTH: UNION FINANCING, URBAN RENEWAL, AND THE FIFTY-YEAR STRUGGLE TO RETAIN AFFORDABLE HOUSING

A Thesis
Presented to the Faculty of the Graduate School
of Cornell University
in Partial Fulfillment of the Requirements for the Degree of
Master of Arts

By
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This thesis is a study that chronicles Penn South’s history of affordability and social responsibility, and offers possible strategies and partners for maintaining affordability through preservation. A majority of the thesis is devoted to the various financing methods that the Mutual Redevelopment Houses, Inc. Board undertook, and the various strategies that helped the cooperative to remain affordable. It also deals with the multitude of misadventures with equipment, labor, and etc. that caused the project to run over budget. With collaboration between Penn South’s tenants, administration, creditors, and the New York City government, though, the cooperative has been able to provide over 2,800 affordable units for over fifty years. Lastly, the thesis seeks to offer possible partners and methods of retaining affordability. The majority of this thesis’ data was gathered from the Kheel Archives at Cornell University, which houses a spectrum of garment union documents and correspondence. Other information was gathered directly from Penn South administrators or from secondary affordable housing and preservation sources, particularly sources that dealt with New York City and New York State.
BIOGRAPHICAL SKETCH

Sarah Rodriguez earned her Bachelor of Arts in Norwegian at Pacific Lutheran University in 2011. In 2011, she was also accepted to the Cornell University graduate program of Historic Preservation Planning in the College of Architecture, Art, and Planning. She has been the recipient of many awards and honors from both universities such as the Barclay Jones Research Grant, Cornell Conference Grant, Dean’s List, and Knudsen Family Scholarship in Creative Writing.

While pursuing her degree she was active in several graduate clubs such as the International Planning Student Organization, the Planning Students for Diversity, and the Cornell Preservation Studies Student Organization of which she served as Vice President. She has also been active in a number of projects such as the Under the Elevated: A Survey of Unused Space Under Elevated Spaces in Brooklyn for the Design Trust for Public Space.

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Dr. Michael Tomlan and Dr. William Goldsmith supervised her thesis.
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INTRODUCTION

Although preservation has been implicated in cases of white, middle class gentrification of minority neighborhoods, affordability and preservation have never been inherently at odds. Preservationists have long argued that preservation can serve as a tool for non-profits focused on providing affordable housing as well as wealthy individuals and large corporations. Adversaries of preservation such as the Real Estate Board of New York (REBNY), though, commonly assert that preservation does little in the way of protecting or generating affordability. The Board errs by ignoring affordable housing projects, like the First Houses in East Village, which has used preservation as tool for affordability. Preservation can provide and protect affordable housing stock, and this study's subject, Penn South, has not only the community but also the necessary foundation to be such a success story. This thesis is, at its core, a study that chronicles Penn South’s history of affordability and social responsibility. It also offers possible strategies and partners for maintaining affordability through preservation.

Of all the cooperatives built by the garment unions in New York City, Penn South is one of a handful of that has remained true to its original vision of affordable housing for low to mid-income inhabitants. Even though Penn South has faced multiple financial difficulties, from the increase in its original budget to the inflation of real estate taxes, it has fought successfully to retain its status as an affordable housing project through continual work within the Chelsea community and with the city. The majority of this thesis is based on personal accounts gathered from letters, interviews, and other primary sources with the rest referring to a wide base of literature published by scholars, architects, and non-profits. Affordability depends
on a multitude of factors, including complex questions and definitions that this study will sidestep. It will solely deal with the incomes of tenants living within Penn South and the immediate surrounding areas, utilizing other housing price examples solely for comparison.

The preservation movement, for the past several decades, has focused on economic incentives. Advocates point out that preservation can reduce the cost of a project or increase the value of an area, both measurable effects. Preservationists’ ability to point to benefits such as increased property values and tax receipts helps from both the public and private perspective. Presenting preservation from an economic standpoint has served the preservation movement well, but looking at preservation from this economic perspective can also highlight preservation’s negative role in the process of gentrification. This thesis is a historic analysis of the Penn South, undertaken to present it’s potential for historic designation, opening up possible avenues of funding to support the cooperative’s affordability.

To understand the cooperative’s role as affordable housing it was necessary to review reports from the Penn South executive board, which contained contracts with the city relating to income caps, rents, carrying charge increases, and project costs, this information was collected by combing through union archival papers. Directories of cooperative housing, studies on affordability, and books cataloguing the history of housing in New York City and urban renewal were obtained through the Cornell Library system from other universities including Harvard, Princeton, Stanford, and University of California Los Angeles. The latter part of this thesis, Chapter Five, focused on the cooperative’s potential partners and funding, and relied on a variety of sources, including an interview with Walter Mankoff, Penn South’s treasurer, information provided by employees of New York City’s Housing Authority,
newspaper articles, and studies done on affordable housing in New York. The majority of this material was gathered in New York City while the author worked with the Design Trust for Public Space in the fall of 2012. The interview with Mr. Mankoff took place at Penn South, while the presentation by the NYCHA employees occurred in Queens. The archival materials were obtained from the Kheel Archives at Cornell University in Ithaca.

The thesis is divided into five chapters. The first four chapters chronicle different aspects of the cooperative’s history and Chapter Five offers strategies for potential partners and funding strategies. The first chapter deals with the history of New York City’s affordable housing, chronicling the struggle and the various attempts that were made by both the government and private citizens to improve the affordable housing stock. It segues into the history of union and its role in financing affordable housing. It highlights the construction of cooperatives that led to the creation of Penn South.

The second, third, and fourth chapters focus on issues of financing, construction, maintenance, and the ways in which the board and community members addressed issues within the cooperative. The second chapter focuses mainly on problems that arose in the organization and construction of the Penn South cooperative, ending with Penn South’s dedication. The third and largest chapter focuses on the financing and affordability complications that the executive board faced from the late 1950’s to the early 1980’s. The fourth chapter examines Penn South from mid-1980 to the 1990’s as the management attempted to retain affordability through refinancing and through application to the city for tax abatements.

The final chapter deals with Penn South from the 1990’s to present and
focuses on possible partners and strategies that can help Penn South remain affordable. The remaining pages summarize reasons for designation and preservation, before ultimately outlining why and how historic designation can be positive an approach in preserving affordable housing stock. The conclusion also tackles issues that I hope to address in the future. Ultimately, though, this thesis is an attempt to tell the story of the Penn South Cooperative, and its struggle to remain affordable.
Although affordable housing in New York City has always been difficult to find, the increase in the influx of immigrants during the mid to late nineteenth century led to a shortage of dwellings that were both sanitary and appropriate. The first wave was composed of largely German and Irish immigrants. The Eastern Europeans and Italians, who faced housing discrimination, followed them.\(^1\) The boom in population encouraged a growth in construction, which often led to the erection of questionable housing. These buildings, called tenements, often housed tens of people per room to maximize profit. They also lacked basic sanitary conditions with little light or air, and crude toilet facilities.\(^2\) Although building regulations had been established as far back as 1625 with the prohibition of wooden chimneys, the corruption of the enforcement officials made impossible any widespread regulation of housing.\(^3\) It was not until 1867 that Manhattan passed the first Tenement House Law, a ruling that was inadequate because it only covered buildings with three or more families.\(^4\)

In the face of limited governmental action, private citizens and organizations undertook the mission of creating affordable and sanitary housing conditions for the poor. Philanthropic groups undertook ownership of individual tenement buildings like Gotham Court and attempted to reform them by offering “efficient management

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\(^1\) Ira Rosenwalke, *Population History of New York City*, (Syracuse: Syracuse University Press, 1972), 57.
\(^4\) Ibid.
and individual concern.\textsuperscript{5} The rehabilitation of older tenant buildings to provide affordable and sanitary housing stock proved ineffective, and the focus turned to the creation of new and improved housing typologies.\textsuperscript{6} Advocates of affordable housing pushed for the creation of new approaches, such as the dumbbell model, which they hoped would provide an alternative to tenement buildings and at the same time offer sanitary dwellings that could be constructed at an affordable price. Public support for the construction of new, affordable and sanitary dwellings was spurred on by Jacob Riis' documentation of New York City's slums. This shift in sentiment from rehabilitation to demolition and construction would dominate the planning landscape until the 1950's.

Another form of affordable housing that was explored was the cooperative model. Cooperatives had sprung up in England after the Rochdale Equitable Pioneers Society established the first modern co-operative in 1844. Yet it was not until 1927, over eighty years later that the first housing cooperative was built in New York City. Designed by Abraham E. Kazan, the cooperative's funding was provided by the Amalgamated Clothing Workers of America (ACWA). Kazan had had a long history of operating and working with cooperatives, as previously he was employed at “a chain of cooperative groceries to cooperative coal and ice distribution to a cooperative hat shop.”\textsuperscript{7} When, in 1918, Kazan began to work with the Amalgamated Clothing Workers Union it occurred to him to create housing co-operatives. The success of this venture led to the establishment of the United Housing Federation in 1951.

The creation of the Federation was dependent on three pieces of legislation.

\textsuperscript{6} Ibid.
The first was the State Housing Law of 1926. It allowed cities to exempt buildings from local taxes for a period of twenty years so that it could lower rents while at the same time limiting dividends paid to investors of no more than 6%. The second piece of legislation was the Redevelopment Companies Law passed in 1942, allowing a city to condemn distressed property and transfer titles to a redevelopment company and exempt local real estate taxes for up to 25 years.  

Finally, the inclusion of Title 1 into the federal Housing Act of 1951 permitted the sale of condemned properties to redevelopment companies for less than the market value when they would be used for housing.  

Funding by Amalgamated Clothing Workers of America for the construction of new co-operative housing projects was significantly decreased in the early 1950’s due to its inability to organize labor capital that migrated both to Southern states and abroad. Faced with an unsound and unwilling financial backer, Kazan was forced to seek funds from sources outside of the ACWA union. He turned to David Dubinsky, who had concentrated power in the International Ladies Garment Workers Union (ILGWU) by simultaneously holding the office of the president and secretary-treasurer.  

Kazan convinced the ILGWU to fund a large portion of the East River Housing Cooperative, or ILGWU Village, and even though Dubinsky had reservations about becoming involved in the project, construction was successfully completed in 1956. With the success of the East River Housing Cooperative, Dubinsky, who had major aspirations for the ILGWU, readily agreed to take on the lion’s share of funding for the ILGWU Houses or the Penn South Cooperative, as they came to be known. Both sides agreed that the location should be on the lower West

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8 Ibid 10.  
9 Ibid 11.  
10 Ibid 322.
side, close to the garment shops.\textsuperscript{11} To fund the project, Dubinsky borrowed from the pensions of various ILGWU locals, which met with resistance by others in the Union. The construction of Penn South meant providing affordable housing in the lower west side of Manhattan during a period of urban decay. The decay was caused by several factors, such as the construction of highways after the end of World War II, the construction of the suburbs around Manhattan, and the rise of credit and consumer wealth, which led to the growth in the middle class and ‘white flight.’

Penn South as a cooperative owes much of its organization, construction, and financing practices to the cooperatives built previously. Their success and construction made Penn South not only a possibility, but also more affordable.

As mentioned earlier, the first union funded housing cooperative to be established in New York was Amalgamated Housing Corporation, built in 1927 with funding from the Amalgamated Clothing Workers Union. Constructed near Van Cordlandt Park in the Bronx. The site consisted of over 50 city lots, and was bought for $325,000.\textsuperscript{12} The project grew to fourteen hundred units over three years. Although originally built to house union members, it was open to the general public.

The project was financed with the support of the Jewish Daily Forward Association, through the Metropolitan Life Insurance Company, with a nominal first mortgage of $0.05. The corporation asked that each tenant cooperator pay $50 per room to defray the cost of the second mortgage.\textsuperscript{13} The Tudor-style walk-up complex encloses a well-landscaped courtyard and features a number of social and educational buildings, including a day care center, library, classrooms, art studios, and a

\textsuperscript{11} Ibid 352.
community hall.\textsuperscript{14} The project was also the first union funded housing cooperative that involved Herman Jessor, the architect for all the subsequent cooperatives.

The second cooperative, called the Amalgamated Dwellings, was built in 1930. It was constructed on Grand Street and composed of two hundred thirty six apartments. It was constructed with the help of Lieutenant Governor Herbert Lehman, who was directed by Franklin Roosevelt, then Governor of New York, after the “success of the Amalgamated development was reported to” him.\textsuperscript{15} Designed with “brickwork and geometries [which] reflect[ed] expressionist work then current in Holland, Germany, and Vienna,” the cooperative “received the medal for design excellence from the NYC chapter of the AIA in the class of 6-story apartment houses.”\textsuperscript{16}

While the cooperative was a great success, the Great Depression devastated further attempts at creating new housing cooperatives. Due to the rising unemployment, job fluctuations and resulting worker migration, the shareholders who remained were unable to shoulder steeply priced proportionate charges.\textsuperscript{17} Overall, the new housing cooperatives floundered because the “financial and organizational foundations were not strong enough… [and the] good intention and high ideals [could not] overcome poor planning, shaky financial or faulty management.”\textsuperscript{18}

Although construction of housing cooperatives started to pick up in the 1940’s, post war, private construction slowed as housing needs skyrocketed.

\textsuperscript{14} Ibid.
\textsuperscript{16} Ibid.
\textsuperscript{18} Twenty Year of Achievement: The United Housing Foundation, 1970, 7.
Professional investors were unwilling to finance commercial apartment buildings because of the inflated costs and rent ceiling that remained in place.\textsuperscript{19} Also, given the lack of financial resources and federal insurance of mortgages, consumer-sponsored cooperatives had a hard time assembling the money for construction. To meet the need for capital, organizations, unions, and real estate promoters solicited the future occupants.\textsuperscript{20} Using funds from the ACWA union members, the Hillman Houses were built. Construction started in 1947 and concluded in 1950, with the mortgage furnished by the Metropolitan Life Insurance Company for $9,100,000.

By the 1950’s, construction of union funded housing cooperatives picked up. The upswing in construction was mainly due to two factors. The first was the passage of the 1950 Housing Act, which was initiated after “five members of the Senate and five members of the House went to Europe to study cooperative housing in the Scandinavian countries and the low countries of Europe.”\textsuperscript{21} The second factor was the establishment of the United Housing Federation in 1951, which provided a broader sponsorship for cooperative housing.\textsuperscript{22} This resulted in the construction of three new cooperatives between 1950 and 1960, a 300\% increase from the last decade.

The first cooperative to be built during this period was the Mutual Housing Cooperative in the Bronx. Completed in 1955 on less than an acre, it was only one building but contained over five hundred and seventy-seven rooms rented at $750 per room. The total cost of construction was $1,575, of which $415,350 was member equity.

\textsuperscript{20} Ibid.
\textsuperscript{21} Ibid.
\textsuperscript{22} Ibid.
One year later, in 1956, the East River Housing cooperative was constructed. It was the first cooperative to be funded by the ILGWU and constructed by a redevelopment company after the New York State’s Limited Profit Housing Companies legislation was passed in 1955. It was also the first housing development to be composed of more than 5,000 rooms, and the first Title 1 housing project in the country. The site was seven acres with four buildings and 1,672 apartments. The total cost was over $20,000,000, of which $4,556,937 was member equity. It would later be expanded to become part of the Cooperative Village.

Two years later, the Park Reservoir Housing Corporation was constructed in the Bronx. It was structured as a limited profit housing company, “the first project built under New York State’s Limited-Profit Housing Companies Law of 1955… [which] established the N.Y.S. Housing Finance Agency [and provided] low-interest bond-backed mortgages for limited-dividend housing developers, with authorization for municipal tax abatement as well.” This would also be the law that Penn South used to finance construction. The cooperative was composed of three buildings, two hundred seventy-three apartments, and 1,273 rooms over one and a half acres. The total cost of construction was $3,750,000 with $759,375 in member equity.

The last cooperative built with union financing before Penn South was the Seward Park Housing Cooperative. It was also structured as a redevelopment company. Construction was finished in 1961 and included over twelve and a half acres with four buildings. The cost of construction was $24,000,000 with member equity in the amount of $4,786,400. It was the last cooperative to be built by the UHF that housed less than 2,000 apartments.

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All of these apartments helped to make the creation of Penn South possible. The construction of earlier Amalgamated housing cooperatives connected Kazan to lawyers, engineers, and architects like Herman Jessor. It also allowed for the evolution of Tudor style to modern, superblock construction, providing an opportunity for the designers and planners to see what did and did not work in large-scale cooperative housing. The construction of East River and Park Reservoir cooperatives afforded Kazan a familiarity and understanding in how to finance Penn South, while Seward Park gave him more experience in constructing larger housing developments, and also allowed him to save on construction contracts. Yet even with the wealth of experience that Kazan and his colleagues gained from building the Amalgamated, East River, Park Reservoir and Seward Park cooperatives, Penn’s South construction and financing provided unforeseeable problems, which makes its story one of resilience and hard won success.
CHAPTER II: PLANNING PENN SOUTH

This chapter chronicles the discussions that led to the construction of the cooperative, along with the obstacles that faced its board. Though Kazan had previously faced resistance from the local communities on his other housing cooperatives, the delay caused by Chelsea tenants and their supporters resulted in a severely bloated project budget for Penn South. Along with opposition from the local community, Kazan and his associates had to deal with a prolonged construction timetable due to strikes and labor disputes.

Discussions over the construction of a new ILGWU sponsored housing project began in June 1956, but it was not until a year later that planning began. Work on the application for incorporation began on May 16th with the help of Robert Szold, a lawyer who had been employed by the Amalgamated Clothing Workers of America. Szold had acted as legal counsel for Kazan’s previous housing cooperatives and, in that capacity, sat on their boards. From its inception, the project met with resistance from local community leaders. The Chelsea Citizen Project, a local community organization that strived to represent all of the local groups argued for a number of improvements to the neighborhood, favoring rehabilitation instead of new construction. Kazan and other members of the ILGWU, on the other hand, were primarily focused on new construction, a vision that was in line with the Urban Renewal ideology and policy of the time.

The members approached to sit on the new board were Luigi Antonini, George J. Mintzer, Isidore Nagler, Robert Szold, Harry Uviller, Charles S. Zimmerman, and

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24 George Sullivan to Louis Stulberg, March 15, 1957, ILGWU Collection, Kheel Center Archives, Cornell University.
Kazan. With the exceptions of Kazan and Szold, all of them had worked for the ILGWU in some form or capacity. At the time of incorporation Antonini served as Vice President, and Zimmerman was the manager-secretary of Local 22. Other members had previously held administrative positions in the ILGWU. Nagler had worked in the Union as the manager of Local 10 for over 10 years, while Mintzer had served as an Impartial Chairman.

The name that was tentatively chosen for incorporation was the ‘International Union Houses, Inc.,’ and the New York Secretary of State gave informal approval. Although never officially named that, Philip Blumberg, one of the UHF’s lawyers, assured Louis Stulberg, the Executive Vice President of the ILGWU at the time, that the delay for the approval of the name by the Boards of Standards and Appeals would not prove a major obstacle. Wilbur Daniels, a member of the ILGWU’s legal staff and counsel to Dubinsky, advised that the project be formally named the ILGWU Houses, as there had recently been a dispute over the name of the East River Houses. It had originally been agreed that the housing project would be named the ILGWU Village, in honor of the ILGWU’s involvement, but the name East River Housing was adopted because of its vernacular use, given the proximity to the East River. The issue surrounding Penn South’s name would continue to be contested for a majority of the project's construction.

In July 1957, the ILGWU approved the proposal for incorporation, but incorporation didn’t occur until January 1958 when it was approved by Leland E. Gerose the Comptroller of New York City after multiple modifications and amendments were made. Shortly after incorporation in 1958, the board of directors met to discuss the next steps in the project and seven concerns were cited. The first issue concerned the construction of the project. The board voted that the Foundation's
subsidiary, Community Services Inc., would have direct responsibility for a set fee of 1% of the cost of construction.\textsuperscript{25} The second question involved financing. The board also agreed that the project was to be financed through bonds under a trust indenture for no more than 80% of the cost of the project. The ILGWU offered to purchase two-thirds of the mortgage bonds for up to $20,000,000, while the rest of the indenture bonds would be issued to institutional investors, such as the Bowery Saving Bank, which Kazan had already contacted. Bonds held by institutional investors were to be held at a rate of one quarter of 1% more than those bonds held by the ILGWU. The ILGWU's agreement to a lesser rate would remain consistent throughout the project, even during mid-1980s when the project managers refinanced the mortgage.

Institutional investors, such as the Savings Bank Trust Company, were also given the right to designate an associate of their institutions as a member of the MRH board of directors. A seat on the board of directors gave the institutional investors an extra measure of assurance, allowing them to be involved in the board’s decision-making process. Kazan had hoped that the incorporation at the beginning of the year would allow for the ILGWU House, Inc. to purchase the project area on April 1st, 1958, the target date of the City’s Committee on Slum Clearance. This approval was crucial because it allowed the corporation to bypass individual owners and instead buy the land from the city at cost.

The ILGWU officially announced the plan to the press on February 19\textsuperscript{th}, 1958, but fissures within the project were already beginning to appear. Suspicions arose that Kazan was favoring contractors who had rigged their bids, and that the union was paying more than it should for the contractors.\textsuperscript{26} It was a plausible supposition since Kazan continued to employ many of the same contractors that he had previously

\textsuperscript{25}“Directors' Meeting of I.L.G.W.U. Houses, Inc.,” (1957): 2.
\textsuperscript{26}'An Ardent Supporter to David Dubinsky, February 23, 1958, ILGWU Collection, Kheel Center Archives, Cornell University.
employed, and given his position as president of Community Services Inc. On top of claims of favoritism, the board had to deal with opposition from the local community.

Organizations in Chelsea were beginning to mobilize residents against the project, claiming an unfair advantage to union workers over the tenants and businessmen who already occupied the project site. The ILGWU held an open meeting on the project on March 19 at P.S. 33, designed to meet with the residents, the landlords and the businessmen community who had been organized with the help of “Chelsea for Chelsea” to object to the project.” Multiple fliers were handed out, some in Spanish, a smart move to address the large Hispanic population in the community. Many of the tenants criticized Kazan and the ILGWU, arguing that they were treated inhumanely and being forcibly evicted. Due to the numerous complaints by local residents, the Borough President Hulan E. Jack organized a Citizen’s Watchdog Committee. Still, Kazan and his board pushed to get approval from the city so that construction work could begin.

On November 14th, 1958 the public hearing for the approval of Penn South's designation as an Urban Renewal project was heard and passed. Three days later, on November 17, the city-planning department in a closed hearing to approve work for the West Twenty-Ninth Street, Eight Avenue, West Twenty-Third Street, and Ninth Avenue, tentatively named the “Plan for a Redevelopment Project,” was also heard. To ensure the City Housing Committee approved the adoption of both plans, Dubinsky lobbied various government officials. He sent a telegram to James Felt, the Chairman of the City Planning Commission, urging him "to approve [the] plan for [the] ILGWU houses in Chelsea, which [would] provide much needed middle income housing for twenty-eight hundred families" and to listen to the representative he

27 “Open Meeting to be Held at ILGWU to be Held at P.S. 33 March 19,” Chelsea-Clinton News (1958): 1.
would send to meet with him to expand on the scheme."

On December 11, the first official Board of Directors meeting was held. The quorum of directors Luigi Antonini, Abraham Kazan, George Mintzer, Louis Stulberg, Robert Szold and Harry Uviller met at the ILGWU headquarters at 1710 Broadway Street. The purpose of the meeting was to authorize the construction of the project. After the minutes of the previous meeting was approved and new officers were elected, discussion turned to the status of the project. Approval of the proposed contract with the City of New York was followed by the authorization of construction contracts and the management contract with Community Services, Inc., approval of apartment application and subscription, approval for leasing space at 530 Grand Street, retention of architects, accountants and attorneys, approval for an architect's revolving fund, and finally the authorization to open bank accounts. Kazan was elected as president, while Stulberg and Szold were jointly elected to the position of Vice President. Antonini was elected as Treasurer, and Ostroff and Altman were elected as Secretary and Assistant Secretary respectively. After the election of officers, Kazan presented the board with a summary of the projects progress along with the booklet entitled “Some Pertinent Facts About Housing Cooperatives and Prospectus on ILGWU Housing Inc." According to Kazan, at the time of the meeting approximately thirty six hundred people had already applied and paid a down payment of $500 each. The money had been collected by Community Services, Inc. and had been deposited at The Amalgamated Bank of New York where most of it was drawing interest.

The number of applicants had already far exceeded the number apartments that would be available. The project was designed to contain approximately 2,814

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units and be built at the cost of $37,000,000. This was a budget that would later be surpassed by over $5,000,000 because of delays and additional improvements. The adopted budget proposed that 20% of the mortgage would be composed of the tenants' equity, at $650 per room, with a $23 carrying charge. Rent for an apartment composed of four rooms averaged at $73 per month, while the cost of ownership was $17,000.\textsuperscript{31} It was decided that the rest of budget would be covered by loans from various financial institutions including the ILGWU.

The Board decided that Community Services, Inc. in addition to supervising construction would take full responsibility for the management of the existing site, deal with the relocations of tenants and the processing of prospective tenant-cooperators. This arrangement had been used for the construction of the Seward Park and Kingsview Housing projects. The board stipulated that, since Kazan had a personal investment and bias towards Community Services Inc., Stulberg would act on behalf of the housing company in dealing with all of their responsibilities.

Kazan advised the board to retain the architect Herman Jessor, certified public accountants Apfel & Englander and attorneys Szold, Brandwen, Meyers & Blumberg, all of whom he had previously hired to work on housing projects. Kazan had already retained Jessor for $15,000 to develop drawings and specifications. Szold, as previously mentioned, was a part of the ILGWU Houses, Inc. board, and thus had a large advantage and the full expectation of being retained. Kazan had contacted previous associates and rented out office space as early as November 1958, even though the issues dealing with how to move forward on the project were officially settled by the action of the Board of Directors on December 10\textsuperscript{th}.

Residents based in Chelsea continued to fight against the project. In February

1959, one tenant who lived on the project site wrote to Dubinsky warning him about the upcoming City Hall meeting. As a member of the ILGWU, he urged Dubinsky to send materials that would represent all of the good work that the union had done in the Hispanic community. He specifically suggested sending the "blood mobile" that the union had received as gift from Puerto Rico for all the aid that the ILGWU had provided to the country. He also advised sending "plain ordinary members of Spanish descent" to speak on behalf of the union to discredit "those trying to use the Spanish people against the housing project."32

Even in the face of community resistance, only four months later, on June 30, Kazan accepted the deed to the land paying a sum $3,756,221.80, in a down payment toward the total cost of $13,300,000 with the remainder to be paid over four years at a rate of 5% per annum. The original estimate for land by the city had been $21,000,000, but the assessed valuation at purchase was dropped to $13,300,000. The difference, of $7,700,000, was jointly paid to the property holders. By July 16, an urban relocation company was hired to help relocated tenants at the cost of $23 per family. The firm had previously worked on the Seward Park project.33 The previous projects general involved getting the lowest possible prices by buying in bulk.

By September 4th, four hundred and sixteen families had been relocated. Three hundred and forty-one had vacated the premises, five had found public housing, one hundred and twenty-nine had been vacated to other apartments found by the Urban Relocation office, two hundred fifty-eight had been given cash to vacate, while twenty-four had already vacated. There were still issues with on-site tenants, who with the help of the Chelsea Community Council and other local officials, were

32 Eugene Szepesy to David Dubinsky, February 7, 1959, ILGWU Collection, Kheel Center Archives, Cornell University.
creating a stink about the way in which tenants were being relocated. The group had also secured affidavits from the workers about on-site maintenance and had succeeded in getting press coverage and the appointment of a watchdog committee by the Borough President.

When the assertions proved false, the dispute evaporated. The largest source of the difficulties rose from the claims of the residents in the remaining rooming houses, but meetings with the Commissioner of Real Estate, Mr. J. Clarence Davies Jr., who had been supervising the work, were underway. Two hundred eighty-eight of the families on site had made deposits for cooperative apartments. Meanwhile by September 11, 1959, bids for demolition contractors had been published in an advertisement in The New York Times, as required by the Federal Housing and Home Finance Agency, and other government sponsors.

Issues with the naming of the project continued, as Elias Lieberman requested that Kazan formally name the cooperative the ILGWU Houses. The use of ‘Penn South’ in lieu of the ILGWU Houses had not only found its way into the vernacular, but was also prominent in business correspondence between the board and various financial institutions. Along with a formalization of the projects name, Lieberman also requested an official change in the corporation's name, as the name the ILGWU Houses, Inc. left the Union open to liability. Kazan agreed even though he noted that it would take at least three months to secure the name change on the certificate of incorporation. The change in incorporation was announced on October 27th barely a month later, and the corporation’s name was officially changed from the ILGWU Houses, Inc. to the Mutual Redevelopment Houses, Inc., (MRH).

34 “Minutes of Special Meeting of Board of Directors,” (1959), 2.
35 Ibid.
36 Abraham Kazan to Members of the Board of Directors, September 8, 1959, ILGWU Collection, Kheel Center Archives, Cornell University.
37 Ibid.
Relocating tenants continued to attract more media coverage. The Cohn's, a family who had acted as superintendents for the site before the MRH purchase, were forced to sign a promissory note to move out by April 15, 1960, while under the threat of having their possessions thrown out into the street. According to the site manager Arnold Merritt however, the Cohn's were not official tenants. As such they had no legal expectations of receiving a final eviction notice. The attempt to force the Cohn's out was heavily criticized by the Chelsea Tenants Center, which encouraged people to write the Borough President Hulan E. Jack, and ask him to reappoint a Citizen's Watchdog Committee. The appeal proved a fruitless effort, as the watchdog committee collapsed due to infighting. One group within the committee charged the project of neglecting and abusing the tenants who were being relocated. The other group, led by H. Daniel Carpenter, future President and Chairman of the housing project, contended that they were unable to discover any major instance in which a tenant experienced difficulty.  

The Board of Estimate officially approved the project on March 25, 1959. By mid-August, the demolition of three hundred and seventeen buildings was almost complete. It was expected that the remaining forty buildings would be demolished within the next four to six weeks. All tenants, both commercial and residential, had also been removed, except for the Terrace Theater, which had been included in the project at the request of the theater president Bernard B. Brandt. Even though demolition was mostly complete, only the excavation was approved at an estimated cost of $165,000.

By October 25th work had begun on foundations in four buildings. The MRH turned their attention to the permits and documents necessary to complete construction. By late February 1960, Kazan had met with the city Building

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38 Penn South On Housing Splits: Jack Watchdog Committee Divided on Treatment of Tenants to be Moved, New York Times, December 2, 1959.
Department and obtained the permits needed for the construction of pipes and conduits along Twenty-Fourth, Twenty-Fifth, Twenty-Sixth and West Twenty-Eighth Street.

Construction was delayed due to winter weather, but by the spring of 1960 foundation work was almost complete, and some of the apartment buildings had already been built up to the third floor. The amount expended was about $12,800,000.

The lease for the Terrace Theater had also been submitted to the Board for approval. Even though construction had begun, it wasn't until March 9th, 1961 that architect Herman Jessor obtained approval for the project plans and the specifications from the New York City Department of Buildings. On April 25 Jessor also obtained certification toward the extension of money in an amount of no less than $7,577,000 in connection with the construction of the project.

Construction was well underway by late April 1961. Framing had gone up to the eighth floor in building one, up to the fifth floor in building two, up to the third floor in building three, and the second floor in building four. Concrete had been laid in building five up to the eighth floor, and in building six up to the sixth floor. Steel had been installed in building seven up to the seventh floor, in building eight up to the eighth floor in building nine up to the fifth floor, and in building ten up to the eighth floor. The boiler room was being framed out and the excavation for oil tanks, alongside, was complete.39

Beyond the heavy construction, subcontractors were now involved in fitting out each of the structures. Electrical feeder risers were in the process of being fitted in buildings one, eight, and nine, and the fire lines were in the process of being

39 Gerald O'Reilly to Douglas Welton, April 28, 1961, ILGWU Collection, Kheel Center Archives, Cornell University.
installed in all buildings but building four. Water lines were also underway in buildings one, five, six, seven, eight, nine, and ten, while gas lines were being set in buildings one, five, seven, eight, and ten. Vent lines had already started installment in building ten. Cast iron sewer lines were being laid in all buildings but numbers three and four, and cast iron stacks were being installed in buildings one, five, seven, eight, and ten. Cellar mains for steam were in the process of being hung in buildings one, five, six, seven, eight, nine, and ten, and underground main steam lines were in the process of being mounted in buildings one, two, nine, and ten.

By May 5th concrete had been laid in buildings one, two, and three. Framing had been installed in building four, five, and six. The framing had also been installed in building seven, eight, nine, and ten. Electrical feeder risers were in the process of being fitted in five buildings. Slab conduits were being installed with the framing slabs and outside underground conduits were being laid. Fire lines were also in the process of being installed in all of the structures. Water lines were completed; while gas lines were being installed in the basements of three of the buildings. Cast iron sewer lines and stacks were being installed in most of the property. Cellar mains and underground water lines for steam were in the process of being hung in all buildings but two. O'Reilly reported that 80% of the boiler room had been completed, merely a week later. Elevator rail brackets were in the process of being hung in four of the buildings.

By May, the lack of materials and workers slowed progress somewhat, but the arrival of windows and elevators signaled the beginning of the end of construction. Work in concrete, steel, framing continued slowly in all but three buildings. Five oil tanks were set in place and two steam boilers had been delivered to the site. Excavation of the garage's foundation had begun, and every building was provided
with temporary electrical service. By May 27th, brickwork and window installation had begun. The boiler room began to be being back-filled, and kitchen risers were installed in all of the buildings. Fire lines and risers were also installed in every building but one. To provide steam to the building, twelve oil tanks and a boiler set were installed. Elevators were also set in in seven of the buildings, while the elevator rails were hung in three of the buildings.

By summer though, additional delays in construction had popped up at the project site. Concrete drivers had gone on strike, which had stopped work for nine weeks. This was followed by the electrical workers walk out, which resulted in an additional delay of two weeks. Both strikes resulted in the contractors’ inability to rehire their experienced trade workers. The delay was costly because other trades work was delayed. Delays in heating, water, and air-conditioning led to other delays in plaster work. This, in turn, required additional cost because the interiors needed temporary heat. Walls near the water lines were then also opened to inspect them for possible leaks.

Even with the delays tenant-cooperators had already begun to move into building five on May 14, 1962, five days before the project was officially opened. The dedication on May 19, 1962 included scores of union members, the press, and tenant cooperatives and a number of notable figures. These included Eleanor Roosevelt, Governor Nelson A. Rockefeller, ILGWU President David Dubinsky, the New York City Mayor Robert F. Wagner, urban planner Robert Moses, and President John F. Kennedy. Eleanor Roosevelt had been involved in various union and affordable housing activities and had attended other dedications. On the other hand

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40 Gerald O'Reilly to Douglas Welton, April 28, 1961, ILGWU Collection, Kheel Center Archives, Cornell University.
41 Gerald O'Reilly to Douglas Welton, April 28, 1961, ILGWU Collection, Kheel Center Archives, Cornell University.
42 Ibid.
this was the first and only union housing dedication that Kennedy would attend. His appearance was the result of a last minute invitation from Dubinsky, with whom he had worked with previously. Dubinsky and the union had also supported his 1960 election, registering voters and running a variety of media campaigns to get out the vote for Kennedy.
CHAPTER III: FINANCING, REPAIRS AND LIFE IN THE COOPERATIVE

This chapter touches on funding issues in relation to repairs, updates, rent issues, and finally the creation of community through tenant engagement. The first half of the chapter details the cooperatives issues with financing, while the second half covers the formation of the community around social events and clubs. The cooperative was faced with increasing costs due to various breakdowns, repairs, and funding issues, but was able to tackle the costs through collaboration between the community, the MRH board, creditors, and New York City. The process of funding and cost saving strategies has allowed the cooperative to provide affordable housing for moderate to low-income tenants for over half a century.

By 1958 the city had agreed to sell the whole project site at $4 per square foot or $21,000,000. By early December, Kazan had completed talks with Leland E. Gerose, the Comptroller of New York City, and the Committee on Slum Clearance to attain an exemption of 45% of the total assets upon the same terms that had been previously agreed to with the Seward Park Housing project. The goal of the exemption was to lower the construction budget, ultimately making the cost of the cooperative apartments units more affordable. It was agreed that 10% of the cost would be paid upon the signing of the contract; 40% when obtaining the deed and the remainder would be paid out over a period of five years. The city also required that the carrying charges not exceed $0.35 per month; any additional charges would have to be reviewed by the Board of Estimate of the City of New York. The contract required that the equity investment not be more than $650 per month. Finally, the contract set a limited equity restriction on the property for twenty-five years. This
meant that for the next quarter of a century the housing corporation paid the assessed
tax evaluation of the property set in 1958 plus an additional increment to be
predetermined by the city.

For the first five years, the housing company was to pay no additional
amount, merely the set taxes. Then, during the next five years the housing company
was to pay $60,000 in addition to the set taxes. In the third period of five years, the
company was to pay a $120,000 per year in addition to the set taxes. The amount of
additional funds was set to increase at a fixed rate of $60,000 every five years, and
after twenty-five years the project would pay full taxes.

Only seven months later, however, the city announced changes to its original
tax estimates calling for additional taxes. The increase in the first five years was over
a $1,000 per year, at $175,000 per year for the second five year period, $220,000 per
year for the third five year period and $235,000 per year for the fourth five year
period. The fifth five-year period was left open to be renegotiated, and the project
was still to pay full taxes after twenty-five years. Given the “substantially greater”
taxes “insisted upon by Comptroller Gerose” the rent was increased to $24 per room
per month.43

To fund the project, Kazan hoped to tap the New York State Teachers'
Retirement Fund (NYSTRF) for $10,000,000. He failed to enlist the services of the
Bowery Savings Bank, who he had hoped would be willing to supply the estimated
funds needed to furnish the rest of the mortgage. And even though Kazan was unsure
about the total cost or the timetable, he had estimated that the project would cost
around $38,000,000 and construction would be ready to begin within a year. Both
were estimations, which ended up being overly optimistic

To lower costs, Kazan asked the ILGWU's attorney, Lieberman, whether it

would be possible for the ILGWU to waive the title insurance, or if title insurance had to be taken, whether it could be purchased through City Title Insurance Company as it would “save the project considerable money in connection with the premium for such insurance.”

He also asked Lieberman if the ILGWU would need to have a separate appraiser and independent certification concerning construction. Lieberman responded that the ILGWU would be willing to waive both if the NYSTRF suggested reputable firms for hire to oversee construction and appraisal. Lastly, Kazan requested an advance loan of $10,000,000 to cover the construction cost, as the NYSTRF was unwilling to lend any money until after construction had been completed. On this point, Lieberman was adamant that the board would have to secure the $10,000,000 construction loan from another source. Lieberman was loath to advise the ILGWU to lend funds for construction, given the risky nature of such a loan.

By early December though, Kazan had secured a letter from the Manufacturers Trust Company supporting a loan of $5,000,000 during construction. He has also secured a letter from the NYSTRF pledging $3,000,000 for construction and a promise of a $2,000,000 construction loan from the Construction Bank, with the stipulation that the ILGWU advance $20,000,000 during construction or the Mutual Redevelopment Houses take out a performance bond to cover the loan. Kazan rejected the idea of performance bond “since the amount of the mortgage [was] so large [that] the cost would be prohibitive.” Meanwhile Lieberman vehemently opposed the advancement of the $20,000,000 because of the risk it would incur and the fact that the ILGWU had not, at the time, been given any cost estimates by Kazan or anyone on the Mutual Redevelopment Houses board.

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44 Elias Lieberman to David Dubinsky, September 15, 1959, ILGWU Collection, Kheel Center Archives, Cornell University.
45 Ibid.
The third option for raising funds for construction from the tenant-cooperators was also unfeasible because of the timetable and given that the project had already incurred $4,000,000 worth of debt due to relocation and demolition costs. Against Lieberman's advice, the ILGWU decided in favor of advancing the money to the MRH, if the MRH could supply the union with an estimated cost for the project, contracts, an approximate time when the loan would be needed, and estimated yearly income and expenses from when the project was completed. A week later the NYSTRF took up the application for the loan.

Unfortunately the NYSTRF remained unsatisfied with some of the key points of the loan so that the mortgage continued to be delayed. The questions raised by the NYSTRF were whether the project had firm contracts and if the new appliances, i.e. ranges and refrigerators, would be owned by the tenant-cooperators or by the housing project. The NYSTRF also wondered whether the tenant-cooperators paid equity in full and if the project could be complete within two years from the date of commitment. If not, would the MRH board be willing to forfeit the loan fee of a $100,000?

More importantly, though, the NYSTRF required a construction loan, which Kazan had been “either reluctant or unable to furnish,” and amortization for three months after the closing of the loan. Kazan, on the other hand, wanted amortization to begin a year after the loan closed. Another sticking point for the NYSTRF was that it wanted the same 2% amortization rate that the ILGWU held, instead of the 1.75% that it had been offered. The main issue, Lieberman noted, was that “basically, the lenders of the construction money want to be satisfied that the project has sufficient money for its completion.” This was also in light of the fact that the tenants’ equity,

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46 Elias Lieberman to David Dubinsky, December 15, 1959, ILGWU Collection, Kheel Center Archives, Cornell University.
47 Ibid.
which was estimated to be $8,000,000, ended up being $350,000 less than originally projected.

By May 5th, 1960, Kazan's refusal to secure a completion bond led the NYSTRF to withdraw their offer of $5,000,000 for the construction loan. Unsure that the MRH would be able to secure funds for construction, it was clear that the project would not meet the June deadline to begin construction. Lieberman also “advised against going to Manufactured Trust” without “being in a position to assure the bank that all the other funds necessary for construction [were] available.”48 Even though 90% of tenants had moved off site and Kazan had agreed to contracts for concrete, electrical work, roofing, elevators, and demolition, funding for construction had not been secured. The project had already run up a cost of $7,577,000 with only 75% of those costs acquired.

Regardless the MRH had given concessions for a 2% amortization for the long-term loan borrowed from the NYSTRF, with the agreement that it would commence on July 1, 1962, and be paid in monthly installments. The MRH agreed to relinquish the $100,000 that had already been deposited, if it did not go through with the loan for the project. There seemed to have been a difference in understanding however, between the NYSTRF and Kazan. Mr. Murray, the director of the NYSTRF, held that amortization would begin when the project was completed with 90% occupancy or on July 1, 1962 at the latest. The NYSTRF also agreed to waive the completion bond if a $5,000,000 reimbursement bond was taken out in the event that the project was not completed, but this term was unacceptable to Kazan.

Funding continued to be a sticking point and by May 16th, 1960, the cost of relocation had risen to $650,000. Twenty-one families remained on site and they

48 Elias Lieberman to Louis Stulberg, May 5, 1960, ILGWU Collection, Kheel Center Archives, Cornell University.
were not signed up to move. Kazan, however, estimated that they would be gone within six weeks. To cover the extra cost of relocation the board agreed to charge the expense to the construction budget. Kazan was hopeful, though, that by the end of May more than two-thirds of the construction capitol would be raised, with the cost of demolition and relocation being paid by the income received from current onsite tenants.

By May, all of but a few apartments in the ten buildings had also been assigned, and the 25% of equity was to be paid when construction started. Test borings had also shown that some buildings would require only spread footing not piles or mats, reducing the cost of construction. The cost for electrical work had increased though, as had the metal doors and bucks. Construction estimates had also increased almost $1,000,000 to a cost of $10,812,493.

It wasn’t until early June that long term financing for the mortgage was secured from the ILGWU with a loan of $20,000,000, the NYSTRF with a loan of $10,000,000, and the tenant-cooperators with $7,500,000 in equity. The Chemical Bank New York Trust Company (CB) had secured funds for construction with a loan of $2,000,000. The Manufacturers Trust (MT) provided another construction loan of $3,000,000. Even with the loans from the Chemical Bank New York Trust Company and Manufacturers Trust, the MRH was still short $5,000,000, given that it was unwilling to supply a $5,000,000 bond to the NYSTRF.

There was some talk of possibly renegotiating the $5,000,000-construction loan with the NYSTRF, in view of the fact that the UHF had secured $28,000,000 from the NYSTRF for the Jamaica project and had supplied them with a completion bond. The financing issue continued until August, when the Chemical Bank offered to increase the construction loan from $2,000,000 to $7,000,000. Still Kazan refused
to “proceed with the drafting of the documents for the construction loan.”49 The NYSTRF also continued to object to the 25% increase in amortization that had been given to the union.

The cost of the project continued to increase. In August, after deciding to keep the Terrace Theater, costs increased another $100,000. Overall project costs rose due to millwork raising the budget another $490,000. The inclusion of an electrical generating plant to provide air-conditioning for the entire project was also expected to incur an additional $3,000,000, resulting in an increase of a $1.50 per room. Its inclusion, though, was approved by a 78% vote of the tenant-cooperators, making the project one of the first cooperatives to include air-cooling “operated by steam with the circulation of hot water providing heat in winter and cold water providing cooling in summer.”50 The inclusion of extra costs into the budget along with the inability to secure construction loans caused the MRH board to decide to delay construction.

In late August 1960, the NYSTRF called for “a whole mortgage” and not “the type of mortgage bond… proposed by Kazan.”51 Attempts at securing the construction loan, though, were underway. Independent architects for MT and CB undertook a review to see if there would be enough money to complete the project. The work, though a step towards securing a loan for construction, incurred further costs to the project. Even with the cost estimations complete, the banks refused to make a formal loan commitment until the NYSTRF agreed to sign a statement, which committed them to purchasing $10,000,000 in bonds upon completion of the project.

On the other hand Murray wanted a whole mortgage instead of bonds, and

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50 Philip Blumberg to Elias Lieberman, October 21, 1960, ILGWU Collection, Kheel Center Archives, Cornell University.
51 Elias Lieberman to David Dubinsky, August 25, 1960, ILGWU Collection, Kheel Center Archives, Cornell University.
also preferred an agreement solely with the MRH instead of additional agreements with the banks. Given the NYSTRF's distrust of indenture bonds, Lieberman consulted with the Deputy Comptroller William Girden about the legality of the bonds, under Section 12 of the Redevelopment Companies Law. Lieberman was particularly curious to see if there was a way in which the bonds could provide extra protection for the NYSTRF loan. He hoped that the extra protection would induce Murray to accept the bonds as the method of collateral instead of a traditional mortgage. Bonds were necessary for the ILGWU, since the multiple union trust made a conventional loan impossible.

The legal department of the union argued for the $10,000,000 loan to be made in the form of a note, but, by October, the Retirement Fund had agreed to accept the bonds under a mortgage trust indenture, asking “that except for the differences in the rate of interest, all the provisions in all the bonds must be identical, and they must rank equally.”

Disputes between the NYSTRF and the other funding institutions remained. The Retirement Fund desired the Irving Company as a trustee to which the MT did not agree. The NYSTRF also preferred to have an agreement solely with the MRH to buy the $10,000,000 in bonds, instead of the additional agreements that were held with the MT and CB. The NYSTRF wanted the title insurance to be split evenly between the City Title and Home Title Companies, but Mr. Sunshine, of the MT, disagreed. As a member of the board of the Title Guarantee and Trust Company, Sunshine preferred the whole of the title insurance be given solely to the Title Guarantee and Trust Company. Due to the issues between the NYSTRF and the other loan institutions, it took an additional two weeks for the MRH to approve the $10,000,000 from the MT and CB.

52 “Directors' Meeting of I.L.G.W.U. Houses, Inc.,” (1960): 6
By late October the MRH secured a performance bond for the subcontractors in the amount $20,000,000 at a cost of $112,500. A representative of the Manufacturers Trust Bank was also elected to serve as a trustee. The date for mortgage maturity was also set for January 1, 1983 at a rate of 5.25% per annum for the NYSTRF and at a rate of 5.25% for the ILGWU. The budget for air-conditioning decreased, and was estimated to be only $0.05 to $0.75 extra per room.

Problems with financing continued. The NYSTRF called for approval of plans and specifications for the garage and commercial space, and agreed to move the completion date for payments of amortization to begin, back to January 1, 1963. The issue of the title insurance continued to be debated. The MRH also refused to furnish fire insurance, which had been especially requested by the MT, and by late January the MT had stepped “out of the picture, both as lender and as Trustee,” while [the] Dry Dock Savings Bank (DD) had come in as lender for the three million towards the construction money and permanent loan.53

About the same time, the Chemical Bank became the trustee of the mortgage, in place of the MT, and agreed to loan the $7,000,000 necessary for construction. The switch to the DD incurred further cost due to the retention of and additional independent architect and lender supervisor. Because of the “risky” nature of construction money Lieberman also suggested that the loans be lent at a rate of 5.25% per annum.54 In late April 1961, a Certification of Approval was obtained between the MRH and the NYSTRF and a memorandum of understanding was given to the MRH, DD, CB and the ILGWU.

Thanks to Lieberman's mediation, the paperwork for the loans was finished by the April 28th deadline, and the bonds and checks were distributed on March 1st. The

53 Ibid.
trustee checks for $2,000,000 from ILGWU and $1,000,000 from the DD and the CB were turned over to the MRH. Cashing the check, the MRH was also able to repay the $400,000 loan from the Amalgamated Bank of New York. To meet other costs it was also decided to lease the Twenty-third Street Theater to the RKO Company at an average rental of $47,000 per year, for twenty-one years with a $50,000 security deposit.

To insure the payment of the construction bills, Kazan and the MRH requested an additional loan of $2,001,000 from the DD. Even with the $3,000,000 advance, by June, the MRH was in the process of requesting an additional loan of $2,200,000, as advised by O'Reilly, the supervisory architect for the DD. As the project continued to hemorrhage funds the MRH board met with the city to ensure that the rent would remain manageable, as further costs might devastate the cost-effectiveness of the project.

In July 1961, the Board of Estimates approved an amendment to the MRH's housing contract. The amendment largely dealt with the income limitations of the tenant-cooperators, stating that “dwelling units in the project shall be available for persons or families of low or moderate income whose probable aggregate annual income at the time of the admissions does not exceed eight times the rental including the value of cost to them of the utilities that may be furnished to such dwelling units.”\textsuperscript{55} The amendment also stated that the tenant’s probable aggregate, or the annual income of the chief wage earner plus “his” spouse, could not exceed one 125\% of his maximum permissible income. Tenant-cooperators over the income limit would face bill surcharges.\textsuperscript{56} The following table shows the Board of Estimate surcharge amendment to the MRH’s housing contract.

\textsuperscript{55} Harold Ostroff to Mutual Redevelopment Houses, Inc., “Anticipated Payments due and to be Made During the Month of June, 1961”, May 25, 1961.
\textsuperscript{56} Irving J. Alter to Louis Stulberg, August 2, 1962, ILGWU Collection, Kheel Center Archives, Cornell University.
To facilitate the amendments, the Board of Estimate called for income surveys to be distributed and examined along with the submission of income tax returns from 1961 before perspective tenant-cooperators were allowed to move in. The change proved costly for the MRH board of directors, as cooperators had already begun to move in.

By early July 1962, Kazan was in negotiations with the city’s Housing and Redevelopment Board to modify the contract so tenants would be allowed to move in, as stopping them “would impose hardship on the tenant-cooperators who have made plans, preparations and adjustments.” It also provided a hardship for the MRH Board, which was unable to collect rent during the moratorium. All tenants had previously signed affidavits that their income was below the 105% limit and the MRH Board stated they were “not interested in protecting a tenant who had made a false affidavits as to his income.” The MRH Board argued that the city had not taken a stand on the issue of the affidavit and that rules adopted by the city in June 1961 were still in effect. A committee was then formed by the Mutual Redevelopment Housing Board to meet with the Housing and Redevelopment Board on the occupancy matter. It was composed of Louis Stulberg, Abraham Kazan, and Harry Uviller. Luckily the MRH committee was fruitful and the tenant-cooperators were able to move in in early July. Unfortunately though, not all of the apartments were complete.

Delays continued to occur due to a shortage of workmen, which increased the cost of the project. The MRH Board thus authorized Kazan to talk to the mortgages holders about extending the date of completion from July 1, 1962 to January 1, 1963. By late September and early October of 1962, the ILGWU and the DD agreed to move back the date of amortization to July 1, 1963 and the maturity date of

58 Ibid.
59 Ibid 5.
the loan to July 1, 1983. Even though seven of the buildings had been partially or fully occupied the construction work would not be fully completed for at least three more months.

The MRH was forced to incur more expenses given the interest on the invested capital and expenses for overhead and labor. Although the original cost of the project had been estimated to be $39,000,000, by mid-October it had risen to $41,000,375. To meet the cost the Board favored a combination of an increase in the mortgage loan, an increase in the bond issue, an increase in the tenant-cooperators equity investment, or a deferment of amortization payments. The Board voted to extend the amortization payment period, which was agreed to by the DD, the ILGWU and the NYSTRF, and, which was estimated to make up for $300,000 of the deficit.\textsuperscript{60} The Board argued that the next best step would be to increase the mortgage, and if that were impossible, to distribute bonds that would not exceed ten years.

Cost issues continued to arise in October 1962. Although New York City did not tax buildings under construction for a year, the period of construction had, by October, exceeded a year. Due to the fact the project was not yet complete, the MRH voted to appeal to the Board of Assessors for a deferment of taxes.

Another problem arose when the MRH faced litigation caused by the damage done to the furniture of tenant-cooperators after they had been removed from the premise. The MRH offered to pay $5 to $10 per family for the cost of damage that had occurred, but some owners were unwilling to accept the offer and decided to take the MRH to trial. The Housing and Redevelopment Board also presented extra bills to the MRH board. $38,005 was being charged for the approval of the redevelopment plan plus an additional $175,000 for what Kazan called “presumable[e]... supervision

\textsuperscript{60} “Directors' Meeting of I.L.G.W.U. Houses, Inc.,” (1962), 4.
of the construction.”  

Although the project had neared completion, on October 9th the mortgage loan was raised by $1,500,000 to cover extra costs, and the start date for amortization was moved back to July 1, 1963. The mortgage maturity date was, accordingly, extended to July 1, 1983. In early November, the DD purchased series “C” bonds to cover the $1,500,000 loan, while the MRH opened up an account at the Manufacturers Hanover Trust Company to deposit the coins from the laundry room.

Complications with funding continued into early 1963, and by March, Kazan had petitioned the ILGWU for another $100,000 loan, at a rate of 5% over five years, for the air-conditioning system. Air-conditioning had not originally been considered for this type of housing and was not mentioned for inclusion until the latter end of construction. The novelty of this type of system in large, low-income housing was risky and the price steep. The final cost of air-conditioning ended up amounting to around $2,000,000, $600,000 more than original estimates.

By mid-June 1963, the start date of amortization payments had been changed once again. It was agreed that amortization payments would not begin until the completion of construction or on September 1st, by the latest. While the final cost was unclear, at that point it was assumed that it would be available within the next six weeks. It was “clear, however, that the cost of the project exceed[ed] the original budget by a significant amount,” given that delays and additional construction had called for the advancement of several million dollars. Although, according to members of the MRH Board it was still at a cost lower than the norm thanks to Kazan. Changes in the commercial space, though, had caused the Housing and Home Finance Agency to reappraise the land for $31,500,000, a $1,500,000 from a

61 Ibid 4.
Additional troubles with the tenant-cooperators continued to arise. The Housing and Redevelopment Board removed eight residents because they were over the income limit. Legal notices had also been served to nine more tenant-cooperators who had brought dogs into the cooperative, since they had previously signed a lease not to bring in animals. The vacancies were quickly filled, as there were 3,000 additional applications already on file. The number of inquiries for apartments rose so large that MRH froze the waiting list, estimating that it would take over 10 years to house the additional applicants.

Although the residential buildings were completely full, commercial tenants were still being sought. The Hudson Guild requested a lease of three of the community rooms in building six, while their building was under construction. It planned to turn the rooms into a senior citizen facility, which would be accessible to a majority of the residents and the surrounding community. The lease for the Guild was quickly approved. The bowling alley Lences Lane Inc. also requested to lease commercial space from the MRH. This plan called for the construction of bowling lanes and an escalator to the second floor, installed, of course, at the expense of that company. The board of the MRH was leery of due to the alterations that would need to be undertaken. Although Kazan was sure they would be able to find another bowling alley tenant if and when the Lences Lane Inc. lease was terminated, the rest of the board remained skeptical. Given the lack of commercial tenants, though, the board was forced to carefully consider the application of Lences Lane Inc.

Even though construction had concluded the completion and closing of the mortgage date had once again been pushed back a month, from September 1st, 1963 to October 1st, 1963 with the MRH agreeing to pay amortization for September. The
construction costs of project had also exceeded the revised budget by another $2,500,000, and ILGWU agreed to advance the project another $2,500,000 in bonds at an interest rate of 5.25% per annum. Even given the advance and the delay in closing, Kazan “was confident that [the] $2,500,000 was all that was needed to cover outstanding liabilities.”64 This was an extremely optimistic statement considering the disaster that was about to occur.

On March 14, 1964 at 8:40 a.m. the power plant caught fire, shutting down the entire electrical system. The power plant was damaged beyond repair. Although insurance covered the loss and most of the repair work was done by late March, there was an additional cost of $184,475.44 to cover the installation of safety features. Problems with maintenance continued to be a problem. In early April the board of directors admitted that it was difficult to obtain adequate supervisory personnel, and when combined with the settling of the ground and poor workmanship of contractors was responsible for the number of breaks in the water main. Leaks within the plumbing system resulted in a number of flooded apartments. The elevators also continued to break down. This led the Westinghouse Electrical Company and the Herk Elevator Company to study the elevator to ascertain the causes of the frequent interruptions. It was suggested that the fault might lay with the electrical motors used to operate the doors. Luckily both the Westinghouse Electrical Company and the subcontractors agreed to cover any extra costs due to damage or faulty equipment.65

Income revenues persisted in being an issue as a large amount of commercial space remained vacant. Kazan attempted to negotiate a lease with a tennis club, although members of the board hoped to turn the space into a public auditorium if the deal fell through. Unfortunately for them Kazan was able to secure a long-term lease for the tennis club. The RKO Theater, which had held its Gala opening in February

64 “Special Directors' Meeting of I.L.G.W.U. Houses, Inc.,” (1963), 2.
65 “Special Directors' Meeting of I.L.G.W.U. Houses, Inc.,” (1965), 5.
of the following year, also requested that the MRH share the cost of installing air-
conditioning; it was a request that was immediately denied.

Although June ended with a surplus of $60,000 for residential space, it was 
expected that the commercial space would incur a deficit. Part of the surplus may 
have been due to the fact that the housing company had, according to a tenant-
cooperator and ILGWU member, hired non-union labor maintenance staff and non-
skilled workers. Non-skilled workers that, several tenant-cooperators argued, had 
failed to perform required maintenance repairs.66

By early November, only 50% of the commercial space had been rented out,
bringing in only $290,398 of $440,000, which was less than the maximum 
commercial income. The limited amount of income meant that the management had 
to consider even more carefully any new purchases. New switchboards had also been 
installed in the buildings and it was estimated that it would cost the project an extra 
$60,000 a year. Other costs that had been added to the budget were the costs for the 
boiler for $79,476, fuel for $109,733, and electricity for $238,387, raising the 
carrying charge to $3.14 per room. There was also a discussion by the board 
members about installing some type of security system because of the high amount of 
traffic that occurred in the apartments. Thus, equity investments were increased by 
$100 per room. With the additional charges, it was predicted that it would take 
several years before there was enough of a surplus to pay back the debentures bonds.

By November 12th, 1964 the Board of Directors voted to raise the tenant-
cooperators carrying charges by 5%, effective as soon as possible to help raise funds. 
The Board also voted to apply to the ILGWU, the NYSTRF, the CB and the DD for a 
waiver of amortization for a year. By late December the NYSTRF, the DD and the 
ILGWU had approved the waiver of amortization. By January 1965, the amortization

66 Ibid.
was approved retroactively for January 1st, 1965. The waiver effectively allowed the MRH to focus on the payment of construction debt. Given the continued financial difficulties, Mr. Paul Kramer, the Comptroller of the Housing Company, advised an additional 5% carrying charge. It was proposed that five committees be established to help facilitate the work of the board of directors, with summaries of their work published in the “Co-op Community News.”

On January 21st, Kramer's 5% increase in carrying charges was put into place. All incoming tenant-cooperators were also forced to purchase $100 debentures per room. To raise additional funds, a campaign to sell 4% debentures was implemented by the Housing Company. It was continued until April 1st after 281 cooperators bought debentures in the amount of $88,000.

Setbacks with the housing project continued and on February 13th the elevator broke down causing several people to suffer because of their inability to reach their apartments. One man was forced to spend the night in a hotel and later ended up in the hospital because he was unable to get his medicine from his apartment. The incident inspired him to run for the Board of Directors, although he lost. Later he asserted that this was because a “day or two before the election... a “deal” had been made with the “communists” and that neither [he] nor any other independent could succeed” in winning office.67 He also claimed that the “breakdown occurred because management [particularly its head Abraham Bluestein had] paid no attention to complaints that both elevators needed repairs... [and that even though the] night before a man on duty [had] complained to maintenance... nothing was done until the next day.”68 Bluestein was later absolved of any fault by the board.

In the face of additional costs the cooperative attempted to reduce the budget

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67 G. Block to Louis Stulberg, February 17, 1965, ILGWU Collection, Kheel Center Archives, Cornell University.
68 Ibid.
by investing in newer, more efficient technology. The board’s installation of long-life filters for the heating and air conditioning were installed for $5,200 to reduce heating and air-conditioning to an estimated $2,500 per month. This was the first of many environmental and energy saving steps undertaken by the Co-op.

The budget continued to rise, though, as unforeseen costs appeared. New two-speed motors were placed in the cooling towers to reduce noise for a cost of $28,000. A four-station walkie-talkie communications system and alarm locks for the roof were also purchased for over $200,000 to curb unwanted and unattended non-residents. To meet the initial costs, the board agreed to construct outdoor tennis courts for the Midtown Tennis Club in exchange for an increase in the lease. Fortunately the MRH board was able to rent out the second floor of offices to Farkas & and the Co-Op Furniture Center moved into vacant commercial stores at an increase of $24,000 per year.

Penn South Cooperative Credit Union begun to offer loans to tenant-cooperators and employees of the housing project, and fifty-five tenant-cooperators had already borrowed $21,950,880 to pay for air conditioning. Loans were offered at a monthly rate of 0.06%, “lower than any other bank in the City.” The staff of the bank was composed of a policy making board of seven directors, clerks, and bookkeepers, all of whom were unpaid volunteers.

Tenant problems occurred again in August when the city declared a major disaster declaration due to a water shortage and severely restricted water access to the cooperative. Although Rochdale supported the cooperative with water from their private well, tenant-cooperators were limited in their use of water. Tenant-cooperators, who had to take baths for medical reasons, were asked to bring the water

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70 The Credit Union continues to operate today with over $3,500,000 in assets and over 400 members and offers loans for Penn South Cooperative tenant-cooperators to help them finance their apartments.
down in drums next the incinerators to water the plants. This frustration was coupled with management disputes and caused conflict during the 1966 mid-January annual stockholders meeting. The majority of complaints were due to the numerous breakdowns and repairs that had occurred. Many of tenants who were union members hope to address Stulberg with their grievances.

Many of the MRH Board members argued that Stulberg handled the meeting “masterfully,” and whose “[control] of [a] few dissidents was most effective.”71 Although he was commended for his handling of the throng of disgruntled residents, the House Committee, chaired by David Smith, was of the opinion that Stulberg should not have conducted himself “in the manner set forth in the House Committee communication,” and that “the disturbance at the beginning of the Stockholders' Meeting resulted from the reaction of some stockholders to the ‘campaign speeches’ implicit in the letters read by Mr. Stulberg at the beginning of the stockholders' meeting.”72Ultimately, Smith “felt that Mr. Stulberg, by the temper and substance of his remarks on the House Committee report had insulted the Chairman of the House Committee”73

Board member David Gingold, on the other hand, “stated [that] there was an organized attempt to disrupt the Stockholders' Meeting and if it were not for the actions of Mr. Stulberg as Chairman the meeting could not have been carried out in order; and that the remark of the Chairman, “Now look here, are you drunk?” was addressed only to one person who was disrupting the meeting.”74 Samuel Hendel, another board member, also argued “that the House Committee communication moved in the direction of exacerbating the difference of opinion in the community

71 Vincent Sozzi to Louis Stulberg April 12, 1966, ILGWU Collection, Kheel Center Archives, Cornell University.
72 “Special Directors' Meeting of I.L.G.W.U. Houses, Inc.,” (1966), 4
73 Ibid 5.
74 Ibid.
with respect to the meeting, and that, if the communication [by the House Committee] were addressed to the Board with the intent to have the Board censure the Chairmen, he would not approve of the communication in any respect.”

Zimmerman also commented “the House Committee communication constituted an unjustifiable attempt to discredit the Chairman.”

Even with the disagreement, Smith and Bluestein were quick to congratulate Stulberg on his election as the President of the ILGWU and acknowledge his “tremendous contributions.” It also did not stop Bluestein from asking Stulberg to include the statement “And, incidentally, since the last Stockholders Meeting I have informed myself further about the duties and responsibilities of the House Committee at the ILGWU Cooperative Houses, and I am pleased to note that the House Committee is functioning in a responsible manner.”

As Bluestein believed that “a sentence like [that could] bring to an end the tension that does exist and contribute toward greater harmony, calm and peacefulness in [the Cooperative] community.”

Given the continual issues with maintenance the board advised that from time to time the House Committee recruit and train additional personnel. The board also recommended that, to cover the extra costs incurred by various problems around the housing project that the cooperative join with other cooperatives to gain joint purchasing power on goods such as fuel, oil, elevator parts, and television maintenance. In the meantime, the board increased the carrying charges to $4.50 to cover the gaps existing in the budget.

In late June problems with the maintenance continued when building two experienced a breakdown in the air-conditioning system, on the hottest weekend of

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75 Ibid 6.
76 Ibid 7.
77 David Smith and Abraham Bluestein to Louis Stulberg, April 1, 1966, ILGWU Collection, Kheel Center Archives, Cornell University.
78 Abraham Bluestein to Louis Stulberg, April 1, 1966, ILGWU Collection, Kheel Center Archives, Cornell University.
the year. An electrical explosion caused electrical failure in all of building two. Although power was restored within forty-five minutes and people in elevators were quickly removed, the Chief Engineer of the Housing Company estimated that the air-conditioning system could not be repaired before the Tuesday after. It was an estimation that the Executive Committee severely disagreed with, ultimately costing the Chief Engineer his job. Due to the distress caused by a combination of miscommunication, the fact that the tenant-cooperators were not informed of the problem, and not given a timetable for the repair, over one hundred tenant-cooperators marched over to Bluestein's apartment causing a noisy demonstration outside of his door the night of the breakdown.

While the housing project had been able to avoid widening its streets, additional expenses were incurred by the city. Over $85,000 “attributable to the recent increase in real estate and water and sewer rated, and to the imposition of the new City Income Tax,” was added to the budget. Given the extra expenses, the board foresaw difficulty in paying back the $300,000 debenture bonds, which were set to mature on the following April. Multiple cost cutting measures were suggested at the October board meeting. One proposal was looking in to a possible anti-trust suit against the company who had installed plumbing fixtures, in light of the indictments of multiple plumbing companies for price fixing. The Board also suggested installing fluorescent lights into lobbies to decrease the cost of electricity. This move would save the project money in the long run, but caused an increase the deficit in the immediate future.

The Board estimated that in less than a year the cooperative would owe an additional $2,086,000 due to the maturity of the 5% ILGWU debentures bonds and their interest, the 4% tenant-cooperators bonds and their interest, and the Community

Services, Inc., fee. It was also estimated that, under the current carrying charge structure, operating deficits would continue until the early 1970's.

In late November 1966, Ostroff was elected as president replacing Kazan, who had retired in October. Hendel was also elected to the position of Secretary, and the Szold law firm was retained for $8,000 per annum with semi-annual review. The 4% cumulative income debentures held by tenant-cooperators were also converted into stock to decrease cost, while a 10% increase in carrying charges was approved for April 1st 1967. It was believed that the “conversion of debentures into stock and for a rent increase, [was]... necessary in order to put the Housing Company on a sound financial footing within the next five years.” 80 An allocation of additional maintenance staff was made to deal with “complaints of cleanliness in the halls and other public areas.” 81

To deal with the ILGWU bond, which was set to mature at a cost of $425,000, the board of directors sent out a proposal to the ILGWU asking to pay back the principal interest of the debenture bonds over a three-year period. The board was also informed that 65% of the tenant-cooperators were expected to voluntarily convert their 4% debentures into capital stock, to which the board agreed to pay the interest. The carrying charges increased on April 1st, 1967 by 7.5%.

By April 18th, 1967, the General Executive Board of the ILGWU had agreed to allow the MRH to pay back the 5% debentures bonds in quarterly installments of $35,000 at an interest of 5% per annum commencing on July 10, 1967. By May the Board had signed a broker deal with the city to sell more capital stock in the form of $50 debentures. This would prove to be merely a stopgap measure, as a year later the MRH was forced to take out an additional loan of almost $2,000,000.

The increase in debt was largely “due to the pressure of inflation, represented in increased real estate taxes, water and sewage taxes, the city corporation tax and higher costs of labor and supplies, [and the MRH was] unable to project enough capital to meet the deadlines to liquidate the balance of debt.” 82  Added to these costs was the requirement of the municipality-mandated improvements, such as the incinerator alterations. It was estimated that the improvements and inflation would increase the mortgage from $1,800,000 to $1,850,000.

The expense forced the board to increase carrying charges by an additional 5%. By June, all of the loan institutions had agreed to increase the mortgage at a rate of 7.5% per annum in addition to a yearly 9% debt service, with a stipulation by the ILGWU that the union only be required to purchase 50% of the bonds. The rest of the “D” bonds were split between the DD, with thirteen and a 25% of the loan, and the NYSTRF, with 36.25% of the loan. To meet the additional debt, in November, the board raised the carrying charges by an additional 7.5%. It was believed that the increase in the rate would bring an additional $308,600 per year to into the budget. This was a liberal estimate, considering New York City's surcharge obligations. Changes to the garbage disposal increased the budget by an additional $174,000. To keep rent and carrying charges affordable, the Board of Estimate approved “retention of Penn South of 50% of surcharge amounts collected.” 83

The additional raises in carrying charges, though, proved to be inadequate in the face of inflation and by the mid-1972, the board voted to raise the rent by 10%. The Board of Estimate also agreed to adopt a resolution, which released the housing company from certain real estate taxes, if the housing company agreed to raise the rent by 10% on July 1, 1974 or by 7%, if the rent was raised retroactively on February

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82 Harold Ostroff to Louis Stulberg, March 17, 1969, ILGWU Collection, Kheel Center Archives, Cornell University.
1st, 1973. The Board members voted to retroactively change the date of the increase to July 1st of 1973 to cover the increase in fuel oil.

A month later, to raise more funds, the cooperative voted to lease commercial space to McDonald's for forty-one years. The vote passed seven to eight with 1,170 for, and eight hundred fifty cooperators against. One of the tenant-cooperators, Irving Lewis, wrote to the ILGWU pleading with them to reverse the vote because of the “physical danger to the cooperators as well as the physical danger to the cooperative” owing to increased “traffic in front of the cooperative [which] would multiply and... [destroy] the ecological environment.”84

In August, the MRH applied for a one-year waiver of amortization, with a one and a half financing fee that would be added to balloon mortgage maturity. The president, David Smith, argued that due to additional capital improvements, run-away inflation, and the desire to keep “carrying charges within a modest range because of the existence in [the] development of a great number of senior citizens and low and moderate income cooperator, among which [were] a sizable number of both retired and working teacher” the project had been experiencing severe cash flow.85 By December, both the ILGWU and the DD agreed to waive the amortization for 1974, with the DD agreeing to waive a total amount of $755,000. Along with the one year of amortization the MRH board applies to the NYSTRF for additional funding in mid 1973.

The MRH attempted to renegotiate the waiver of amortization with the help of the ILGWU, but Mr. Blum, the NYSTRF Mortgage officer, argued that they were not “in the business [of] subsiz[ing] the tenants... that the tenants had a good buy and, therefore, it was felt by the System that the need for additional money should be

84 Irving Lewis to Louis Stulberg, July 17, 1973, ILGWU Collection, Kheel Center Archives, Cornell University.
85 David Smith to James Keenan, August 22, 1973, ILGWU Collection, Kheel Center Archives, Cornell University.
passed along to them.” Unfortunately, in September, the NYSTRF denied the MRH’s request for funding. Smith argued that the NYSTRF was under the wrong impression, and that the tenant-cooperators were of low and middle income with 61% of the residents having an income of between $3,000 and $12,000.

Over 40% of the residents were sixty-five years or older with an additional 10% between sixty-two and sixty-five years old. Although Smith was right and a majority of tenant-cooperators were on a fixed income, 20% of them were over the permissible income totaling an additional $100,000 a year. By January of the next year, the NYSTRF had once again declined the MRH’s request to waive a year's worth of amortization, but did not object to the DD and ILGWU’s waiver. The financial institutions agreed to a rate of 7.25% per annum; the total of which was to be included in the balance of the mortgage at its maturity.

By early 1974, the cooperative had adopted an energy conservation plan, which not only would become a “model for other developments,” but also dealt with the large energy costs that the project had been experiencing. The savings helped the project to pay taxes in advance. In early 1976, the board presented Mayor Abraham with a check for $200,000, the first of eight advances in taxes. Six months later the Board of Estimates granted the housing project two “additional years of abatement of “extra” real estate taxes.” In August 1978, further abatements were approved for four and a half more years, saving the project of $1,000,000.

Although the cooperative and its tenants were faced with serious setbacks both in physical and financial arenas it did not stop the amount of communal activity that occurred from the mid 1960’s on. Through collective engagement the tenants met...
both specific and overarching services that, at the time, were not being met by the local government due to a lack of capital.

The majority of events and clubs began in 1965. The Hudson Guild Art Center in building six began to offer its gallery and studio space for painting classes. Community rooms were opened for tenant run events such as yoga and outdoor art exhibitions and clubs like the volunteer home service club, which helped with window cleaning, floor waxing, light domestic work, babysitting, and organizing blood drives. The blood drive was specifically planned after the death of a tenant-cooperator. Space under the Co-op market was turned into a meeting area and an activity room for groups of two to three hundred people. An appeal was also made for the startup of a self-help program for people living alone, by a tenant-cooperator who wanted to express her gratitude for the help received by neighbors after she had spent time in the hospital.

Community involvement in the housing project also helped with to provide necessary services for the cooperative. Voluntary lobby patrols by residents began in April 1966; training with auxiliary police for tenant volunteers began a year and a half later. Although there was not a large number of children, a play structure designed by tenant-cooperator Serge Gerstien, was added to building eight. It was funded by the tenant-cooperators. Other programs, like institutional welcome meetings for cooperators, were created to help retain a sense of community and allow new cooperators to get involved in current clubs and activities.\textsuperscript{90} Although there were major increases in the budget and carrying charges during the 1960’s and 1970’s because of repair costs, inflation, and a lack of commercial tenants, Penn South was able to provide for basic services through communal involvement.

Even with budgetary issues Penn South was able to successfully deal with the

\textsuperscript{90} Ibid.
additional repair and inflation costs. At the same time the cooperative was able to provide services through community involvement that were not readily available from the city and would have, if not for the tenant volunteers and community oriented board, further weighed down the budget. The board implemented several strategies that allowed the project to retain its affordability until the 1980’s when the debt was restructured. Without the energy conservation plan, negotiation with the city, amortization negotiation, and sale of debentures Penn South would have been unable to meet its financial obligations. These financial strategies were only possible through the widespread collaboration between tenants, administration, Board members, creditors and the city.
CHAPTER IV: TO PRIVATIZE OR NOT TO PRIVATIZE, THAT IS THE QUESTION, 1980’s TO 2000’s

This chapter focuses on the multiple changes occurred in the mid-1980's through the early 21st Century. The beginning focuses on the cooperative’s attempt to restructuring maturing debt, while the second half deals with the cooperative’s decision of whether of not to abolish its limited equity status. The chapter also deals with the major improvements and repairs that the cooperative has undergone to bring the buildings up to current code and at the same time make the cooperative self-sufficient.

By 1985, when the first mortgage matured, the MRH took out a loan to cover the debt owed to the DD and NYSTRF, while renegotiating their loan with the ILGWU. On March 15, 1985, to restructure the debt, the housing project signed an eight supplemental indenture selling “A” bonds in the amount of $10,802,373.15. The “A” bonds were split between the ILGWU who held $6,500,000 worth, the American Savings Bank (ASB) who held $1,303,373.14 worth, and the National Consumer Cooperative Bank who held $3,000,000 worth. The ASB also held $1,842,459 worth of “B” bonds and $6,555,167 worth of “C” bonds. The bonds were handed over for a total of $19,200,000, with the maturity date set for March 1st, 1990.

By November 1986, the ILGWU held all the “A” bonds, amounting to $6,000,000. The ASB held $9,700,000 worth of “B” bonds. The NCCB held $3,000,000 worth of “C” Bonds, while all of the series “D” bonds were paid off. The board of the MRH attempted to renegotiate with the ILGWU for a mortgage with an interest rate of 9.5%, while the ASB offered to make an additional loan of
$11,600,000 at an interest rate of 9.5% over a thirty-year payout.

A year later the housing project had taken out an additional $1,000,000 capital investment loan, and in late March the MRH had increased the mortgage from $18,800,000 to $23,000,000 for repair and other capital improvements. The increase in the mortgage was negotiated with the National Cooperative Bank (NCB), which also agreed to refinance the mortgage. The MRH board believed that by renegotiating the mortgage with the National Cooperative Bank, it would be able to save considerable money. Due to the fact that the NCB had received its Charter from Congress “they [were] not required to pay City or State taxes” allowing them to eliminate the excess cost of a “mortgage recording tax, which [added] approximately 2.25 – 2.5%” more to a loan.91 Thus the NCB was able to offer the housing project a $23,000,000 loan to be paid back at a rate 7.18%. It was rate lower than any the ASB would have been able to offer, because its loan was based on a Treasury note and not private market rates. The loan effectively lowered their amortization rate to 9.86% per annum, freezing it in over a thirty-year period with a $5,000,000 per annum service fee.

By May 1st, the MRH had redeemed the bonds held by the American Savings Bank and the ILGWU, even though the ILGWU had attempted to renegotiate the loan for the MRH. Even with the new loan, other costs such as a raise in taxes forced the project to increase the carrying charges by another 15%.

Along with the major refinancing that occurred in the mid-1980s, the housing board also undertook a major vote, which would help to determine whether or not the community would retain its affordability for the next twenty-five years. In late October 1986, the cooperative voted on whether to apply to the city for twenty-five

91 David Smith to Jay Mazur, March 20, 1987, ILGWU Collection, Kheel Center Archives, Cornell University.
years’ worth of tax abatements. This was the first of many votes and one that would set the tone for further discussions surrounding the cooperative’s affordability. The vote passed and on March 6th the MRH Board sent in an application to the HPD for the 25-year phase-in of real estate taxes. The application was approved merely two months later, allowing the project to retain its non-profit status.

There were many factors that determined not only why the housing board voted to remain affordable, but also why the city approved their application. The first and most pressing issue for the tenant-cooperators was price. “According to local realtors, the price of one-bedroom, apartment would likely soar from $9,200… to between $140,000 and $175,000, while carrying charges would increase from $280 to $400” if the housing project went private. David Smith, the housing president, estimated that the raise in pricing would "imperil about 75 percent of the current residents who [were] elderly and living on fixed incomes [and who] could not afford to pay full taxes all at once.”

The second reason, which was called heavy handed and antiquated by its opponents, was the moral imperative that the twenty-five year phase-in raised. Cindy Freidmutter, an assistant attorney general of New York State claimed “well over 100,000 subsidized apartments in New York State that [were] similar to Penn South... [would have been] affected by it decision.” Ruth Lerner, an assistant commissioner of the Housing Preservation and Development Department, argued that because of its union background the housing cooperative was an “ideological leader of the nonprofit-cooperative movement in New York... therefore it [was] something of acid test for all the city's publicly assisted moderate-income housing project,” and

92 Morris Benjamin et al., Penn South 50th Anniversary, (New York City, 2012), 9.
94 Ibid.
95 Ibid.
96 Ibid 30.
if the project went private “less idealistic housing projects [would] certainly follow suit.”\(^{97}\) Thus it was believed that if Penn South did not remain affordable, other, smaller cooperatives would follow in its footsteps and go private. By maintaining affordability, residents and other officials believed that it could encourage other tentative cooperatives to do the same.

The question still remained, though, why the city was willing to “forgo [an estimated] $53 million in tax revenues if it extended [the project's] tax abatement for 25 years.”\(^{98}\) It could be posited that one of the reasons the Board of Estimates was willing to approve the tax abatement was the relationship that the housing project had maintained with the city. In late April 1987, the HPD had sponsored a citywide conference called “Caring for the Elderly at Home” for which the housing project had “played a decisive role in initiating the concept and planning.”\(^{99}\)

More importantly Penn South helped out during New York's financial crisis “when the city was practically begging people to pay their real estate taxes early in exchange for an 8 percent prepayment, Smith “convinced [the housing project] to pay its taxes early and forgo the discount.” It was a move, which forced many of the residents “to borrow money to help the city out.”\(^{100}\) And only three months earlier, the project had made its twelfth consecutive annual prepayment of taxes worth $312,000.\(^{101}\) It also helped that the tax abatement was supported by powerful political players, such as Jay Mazur the President of the ILGWU, Mayor Koch, Comptroller Goldin, Council President Stein and Borough President Dinkins.\(^{102}\) The twenty-five year phase-in would set the tone for further tax breaks that the city would grant Penn South in the decades to follow.

\(^{97}\) Ibid.
\(^{98}\) Ibid 33.
\(^{99}\) Ibid 33.
\(^{100}\) “Special Directors' Meeting of I.L.G.W.U. Houses, Inc.,” (1987), 2.
\(^{102}\) Jay Mazur, “Statement in Support of Application by Penn South For 25 Year Phase-In of Real Estate Taxes,” (New York City, June 30, 1987), Kheel Center Archives.
The 1990's saw major changes to the housing project with the election of the first new president in over 21 years. Jeff Dullea, who served as president from 1993 to 1997. Under his appointment the cooperative opened a Youth Recreation Room, designating space behind building seven for the children of tenant-cooperators. Robert Silverstein, who served from 1997 to 2004, oversaw the negotiation of a new contract with the city, which gave the project “shelter rent tax” status, allowing the property tax assessment to be based on rent rather than assessed on the value of surrounding properties.\textsuperscript{103} This meant that even with inflation and the rise of surrounding property values, the cooperative's taxes would not be affected. The contract, which was approved by over 80% of the cooperative, allowed the housing project to extend its tax abatement to 2022. It was an agreement that allowed the cooperative to save around $10,000,000 per year. Walter Mankoff, Penn South’s treasurer, estimated that without the tax abatement the cooperative would have had to implement a “50% carrying charge increase,” an increase larger than any other the cooperative had experienced.\textsuperscript{104}

Silverstein's successor, Irma Lobal, the first female president of the cooperative, continued to work with the city renegotiating the terms of the contract, which allowed funds to be raised for major improvements. To do this, equity was doubled on the first sale of apartments “with the proviso that half of the equity would be deposited in a capital improvement fund for the future.”\textsuperscript{105} One of the improvements was the replacement of elevators that eliminated skip stops. Luckily, the housing project “ha[d]n't had the difficulties of, for instance, Co-op City, which had to close most of its garages because of structural problems” and the “ground

\textsuperscript{103}Morris Benjamin et al., Penn South 50th Anniversary, (New York City, 2012), 9.
\textsuperscript{105}Morris Benjamin et al., Penn South 50th Anniversary, (New York City, 2012), 9.
above [being] saturated with water and the drains [being] clogged.”

Morris Benjamin, the current president, who began his tenure in 2006, implemented further renovations projects. Talk about replacing the development's entire heating and cooling system (HVAC) started in 2009, and in 2011, the city helped to provide further funding in exchange for the cooperative voting favorable to extend the tax abatement to 2030. It was a deal, which was approved by 87%. Those who wanted to go private mainly opposed the deal because they hoped to leave behind a larger inheritance for their relatives, or because they were unsure about the terms of the city's deal. Even though the cooperative has voted to remain limited equity until 2030 and secured funds for the HVAC renovation, residents still fear that funds for necessary maintenance and repairs will, in the future, dry up.

Even though Penn South voted to remain private and has been able to remain affordable with help from the city, it still faces pressures both internally and externally to privatize as the cost of maintenance becomes more burdensome and the demographics of the cooperative shifts. Although it has taken various steps to remain inexpensive through self-reliant and energy efficient renovations, other funds are necessary. The next chapter is a suggestion of alternative partners and approaches that might be able to help support Penn South’s affordability.


CHAPTER V: A QUESTION OF AFFORDABILITY, THE PRESENT AND BEYOND

This chapter will look at possible partners and strategies that can help Penn South find ways to remain affordable, specifically focusing on the way historic designation and preservation can be beneficial and provide savings in costs. It will also identify possible partners and stakeholders in the community whom in one way or another have a vested interest in preserving Penn South’s history.

New York City and Chelsea has become “a place for [only] the very, very wealthy [and] the very poor.” This is evidenced not only by the Whole Foods a few blocks down from Penn South, but also by the number of applicants who apply for a spot on Penn South's waiting list. In 2008 there were over 20,000 applications sent in in response to only “2,000 [vacant] spots on the waiting list for Penn South.”108 The waiting list is continually packed given that “only about 150 [apartments] become available in any given year” since most of the tenants prefer to age in their apartments.109 The propensity of tenant-cooperators to keep their apartments is due, by and large, to two factors.

The first factor is that affordable housing in the city, especially in Manhattan, is difficult to acquire. Although affordable housing is included in large housing projects, the units only make up a small percentage of the units that are actually available. Even though it can be asserted that allowing for “only about 20% of the apartments [to be] set aside as affordable housing” in these large projects creates an

109 Ibid.
income mix, the tenants are removed from necessary amenities that would be provided by low income housing administration or in the surrounding areas.\textsuperscript{110} Since Penn South is a project devoted solely to a mix of moderate to low-income tenant-cooperators, it is by its very nature focused on providing affordable activities and services for its residents. This is made possible because Penn South has a staff that concentrates on and has experience working with low-income tenants, unlike market rate cooperatives who “only care about having a doorman.”\textsuperscript{111} The Board can also rent out commercial space to meet the needs of its tenant-cooperators.

Many affordable cooperatives have in the last twenty years voted to go private, which Brendan Kenan, the general manager of Penn South, says is “crying shame... because once they’re gone, they’re gone and there’s no bringing them back.”\textsuperscript{112} And although many of the buildings in the area were previously denounced as slums, "Chelsea has become an upscale neighborhood, and the old brownstones nearby have greatly increased in value."\textsuperscript{113} Due to privatization and rent hikes brought on by gentrification, the city has sought “to preserve existing middle-income apartments, like the thousands [of apartments] in Mitchell-Lama complexes and similar affordable-housing projects that were built from the mid-1950s to the mid-1970s,” giving Penn South “income and purchase limits similar to those at Mitchell-Lama projects.”\textsuperscript{114} The only drawback, according to critics, being that “under Penn South’s rules, [tenants] must sell the apartment back to the co-op... [only repaying the initial fee], plus a share of the amortization on the complex’s underlying mortgage,

\textsuperscript{110}Ibid.
but no interest and nothing for inflation or appreciation.”

Although the tax abatements and non-profit status allows for Penn South to retain its affordability, it makes raising money for repairs and replacements an extremely complicated procedure. To help raise money for repairs the MRH has taken out loans from the AFL-CIO Housing Investment Trust (HIT). The MRH had taken out a loan of $33,000,000 from the AFL-CIO HIT in 2003 to help restructure debt. It is “a fixed-income investment company registered with the Securities and Exchange Commission... manages $4.6 billion in assets for over 365 investors, which include union and public employee pension plans... [and] invests primarily in government and agency insured and guaranteed multifamily mortgage-backed securities.”

It was established by the American Federation Labor and Congress of Industrial Organizations, an organization that is affiliated with the ILGWU's successor, UNITE HERE. Currently Penn South is remediating asbestos from the walls, using the funding provided by the AFL-CIO HIT.

The AFL-CIO HIT provided “$134 million for the $151 million [HVAC] project through the purchase of a Fannie Mae mortgage-backed security... working closely with the New York City Housing Development Corporation and Housing Preservation Department, which [provided] subordinate loans for the [HVAC] project.” The loans, which were dependent on Penn South's agreement to extend the city's tax abatements until 2030. The HIT loan was also “undertaken to restructure debt, while maintaining affordability.” Luckily besides the replacement of elevator and heating and cooling parts, most of the superblock structures built in the 1950's and 1960's only face minor repairs problems and therefore require less

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115 Ibid.
116 Ibid.
117 Ibid.
119 Ibid.
maintenance than housing built in the 1970’s and 1980’s.\footnote{\text{Walter Mankoff, interview by Sarah Rodriguez, Personal Interview, New York City, December 5, 2012.}}

Like Penn South, other low income and affordable superblock housing, most of which are associated with the New York City Housing Authority or NYCHA, have had to make up for a deficit incurred by repairs and upkeep. Since tenants who on average make less than $25,000 and pay around $425 per month occupy the projects, funds for repairs are scarce. To make up for the projected deficit, NYCHA has been attempting to transform some of the 'unused' land that it owns, favoring infill development, which turns empty space on projects like the Astoria, Fulton, and Smith Houses into market rate commercial space.

Although code restrictions limit development in certain areas, NYCHA has already started to look at the development of parking lots and other open space into shops and mixed income dwellings, even at constructing more floors on top of existing buildings to take advantage of the floor area ratio of the site. The plans for development have brought up issues for residents’, who fear that green space will be taken away from the local community. There are also concerns regarding aesthetics and that the development will also disrupt the original design and flow of the project, fracturing the architect's original vision of the project as a single unit. It is a factor that makes intact superblock constructions like Penn South scarce.

Aside from Penn South's rarity as an affordable, intact superblock cooperative, its uniqueness lies in its ties to the Garment District. Many have decried the loss of industry in New York City, especially in the Garment District because of the “spatial and economic shift, significant vertical urban factories have developed [in New York City] in the past ten years.”\footnote{\text{Nina Rapport, “Vertical Urban Factory,” Urban Omnibus, Accessed July 9, 2013, http://urbanomnibus.net/2011/05/vertical-urban.Factory.}} The Fashion Center Business Improvement District, or the BID, which “was established in 1993 to improve the quality of life and economic
vitality of Manhattan’s Garment District” has helped to “[invest] over $77 million in the area.”\textsuperscript{122} It is composed of five hundred seventy-five property owners and over 6,500 businesses, with the goal of stimulating the fashion industry in the New York City Garment District through art and awareness. Together with the Design Trust for Public Space, they published the \textit{Making Midtown} report, which stated that the fashion and garment industries “represent 28% of New York City’s manufacturing, and [that] the Garment District alone generates $2.1 billion in revenue for the City and employs over 7,000 people,” on average offering better paying jobs than those provided by the service industry.”\textsuperscript{123}

The study was produced as a by-product of the current rezoning concerns surrounding the Garment District. In 1987, to preserve industry in the Garment District, the city instituted a one to one square foot-zoning rule, essentially creating the Garment Center Special District by “discourag[ing] property owners from converting space in their building from manufacturing to offices or other uses.”\textsuperscript{124} Twenty year later, according to architect Jeorg Schwartz, “the City looked at the Garment District and [said], “You’ve got about 8 million square feet reserved for manufacturing in this district, but you’re not using 8 million square feet.”\textsuperscript{125} This was followed by a proposal by the city to change the square foot zoning ratio from one to one to one to six, leaving approximately 1,000,300 square-feet reserved for the fashion industry. The \textit{Making Midtown} report showed that the amount of space was insufficient with “1.1 million square feet [needed for] manufacturing... another 600,000 square feet [needed for] associated suppliers... [and] another 2.5 million square feet [needed for] other fashion uses, such as showrooms, designers’

\textsuperscript{125} Ibid.
workspaces, and sample rooms for designers themselves.”

Penn South, which houses numerous retired garment workers and was built to provide a short commute, provides an important link to the Garment District. Its preservation is vital to the overall preservation of the Garment District, which continues to be at risk as “asking rents in the area are rising, and nearby development is bringing more office, residential, hotel and retail use, much of [which is] non-fashion [or garment] related.”

The preservation of Penn South raises awareness about the history of the Garment District and the garment unions, both of which were vital to the garment making and fashion markets in New York City.

More impressive than the role that Penn South has played in shaping the Garment District is the role that its inhabitants played in shaping the city and the state. Dr. Samuel Hendel was the author of Charles Evans Hughes and the Supreme Court and a professor of political science at the City College of New York. Dr. Welsey A. Horchkiss served the General Secretary for Higher Education at United Church of Christ. Karen Smith acted as a State Supreme Court Justice. Irving Lewis served as an executive on the AFL-CIO and as a delegate of the NYC Central Labor Council. The list does not include all of the countless teachers and garment laborers, all of whom worked to make Penn South an exemplary community. A community, that like its residents, has sought to help both neighbors in the cooperative and Chelsea.

Hurricane Sandy is but one example of when the cooperative has reached out to help its neighbors in a time of need. Right after the storm, when much of lower Manhattan and New York City was left devastated and without electrical power, Penn South “because [they] had [their] lights on after the floods... [was] able to open [their] community rooms for people in the neighborhood to get some warmth and water and

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127 Ibid.
to recharge their phones and computers. They also reached out “to local political leaders to get a generator for the Fulton Houses, a public-housing project in Chelsea,” and “got [their] local Gristedes supermarket to provide food to nearby public-housing residents,” all because it is the “cooperative way.” Penn South’s staff and residents jointly organize events focused on goodwill and civic engagement. It is a community in which residents are apt to “[know] every single person on [their] floor.” The services provided by the Penn South community and administration fill a gap that the majority of lower income residents are unable to afford individually.

In 1986, Penn South “became the country’s first Naturally Occurring Retirement Community, or NORC... an official designation for housing that wasn't built for elderly people but is occupied by enough of them to become eligible for special grants.” This designation was largely possible because of the study commission by David Smith in 1970. The then president hired a sociologist to pose as an air-conditioning maintenance worker. He found that “60 or so residents who were having difficulty coping with everyday demands because of some physical or mental infirmity.” By the 1980's Penn South claimed to have “both the largest share of elderly people of any naturally occurring retirement community [or community not specifically designed to house elderly people] in New York City as well as the most diverse program of supportive services.”

To help those elderly who were struggling to live alone in their apartments,

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131 Ibid.
Penn South renovated the thirty-two hundred square-feet in the basement of 290 Ninth Avenue for the Penn South Program for Seniors. Smith recruited Selfhelp, a nonprofit social services agency, to operate the program. He funded the program with help from the United Jewish Appeal-Federation of Jewish Philanthropies of New York, with anonymous donors that contributed $1 million. Residents also supported the program by endowing their apartment to cooperative. Residents were offered services through a voluntary “increase [in] monthly carrying charges… to pay for the health, education, recreation and social service programs, which are provided by a nurse, two case workers, two part-time social workers, and volunteers.” The carrying charges also covered things like “free screenings, lectures, flu shots, and so on for its senior citizens.” Establishing the program and recruiting Selfhelp allowed Penn South to provide care which could “bridge the gray area between government and private responsibility,” supporting “the growing number of elderly people who prefer to grow old in their own homes.”

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Establishing the program and recruiting Selfhelp allowed Penn South to provide care which could “bridge the gray area between government and private responsibility,” supporting “the growing number of elderly people who prefer to grow old in their own homes.” It also made Penn South a leader in the field of elder care, helping a population who is more vulnerable than others when living alone. In addition to the services offered, multiple amenities in the surrounding area make Penn South an exceptional place to live. “Blocks that comprise [the project] support diverse buildings including entertainment, grocery, school, church, and medical office facilities.”

Even though the surrounding areas offer a diversity of activities and services, as the neighborhood is gentrified by wealth, elder resident will have to expand their search for affordable amenities. The main worry for residents though is that the

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133 Ibid.
134 Ibid.
“rising costs in New York City may mean a future where the complex won't have enough money for maintenance and repairs.” \(^{138}\) Preservation can help to lessen the cost burden of repairs that Penn South will face in the future, helping to retain affordability if the cooperative is unable or unwilling to accept funds from other HITs or private banks.

Historic designation is undertaken, and in some cases prevented, by the owner, but given the amount of care and pride that is taken in Penn South by its residents, it would be highly unlikely if the cooperative did not vote to designate the cooperative. Given its history and residents, Penn South is a prime candidate for designation, after which, the cooperative would be eligible for the “20% credit for… rehabilitation,” a 10% increase over a non-historic building under the Tax Reform Act of 1976. \(^{139}\) Using the tax credits could cover a whole host of “expenditures [from] the repair or installation of walks, gates, fences, and other site improvements” to the “addition of a new heating and cooling system and the replacement of other mechanical equipment (excluding elevators).” \(^{140}\)

The tax credits would help to recoup funds for substantial rehabilitations and also provide incentives for Community Development Corporations to invest. By making “equity and debt investments in corporations or projects designed primarily to promote community welfare” the CDC would be able to attain a better rating from the federal government and bolster it’s standing in the community. \(^{141}\) Although the federal rating system does not penalize a CDC for low ratings, a high rating would make the CDC a more appealing financial partner, especially within the community.

Aside from the financial gain, there are also the abstract benefits that come

\(^{140}\) Ibid 150.
\(^{141}\) Ibid 154.
from designating a building. Not only does designation “provide the brick-and-mortar link to a community's past and symbolize a community's growth and prosperity,” it connects to the project to larger themes in the city's history. Penn South has a long, rich history, which not only highlights the city’s union and garment roots, but also liberal policies, which helped to usher in and grow the middle class.

Perhaps most importantly, designating Penn South can demonstrate that preservation can assist affordability, helping those in need of funds for renovation and rehabilitation, without raising the property taxes beyond a manageable level for the owner. Preserving affordable housing complexes like Penn South and using historic tax credits can take preservation back from the naysayers, who blame it for issues such as gentrification. Penn South's non-profit and tax shelter status would shield the cooperative from the increase in property taxes that occurs on designated buildings that are rehabilitated and renovated with historic tax credits. Although the reassessment in property taxes that occurs five years after the renovation is meant to recoup the tax credits, Penn South would not be affected given it “shelter rent tax” statues. Designation of Penn South would help to preserve not only its buildings and grounds but also the legacy of its tenant and its founders, affordability.

In recent years the Penn South community has been undergoing a tremendous transformation, as every year at least “150 apartments... [are] vacated involuntary.” According to Walter Mankoff, the current treasurer and a resident of the cooperative, since 1971, the apartments that are 'involuntary' vacated are quickly filled with tenant-cooperators that are in most cases younger and more diverse than the tenants that they are replacing. Penn South's connection to labor unions is quickly disappearing and designation, although unable to stem the tide of change, would ensure that not only

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the union legacy but also the garment, affordability and community legacies continued on, even as demographics changed.

Although Penn South is facing various budget increases due to repairs costs and increasing property values, the coop has several opportunities and partners that can help it to raise the funds needed to cover the extra expenditures. One such avenue of funding is designation. It would be a pretty uncomplicated process given that the cooperative presents several unique facets of New York City’s history. The cooperative has strong ties to the Garment Industry, which today is still a vital part of the city’s economy. It is also part of a long history of union housing, which has helped to house thousands of teachers, labors, and other middle class professionals. More importantly, perhaps is its place in American urban history. Like other mid-century modern, super-bloc constructions it is often regarded with disdain because of its association with urban renewal. Yet Penn South, for all its complicated history, is an important part of architecture and planning history and therefore is a prime candidate for designation.
CONCLUSION

As briefly mentioned in the conclusion of the last chapter, Penn South has suffered from a preservation standpoint because of its association with urban renewal. This thesis is an attempt to recognize and honor the historic and positive aspects of superbloc projects from a preservationist standpoint.

The construction of the Penn South cooperative acted as a catalyst for redevelopment in the surrounding Chelsea neighborhoods in the early 1960’s, and that redevelopment sparked one of the most infamous preservation battles in New York City, the battle for Charles F. McKim's Beaux Arts Pennsylvania Station. Many of the city’s unions favored the project, believing that the construction of a new Penn Station terminal, offices, hotel, and the Madison Square Garden Arena would revitalize the stagnant area and bring in more jobs. Louis Broido, the Commissioner of Commerce and Industrial Development, praised Penn South, early on, as a model example of redevelopment and urged for further development to capitalize on its success:

“The ILGWU improvement is one of the finest examples of housing projects by an important and intelligent labor union group in the country and it would be helpful to that project itself to have in the immediate area large enterprises of the kind projected where good opportunity of employment might be available within walking distance to many persons living in that area, particularly young people coming out of trade and technical schools, general schools
and colleges."

The push for development meant the destruction of Pennsylvania Station and by late October of 1963 demolition began. So incensed were artist, architects, planners, etc. over the loss of an architectural gem like the Pennsylvania Station that laws to strengthen preservation were enacted after its demolition. Today preservationists have begun to focus on the high rate of demolition that concrete structures face. This thesis is a study of one such building.

Although modernism and its massively scaled productions did not see an official decline until the early 1970s, modernist projects, in light of the destruction of Penn Station, began to be met with prejudice by the public and planners. It didn't help that by the late 1960s, projects like Pruitt Igoe had stigmatized affordable housing developments built in the modern style as breeding grounds for criminals, destitution and federal debt. Instead of concentrated superblock constructions, the federal government has encouraged private development to incorporate affordable housing through tax incentives.144

Penn South is not only one of the final individual superblock projects to be constructed during the cooperatives' golden age, but it is also one that has proved to be successful in both providing continual affordable housing. Thus this thesis is a chronicle of Penn South’s history, recounting its struggle with funding and highlighting its decision to remain affordable even when faced with multiple incentives to become market rate.

Penn South was in some ways a replication if not an extension of other cooperative projects with the same architect and same staff, bulk contracts and shared costs, but its commitment to affordability has set it apart. Tenants, the board, and the

administration at Penn South has actively sought out ways to retain affordability unlike other union funded cooperatives such as the Amalgamated Dwellings, Hillman Housing, East River Housing and Seward Park Housing, cooperative that decided to go private in the late 1990’s and early 2000’s, quadrupling their initial investment. All of this bespeaks of a community that is not only instilled with optimistic liberalism, but one that also unceasingly practices it. Today, Penn South still continues to help not only its resident but also its neighbors. By connecting Penn South with non-profits that work with the elderly and the Garment District, the cooperative can build partnerships that will help it to remain affordable. Also, by designating the cooperative, tax credits can help to make loan for renovation and rehabilitation manageable. Penn South is becoming rare not only from an affordable standpoint but also from a design standpoint.

The historic affordable housing superblock form is disappearing not only because of private activity but also because of public intervention. The Housing Authority is New York City is attempting to make their housing stock more profitable. This means intervening in superblock affordable housing complexes to take advantage of their extra space, and ultimately destroying the historic flow and arrangement of these developments. Thus it is important to preserve the Penn South cooperative not only for its affordability, but also for is place in design and urban history.

Along with strategies for retaining Penn South’s affordability, there have been various issue and questions that have been raised in relation to the cooperative. Due to limited time and other constraints, it would be helpful to undertake a survey to correctly determine the change in demographics that is occurring as new cooperators move in. Walter Mankoff, the current Penn South treasurer and a resident since 1971,
has stated that there has been shift in demographics that overall tends to show an increase in people of color, younger tenants and tenants with children. As result, another matter to be examined is the shift in attitude that will occur when tenants who have no union connection become the majority.

The information provided by the changing demographics would also help to shed light on how newer tenants are adjusting to living in the cooperative. Given that the new residents seem to be a younger in age and with some caring for children, the activities and programs sponsored internally by the community and the administration will have to undergo changes to cater the changing nature of the tenants. Although, I suspect that the size of the apartments will not be an issue for families given that many of the units have two to three bedrooms. More importantly, though, I believe a study of these new tenants will uncover if they are in favor of retaining affordability and the cooperative’s limited equity status or whether they would prefer instead to go private. Such a study would help to determine the lifespan of Penn South’s affordability and ways in which the administration might encourage future affordability.

Another issue, which ties into the overall affordability of the area but has not been directly addressed, which I would like to have tackled if given more time is Penn South’s commercial tenants. The fact that Penn South owns commercial real estate in Chelsea puts the cooperative in a unique position to provide affordability in other areas besides housing. A major issue for the cooperative has been the skyrocketing property prices and taxes in Chelsea, which have forced out smaller, more affordable ‘mom and pop’ stores in favor of larger more expensive chains like Whole Foods and Starbucks. Penn South, though, has the ability to artificially retain smaller, more affordable stores by virtue of its real estate holdings. Retaining affordable amenities
in the area is necessary so that low-income residents are not priced out of their neighborhood, especially for elderly tenants who have issues with mobility. The alienation of low-income consumers in mixed and high-income areas is a major issue that needs to be addressed, if not limited-equity and other low-income housing strategies will only be able to act as a band-aid for affordability.

Other questions within the narrative that have arisen are largely due to the fact that a majority of documents in archives are union related and therefore lack a bulk of correspondence between other parties that are not related. Documents from individuals outside of the union and particularly documents from the 1980s, 1990s, and later and have been scarce. Thus it is not possible to substantiate certain claims, for example, about who was at fault for the continuous breakdowns in power and whether or not Lieberman was paid his full fee by Kazan and the Mutual Redevelopment Housing Corporations. Given more time, it also would be helpful to extrapolate and collate all of the financial data, which spans the last ten years of the cooperatives history.
Illustration 5: Photo of Kazan, 1953. From ‘Home for America,’ *Justice* (New York City, 1953),

Illustration 6: Photo of United Housing Foundation Logo. From *The Story of The ILGWU Cooperative Houses*, (United Housing Foundation: New York City), 36.

Illustration 8: Photo of Seward Park Housing Cooperative building. From *The Story of the Seward Park Cooperative*, (United Housing Foundation, New York City, March

Illustration 11: Picture of the Penn South Plan. From *The Story of The ILGWU Cooperative Houses*, United Housing Foundation (New York City), 4.
Illustration 12: Picture of the Penn South Floor Plan. From *The Story of The ILGWU Cooperative Houses*, United Housing Foundation (New York City), 11.
Illustration 13: Photo of Two and a half and Three Room Apartments. From *The Story of The ILGWU Cooperative Houses*, United Housing Foundation (New York City), 11.
Illustration 14: Photo of Three and Three and a half Room Apartments. From *The Story of The ILGWU Cooperative Houses*, United Housing Foundation (New York City), 11.
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Illustration 18: Picture of the Ventilation for Penn South. From *The Story of The ILGWU Cooperative Houses*, United Housing Foundation (New York City), 12.
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Illustration 20: Photo of Penn South application deposits. Courtesy of the Kheel Archives.

Illustration 23: Photo of Test Borings. From *The Story of The ILGWU Cooperative Houses*, United Housing Foundation (New York City), 15.

Illustration 24: Photo of Site Demolition. From *The Story of The ILGWU Cooperative Houses*, United Housing Foundation (New York City), 15.
Illustration 25: Photo of Excavation of Foundations. From The Story of The ILGWU Cooperative Houses, United Housing Foundation (New York City), 15.

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Illustration 27: Photo of Concrete Foundations on Building Five. From *The Story of The ILGWU Cooperative Houses*, United Housing Foundation (New York City), 16.

Illustration 28: Photo of Brickwork. From *The Story of The ILGWU Cooperative Houses*, United Housing Foundation (New York City), 16.
Illustration 29: Photo of Buildings Under Construction. From *The Story of The ILGWU Cooperative Houses*, United Housing Foundation (New York City), 16.

Illustration 30: Photo of Site Under Construction. Courtesy of the Kheel Archives

Illustration 32: Photo of Installation of Heat and Air Control for Individual Units. From *The Story of The ILGWU Cooperative Houses*, United Housing Foundation (New York City), 17.
Illustration 33: Photo of Penn South from an Aerial View. Courtesy of the Kheel Archives.

Illustration 34: Photo of Penn South Seeding and Landscape process. From *The Story of The ILGWU Cooperative Houses*, United Housing Foundation (New York City), 14.
Illustration 35: Photo of JFK, LBJ and Eleanor Roosevelt in front a Penn South building. Photo of Courtesy of the Kheel Archives.
Illustration 36: Photo of Speaker at Penn South Dedication with JFK in the front row.

Courtesy of the Kheel Archives.
Illustration 37: Photo of Dubinsky greeting JFK infront of waiting crowd. Courtesy of the Kheel Archives.
Illustration 38: Photo of Dubinsky and JFK talking. Courtesy of the Kheel Archives.
Illustration 39: Photo of Kennedy speaking at the Dedication with Eleanor Roosevelt to the side. Courtesy of the Kheel Archives.


Illustration 44: Dave Smith escorting visitors from the People’s Republic of China.


Illustration 50: Photo of Individual businesses in and around the Fashion Center BID near Penn South. From Sarah Williams, “Proximity is Creativity: Unlocking the Value of the Garment District,” Urban Omnibus, (New York City: November 14, 2012).
Illustration 52: Photo of Infill plan for Affordable Housing superblock project. From Ben Abelman, “Preserving Public Housing + Development,” (New York City Housing Authority: NYC, June 27th, 2012).
Illustration 53: Photo of Development for Retail Space in NYCHA’s Fulton Housing.

**LIST OF TABLES**

Table 1: Bond Holders$^{145}$

<table>
<thead>
<tr>
<th>Series of Bond</th>
<th>No. of Bonds</th>
<th>Principal Amount</th>
<th>Registered in the Name of Bond Holders</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>A-1</td>
<td>50,000.00</td>
<td>Amalgamated Ladies Garment Cutters Union, ILGWU Local 10</td>
</tr>
<tr>
<td>A</td>
<td>A-2</td>
<td>25,000.00</td>
<td>Waterproof Garment Worker Union Local 20, ILGWU</td>
</tr>
<tr>
<td>A</td>
<td>A-3</td>
<td>50,000.00</td>
<td>Dressmakers Union ILGW Local 22</td>
</tr>
<tr>
<td>A</td>
<td>A-4</td>
<td>50,000.00</td>
<td>Skirt &amp; Sportswear Workers' Union ILGWU Local 23</td>
</tr>
<tr>
<td>A</td>
<td>A-5</td>
<td>25,000.00</td>
<td>Corset &amp; Brasziere Workers Union ILGWU Local 23</td>
</tr>
<tr>
<td>A</td>
<td>A-6</td>
<td>100,000.00</td>
<td>Undergarment &amp; Negligee Workers Union, ILGWU Local 62</td>
</tr>
<tr>
<td>A</td>
<td>A-7</td>
<td>100,000.00</td>
<td>Children's Dress, Infants Wear, House Dress &amp; Bathrobe Makers Union, ILGWU Local 91</td>
</tr>
<tr>
<td>A</td>
<td>A-8</td>
<td>25,000.00</td>
<td>Office &amp; Distribution Employees Union, ILGWU Local 99</td>
</tr>
<tr>
<td>A</td>
<td>A-9</td>
<td>50,000.00</td>
<td>Snow Suit, Skiwear, Legging &amp; Infants Novelty Wear Workers' Union, ILGWU Local 105</td>
</tr>
<tr>
<td>A</td>
<td>A-10</td>
<td>100,000.00</td>
<td>Board of Trustees of ILGWU Local 20 – Local 10</td>
</tr>
<tr>
<td>A</td>
<td>A-11</td>
<td>150,000.00</td>
<td>Board of Trustees of Skirt and Sportswear Retirement Funs</td>
</tr>
<tr>
<td>A</td>
<td>A-12</td>
<td>50,000.00</td>
<td>Board of Trustees of ILGWU Local 32 – Local</td>
</tr>
</tbody>
</table>

$^{145}$“Company Order”, Kheel Center Archives, May 1, 1961.
<table>
<thead>
<tr>
<th>#</th>
<th>A</th>
<th>A-13</th>
<th>100,000.00</th>
<th>Board of Trustees of Local 62 – 10, Retirement Benefits Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>A-14</td>
<td>75,000.00</td>
<td>Board of Trustees of Retirement Benefit Fund of ILGWU Local 66</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>A-15</td>
<td>100,000.00</td>
<td>Board of Trustees ILGWU 91 – Local 10</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>A-16</td>
<td>5,000.00</td>
<td>Board of Trustees of Local 98, ILGWU Retirement Benefits Fund</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>A-17</td>
<td>50,000.00</td>
<td>Board of Trustees of Office and Distribution Employees Retirement Fund, ILGWU Local 99</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>A-18</td>
<td>20,000.00</td>
<td>Board of Trustees of Retirement Fund, ILGWU Local 102</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>A-19</td>
<td>50,000.00</td>
<td>Board of Trustees of Retirement Fund of the Snow Suit, Skiwear, Leggings &amp; Infants' Novelty Wear Industry</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>A-20</td>
<td>200,000.00</td>
<td>Board of Trustees of Amalgamated Ladies Garment Cutter Union, ILGWU Local 10</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>A-21</td>
<td>50,000.00</td>
<td>Board of Trustees of Health and Welfare Fund, Skirt &amp; Sportswear Workers' Union, ILGWU Local 23</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>A-22</td>
<td>50,000.00</td>
<td>Board of Trustees of Bonnaz, Embroideries, Tucking, Pleating and Allied Crafts Union, ILGWU Local 66</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>A-23</td>
<td>150,000.00</td>
<td>Board of Trustees of Health &amp; Welfare Fund, ILGWU Local 91</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>A-24</td>
<td>25,000.00</td>
<td>Board of Trustees of Health Fund, Office and Distribution Employees Union, ILGWU Local 99</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>-----</td>
<td>-------</td>
<td>-----------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>A-25</td>
<td>50,000.00</td>
<td>Board of Trustees of Health &amp; Welfare Fund, ILGWU 105 Local</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>B-1</td>
<td>300,000.00</td>
<td>Board of Trustees of the Northeast Department, ILGWU Health &amp; Welfare Fund</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>C-1</td>
<td>700,000.00</td>
<td>Chemical Bank New York Trust</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>C-2</td>
<td>300,000.00</td>
<td>Dry Dock Savings Bank</td>
<td></td>
</tr>
</tbody>
</table>
Table 2: Aggregate Income Rental Surcharge

<table>
<thead>
<tr>
<th>Probable Aggregate Annual Income</th>
<th>Surcharge Percentage of Basic Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>In excess of 100% up to 105% of Maximum Permissible Income</td>
<td>Basic Rent</td>
</tr>
<tr>
<td>In excess of 105% up to 110% of Maximum Permissible Income</td>
<td>5.00%</td>
</tr>
<tr>
<td>In excess of 110% up to 115% of Maximum Permissible Income</td>
<td>10.00%</td>
</tr>
<tr>
<td>In excess of 115% up to 120% of Maximum Permissible Income</td>
<td>15.00%</td>
</tr>
<tr>
<td>In excess of 120% up to 125% of Maximum Permissible Income</td>
<td>20.00%</td>
</tr>
<tr>
<td>In excess of 125% up to 130% of Maximum Permissible Income</td>
<td>25.00%</td>
</tr>
<tr>
<td>In excess of 130% up to 135% of Maximum Permissible Income</td>
<td>30.00%</td>
</tr>
<tr>
<td>In excess of 135% up to 140% of Maximum Permissible Income</td>
<td>35.00%</td>
</tr>
<tr>
<td>In excess of 140% up to 145% of Maximum Permissible Income</td>
<td>40.00%</td>
</tr>
<tr>
<td>In excess of 145% up to 150% of Maximum Permissible Income</td>
<td>45.00%</td>
</tr>
<tr>
<td>In excess of 150%</td>
<td>50.00%</td>
</tr>
</tbody>
</table>

146 “Penn Station South Proposed Amendatory Provisions in Redevelopment Agreement Relation to Tenant Income Limitations,” Irving J. Alter to Louis Stulberg, August 2, 1962, ILGWU Collection, Kheel Center Archives, Cornell University.
Table 3: Balance Sheet of Assets

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land, Buildings &amp; Equipment</td>
<td>$42,849,742.00</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>1,481,899.00</td>
</tr>
<tr>
<td>Net Fixed Assets</td>
<td><strong>41,367,843.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in Bank and on Hand</td>
<td>86,454.00</td>
</tr>
<tr>
<td>Receivable Tenant Cooperators</td>
<td>25,367.00</td>
</tr>
<tr>
<td>Receivable Tenant Commercials</td>
<td>25,738.00</td>
</tr>
<tr>
<td>Receivable Tenant Interest</td>
<td>207.00</td>
</tr>
<tr>
<td>Receivable Tenant Other</td>
<td>2,806.00</td>
</tr>
<tr>
<td>Receivable Tenant Inter-company Balance (Net)</td>
<td>1,409.00</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td><strong>141,981.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Escrow Deposits</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N.Y. State Teachers Retirement System</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Chemical Bank N.Y. Trust Co.</td>
<td>15,000.00</td>
</tr>
<tr>
<td>City of New York</td>
<td>8,390.00</td>
</tr>
<tr>
<td>New York Telephone Co.</td>
<td>250.00</td>
</tr>
<tr>
<td>Total Escrow Deposits</td>
<td><strong>73,640.00</strong></td>
</tr>
<tr>
<td>Due on Sale of Land</td>
<td><strong>22,923.00</strong></td>
</tr>
<tr>
<td>Security Deposits (Contra)</td>
<td><strong>70,975.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pre-Paid Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage Procurement</td>
<td>435,492.00</td>
</tr>
<tr>
<td>Insurance</td>
<td>63,999.00</td>
</tr>
<tr>
<td>Organization Expense</td>
<td>16,302.00</td>
</tr>
<tr>
<td>Fuel Inventory</td>
<td>12,039.00</td>
</tr>
<tr>
<td>Supplies Inventory</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Deferred Repairs</td>
<td>23,648.00</td>
</tr>
<tr>
<td>Painting</td>
<td>3,200.00</td>
</tr>
<tr>
<td>Water</td>
<td>4,597.00</td>
</tr>
<tr>
<td>Other</td>
<td>16,516.00</td>
</tr>
<tr>
<td>Total Prepaid Expenses</td>
<td><strong>580,793.00</strong></td>
</tr>
</tbody>
</table>

| Total Assets                | 42,258,155.00 |

---

147 “Meeting of Board of Directors,” Balance Sheet as at September, (1965), 3- 4
<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage Payable</td>
<td>33,320,000.00</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
</tr>
<tr>
<td>Contracts Payable</td>
<td>142,578.00</td>
</tr>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>311,245.00</td>
</tr>
<tr>
<td>Interest Payable</td>
<td>0</td>
</tr>
<tr>
<td>Interest Payable Debenture Bond</td>
<td>61,843.00</td>
</tr>
<tr>
<td>Taxes Payable</td>
<td>371,501.00</td>
</tr>
<tr>
<td>Applicants Deposits</td>
<td>500.00</td>
</tr>
<tr>
<td>City of New York Surcharge Collections</td>
<td>22,613.00</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>910,280.00</td>
</tr>
<tr>
<td>Due to Community Services, Inc.</td>
<td>290,000.00</td>
</tr>
<tr>
<td>Prepaid Rents &amp; Services</td>
<td>16,328.00</td>
</tr>
<tr>
<td>Security Deposits Payable (Contra)</td>
<td>70,975.00</td>
</tr>
<tr>
<td>Income Debentures Payable</td>
<td>1,349,500.00</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>35,956,083.00</td>
</tr>
<tr>
<td>Shareholders Equity</td>
<td></td>
</tr>
<tr>
<td>Capital Stock</td>
<td>7,375,550.00</td>
</tr>
<tr>
<td>Earned Surplus (Deficit)</td>
<td>(1,073,478.00)</td>
</tr>
<tr>
<td><strong>Total Shareholder's Equity</strong></td>
<td>6,302,072.00</td>
</tr>
<tr>
<td><strong>Total Liabilities and Shareholder's Equity</strong></td>
<td>42,458,155.00</td>
</tr>
<tr>
<td>Program</td>
<td>Place</td>
</tr>
<tr>
<td>---------</td>
<td>-------</td>
</tr>
<tr>
<td>Penn South Garden Club</td>
<td>Bus Tour to Delaware Gardens</td>
</tr>
<tr>
<td>Discussion Group, Current Events – Ida Taubkin on “Juvenile Delinquency”</td>
<td>Building Five, Hobby Room</td>
</tr>
<tr>
<td>Penn South B &amp; P Group of Hadassah</td>
<td>Building Seven A Community Room</td>
</tr>
<tr>
<td>Pioneer Women Election of Delegates to National Conventional- Guest Deborah Lapson on Jewish Folk Dance</td>
<td>Building Nine Community Room</td>
</tr>
<tr>
<td>Women's Circle, Branch 1076 Business Meeting</td>
<td>Building Nine Headquarters</td>
</tr>
<tr>
<td>Emma Lazarus Jewish Women's Club Annual Mothers Day Luncheon- An outstanding mother in the Peace Movement in the Peace Movement will be honored</td>
<td>Robert Fulton Community Center of Hudson Guild</td>
</tr>
<tr>
<td>B’nai B’rith Women H. H. Lehman Chapter 1183, Regular Meeting followed by film-music-talk</td>
<td>Building Five Hobby Room</td>
</tr>
<tr>
<td>Penn South Community Club Lecture - “100 Years of Jewish Culture”</td>
<td>Building Seven Community Room</td>
</tr>
<tr>
<td>B’nai B’rith Women H. H. Lehman Chapter 1183, Chartered Bus trip to Hyde Park and Vanderbilt Mansion</td>
<td>Building Seven Community Room</td>
</tr>
<tr>
<td>Penn South Community Club Bon Voyage Banquet for Mr. &amp; Mrs. Benjamin Young</td>
<td>Building Seven A Community Room</td>
</tr>
<tr>
<td>B’nai B’rith Men's Lodge “The Political Situation in the Middle East” with Speaker member of the Israeli Consulate</td>
<td>Building Seven A Community Room</td>
</tr>
<tr>
<td>Women's American ORT Election of officers – Guest Speaker: Mrs. Sidney Senzer,</td>
<td>Building Seven A Community Room</td>
</tr>
</tbody>
</table>

| National Vice-President, ORT | Penn South Garden Club  
Regular Meeting, Horticultural Exhibit | Building Five Hobby Room | Tuesday May 35th  
8 P. M. |
|---------------------------|---------------------------------|------------------------|------------------|
| Women's Circle, Penn South  
1076 – Open Membership | Building Nine Headquarters | Thursday May 27  
at 8 P. M. |

**General and Community Activities**

| Penn South Bridge Group  
duplicate and regular play | Building Eight A Community Room | Every Wednesday  
at 7:45 P. M. |
|--------------------------|-------------------------------|------------------|
| The Co-op Dance Club for  
“Over 25” | Building Two Community Room | Every Saturday  
Evening at 8:30 P. M. |
| Co-op Social Club | Building Ten Community Room | Open every  
afternoon and  
enevening |
| Co-op Dance Exercise Group | Building Eight A | Every Tuesday  
evening 7:45 to  
8:45 P.M. |
| Workmen's Circle, Branch  
1076 Social, Cultural  
evenings: Tuesday, Thursday | Building Nine Headquarters | Tuesday and  
Thursday 8 P. M. |
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An Ardent Supporter to David Dubinsky, February 23, 1958, ILGWU Collection, Kheel Center Archives, Cornell University


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Elias Lieberman to David Dubinsky, August 25, 1960, ILGWU Collection, Kheel Center Archives, Cornell University.


Kazan, Abraham to Members of the Board of Directors, September 8, 1959, ILGWU Collection, Kheel Center Archives, Cornell University.


Lewis, Irving to Louis Stulberg, July 17, 1973, ILGWU Collection, Kheel Center Archives, Cornell University.

Lieberman, Elias to David Dubinsky, September 15, 1959, ILGWU Collection, Kheel Center Archives, Cornell University.

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Smith, David to James Keenan, August 22, 1973, ILGWU Collection, Kheel Center Archives, Cornell University.


Sozzi, Vincent to Louis Stulberg April 12, 1966, ILGWU Collection, Kheel
Center Archives, Cornell University.

“Special Directors' Meeting of I.L.G.W.U. Houses, Inc.,” LGWU Collection, Kheel Center Archives, Cornell University, (1965).


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