COOPERATIVE HOUSING AND THE AMERICAN DREAM
EXAMINING RESIDENT PARTICIPATION

by

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B.A., Community Planning
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Submitted to the Department of Urban Studies and Planning
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ABSTRACT

In response to the housing affordability crisis of the 1980s and 1990s, housing advocates and policy analysts developed new models of housing that are privately owned but at the same time non-profit in character and thus designed to counteract the tendencies of uncontrolled speculation. One of these, the Limited Equity Cooperative (LEC) is a housing model that most easily facilitates bringing households of low and moderate income into homeownership since in the cooperative setting households do not have to qualify individually for a home-mortgage. However, as its central feature, this housing model depends on cooperative action by its residents for a common good, the form of human interaction that, ironically, has been the most neglected these last two decades as personal satisfaction and unrestrained promotion of self interest was extolled as a virtue in U.S. society. It is cooperative action for a common good by residents, defined as participation, that is the focus of this thesis. No other housing model depends as much for its long-term organizational survival on participation as does the housing cooperative. Yet little has been written about the central role of participation in LECs and what is needed to facilitate it.

The thesis sought to answer three key questions: 1) to what extent do LEC residents participate in their co-ops? 2) why do LEC residents either participate or not participate? 3) do some LEC residents participate only in ways that seek to protect or enhance their individual property interests?

The research was done by conducting two case studies of Boston area LECs: a 178 unit co-op with a 100% African-American membership in Boston’s inner-city neighborhood of Roxbury, and a 204 unit co-op with a 98% white membership in the suburb of Norwood.

The author, in defining participation, distinguishes between “formal” and “informal” participation. He argues and shows that (1) Member Selection; (2) Training; (3) Expectation Enforcement for participation, if purposely employed to facilitate participation, have a positive effect on resident participation both formal and informal. The cases also showed that (a) community building, (b) empowerment of members, and (c) the type and style of co-op leadership greatly affect the type and level of resident participation.

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CHAPTER I

Participation in Housing Cooperatives

Private property does not constitute for anyone an absolute or unconditioned right. No one is justified in keeping for his exclusive use what he does not need when others lack necessities (Pope Paul VI, 1967).¹

That plenty is good and scarcity evil—it needs no ghost from the graves of the past five years to tell us that. But plenty depends upon co-operative effort, and co-operation upon moral principles. And moral principles are what the prophets of this dispensation despise. So the world “continues in scarcity,” because it is too grasping and too short-sighted to seek that “which maketh men to be of one mind in a house” [R. H. Tawney, 1948].

Introduction

The 1980s were an era that showed the worst in human nature, where selfish, government-sponsored accumulation of wealth by a few came at the expense of society as a whole. Self-centeredness became respectable as the Reagan and Bush Administrations worked hard (continuing a trend started in the early 1970s) to “get government off the backs of people,” a euphemism for throwing out what few safeguards there were for the protection of society as a whole, so that a few could realize extraordinary increases of wealth at the expense of the rest of society.² Nowhere were the consequences of this trend felt more strongly than in housing, where, as Stone documents, from 1970 to 1991 there was an increase of shelter poor households (households spending more than they can afford to for housing) of 54 percent. By the beginning of the 1990s, nearly 29 million U.S. households containing 85 million people—one third of the population—were shelter poor [Stone, 1993].

¹. Populorum Progressio (On Promoting the Development of Peoples), March 26, 1967, p. 23.

². This has been aptly documented by Harrison and Bluestone in The Great U-Turn, 1988, where they show that the inequalities of wealth and income distribution grew to levels unseen since the Great Depression of the 1930s. E.g., they found that by 1986 the inequality in U.S. family income distribution, as measured by the U.S. Census Bureau’s Gini index, was with a value of 0.390 the highest and worst since the Great Depression, up from the lowest level of 0.348 in 1968.
In looking at the housing situation in Boston, this area being the local focus of my research, one finds that as a result of unrestrained speculation, condo conversions and the Federal government's retreat from its support for the creation of affordable housing, the lack of affordable housing reached epic levels. Housing prices rose 81.1 percent (after adjusting for inflation) from 1974 to 1989, while incomes rose only 3.2 percent during the same period [Collins and White, 1993], creating an enormous affordability gap in Boston. As Stone's data, cited above, suggests, this affordability gap was a nation-wide problem.

In response to this housing affordability crisis, housing advocates and policy analysts developed new models of housing that are privately owned but at the same time non-profit in character and are thus designed to counteract the tendencies of uncontrolled speculation. One of these, the Limited Equity Cooperative (LEC) is a housing model that most easily facilitates bringing households of low and moderate income into homeownership since in the cooperative setting households do not have to qualify individually for a home-mortgage. However, as its central feature, this housing model depends on cooperative action by its residents for a common good, the form of human interaction that, ironically, has been the most neglected these last two decades as personal satisfaction and unrestrained promotion of self interest was extolled as a virtue in U.S. society. It is cooperative action for a common good by residents, defined as participation, that is the focus of this thesis. No other housing model depends as much for its long-term organizational survival on participation as does the housing cooperative. Yet little has been written about the central role of participation in LECs and what is needed to facilitate it.

I believe that the chief problem facing LECs organizationally is participation, usually manifested in two ways: a) a lack of participation, or b) participation that seeks only to protect the property interests of the individual. The central questions to be researched by this thesis,

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3. LECs also provide the possibility of risk and burden-sharing of homeownership obligations and responsibilities apart from the mortgage, such as maintenance and repairs, that in a single-family or condo ownership model could overwhelm the individual low or moderate income household. The U.S. Department of Housing and Urban Development's (HUD) regulations also permit the use of Section 8 certificates in LECs, which makes LECs a truly viable option for many low-income families.
accordingly, are 1) to what extent do LEC residents participate in their co-ops? 2) why do LEC residents either participate or not participate?, 3) do some LEC residents participate only in ways that seek to protect or enhance their individual property interests?

Part of what informs the research is my examination (in Chapter II) of how much of the problem with participation is socially and culturally based. By this I mean behavior propelled by attitudes rooted in individual households' unchallenged notions about fulfilling the expectations of the American Dream, a myth rooted in possessive/acquisitive individualism and promoted by institutional arrangements like zoning and tax laws which undermine both cooperative thinking and collective action. I expected to find by conducting case studies that, for the most part, co-ops are inadequately equipped to deal with individualistic behavior induced by the myth of the American Dream.

What are Limited Equity Cooperatives?

This unique housing model actually incorporates two concepts. The first concept is that of "equity limitation." The second concept is that of "collective ownership."

Equity Limitation:

Equity, when referring to a home, is the monetary value of the home minus the value of claims or liens held against it by other parties such as banks. An equity limitation means to contractually impose legally enforceable limits on the build-up of equity in a home. Restricting the equity build-up ensures that if a homeowner decides to sell, the sales-price of the home remains limited to a level that is affordable for households at a similar income level to that of the initial homeowner. A home's equity is usually a combination of three factors:

first, "acquisition equity," that is the amount of money a selling homeowner spent in purchasing the home, both the down-payment and the amount of the outstanding principal repaid (in a co-op, as explained below, the amount spent for purchasing shares),

second, "improvements," a homeowner has made by adding for example a porch
third, "speculative value," that is the increase of value resulting from: the housing supply and demand situation including real estate speculation, change in housing preferences by the public, change in population demographics, and inflation. This third factor is sometimes referred to as the socially created value.

Usually, over time, homeowners will see the equity in their homes build up, depending on the supply and demand situation of available housing in the community where the home is located. If demand and speculation for housing increases substantially, the corresponding rise in the value of homes can be so steep that many, if not most, low to moderate-income households are priced right out of the housing market. The 1980s, especially in the Boston area, provide a good example of how, due to increased real estate speculation, the values of homes were driven up to such a degree that virtually no low and moderate-income family could afford to buy a home. In fact, the 1980s drove an already serious shortage of affordable housing to new extremes. It is this increase in the socially created value, the value increase that occurs outside of any effort on the part of the homeowner, that equity restrictions are designed to control so that housing remains affordable.

While most housing analysts and policy makers agree that a homeowner should be allowed to recapture the money and resources s/he put into a home—purchase costs and improvements made to the home, minus depreciation—those concerned with maintaining affordability question homeowners' claims to the speculative value or socially created value which tends to far exceed the owners' resources put into their homes. Put into practice, the limited equity homeownership concept aims through legally enforceable mechanisms to control the speculative windfall a homeowner might realize when selling her/his home. The price for which the home can be sold is determined by a formula designed to insure that the home's resale price remains at a level that is affordable for subsequent households of comparable means.4

4. The key feature that most limited equity housing models use for restricting the increase in the equity value of a home are limited equity formulas. These stipulate the maximum return on the initial investment (down-payment or in the case of a co-op the price of
One way of making such a formula legally binding and enforceable, is through the organizational structure of the housing cooperative.

**Collective Ownership:**

The housing cooperative (co-op) is a corporation that is jointly owned and operated by the users (residents) of the co-op’s assets. The principal asset is residential real estate, commonly an apartment building or a townhouse complex, but it can also be several single-family homes or a combination of apartment buildings located in one neighborhood. The co-op issues and sells shares corresponding to the total number of housing units it owns, and / or to the size and amenities of the units. Since in a co-op shares represent equity, it is the value for which these shares can be sold that is limited in a co-op set up as a LEC. Ownership of shares makes a household a member of the co-op, giving each co-op member two key rights:

1) an equal vote in running and controlling the affairs of the co-op regardless of the number of shares held or how much money was invested in the share purchase,

2) exclusive occupancy of one of the co-op corporation’s housing units, though no shareholder actually owns a particular apartment or spot of land since all housing assets are owned jointly by the membership through the cooperative corporation.

The size and amenities of the unit occupied tends to be proportionate to the number of shares held. Differently sized and/or equipped housing units within one co-op are usually differentiated for purchasing and billing of monthly carrying charges (for mortgage, maintenance, and tax expenditures by the co-op) by numbers of shares, e.g., one bedroom apartments might represent 10 shares, two bedroom apartments 12 shares, a single detached house might be 15 shares.

The key concept to bear in mind is that except for the individual occupancy of housing shares) a homeowner is allowed to realize. In most cases this is at least the actual amount paid (unless of course there is a decline in home values) plus an annual adjustment for inflation based on the CPI or some other index. Frequently it also includes an allowance for improvements made, adjusted both for depreciation and inflation. Some Limited Equity Co-ops also allow for the proportionate amount of the principal of the debt that has been paid off to be added to the resale-price of members’ shares.
units everything in a co-op is a matter of collective rights and responsibilities. Co-op members are jointly responsible for any real-estate debts and other liabilities of the co-op, as well as the management of the co-op’s affairs. Co-ops are governed by a board of directors elected by and from the co-op membership.

**Co-op History and Principles**

Internationally, housing co-ops have been in existence for over 100 years. The first housing co-ops in Denmark for example, date back to the 1860s, and they have become a widely accepted housing option throughout Scandinavia [Gilderbloom and Applebaum, 1988]. The first housing co-ops in the U.S. were established in New York City in the early 1900s. They became quite common in New York City after WWII. Throughout the U.S. there were about 500,000 people living in co-ops in the early 1960s, a figure that had doubled by 1970 [Zimmer, 1977, p. 24]. By 1990 approximately 2.6 to 3.1 million people lived in about one million cooperative housing units in the U.S.. Stone estimates that only 150,000 to 250,000 of these co-op units were actually LECs [Stone, 1993, chapter 7].

The intellectual roots of housing co-ops lead to Rochdale, England, where a group of weavers in the 1840s organized themselves and formed their own joint business in response to the exploitative wages and disparate working conditions they found themselves subjected to, like so many others, in this early phase of the industrial revolution. In creating the first cooperative business in 1844 to provide fellow members with supplies needed to function as independent weavers, as well as other means of support, the Rochdale weavers formulated a set of guidelines which later evolved into a set of principles underlying the organizational structure of co-ops around the world: 1) democratic cooperation, 2) voluntary association of members, 3) autonomy from the government and the state, 4) equitable distribution of benefits according to individual contribution to co-op, 5) members working together for the good of all (as opposed to everyone working for himself), 6) working towards goals of universal import in

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5. Co-op population figures are based on one million co-op units in existence in 1990 (National Association of Housing Cooperatives, 1990) and applying the 1990 U.S. Census Bureau’s figures for average household size (2.63) and family size (3.16).

6. Close to 100,000 of which were created in just the 1980s [Stone, 1993, chapter 7].
the spirit of universal cooperation without regard to race, color, or creed, 7) promotion and mutual aiding of fellow co-ops [Bogardus (1964), pp. 22-29]. Kirkpatrick provides a transposition of these seven “Rochdale Principles” into a set of six principles applicable specifically to affordable housing co-ops:

1) Democratic Control: exercised by the occupants and not absentee owners since the occupants are the owners, with equal voting/control powers for each household

2) Member Participation: where members are actively involved in the affairs of the co-op, with matters of importance being disclosed to all members.

3) Nondiscrimination in Choosing Members: No biases on the basis of family size, composition, race, color, sex, creed etc.

4) Providing a Service Rather Than an Opportunity for Investment: The purpose of co-ops is not real estate money making, but to provide the best possible housing at the lowest possible cost.

5) Community Focus: Seeking to meet the needs of members that go beyond mere housing, such as preserving/providing a stake in a community, and to improve the community in which they live.

6) Cooperation with other cooperatives: looking for opportunities to assist other co-ops in getting started. [Kirkpatrick, November 1981, pp. 6-8].

Following Bogardus’ interpretation, I would add to Kirkpatrick’s six housing co-op principles a seventh, the co-op principle of mutuality that got lost in Kirkpatrick’s transposition:

7) Mutuality Focus: members working together for the benefit of all rather than their own. “[Through] cooperating for the good of all, persons are indirectly enriching their own lives too” [Bogardus, p. 27].

I will be returning and referring back to these seven co-op housing principles in this thesis and discuss them in more detail where appropriate, since all are of importance to
understanding the concept and practice of participation in LECs. However, what does participation mean within the context of the LEC, a model of housing that tries to combine long-term security and affordability with principles of collective ownership and management? I examine this question in the following section.

**What is Participation?**

It is important that I define what is meant by participation within the context of LECs. For this task Peter Marcuse’s 1970 Urban Institute study *Tenant Participation—For What?* is very helpful. He divides participation into two distinct components:

1) “involvement”:

   *Involvement* is the activity, or process connected with the making or affectuating [sic] of decisions about the housing unit or the residential environment. It says nothing about the effect of the activity on the decision, which may be great or non-existent; it describes only the activity itself (attending meetings, voting, etc.). Involvement may be physical (painting the unit, planting a tree); it may be economic (individual bargaining, negotiating a lease, threatening to move out); or it may be social: every other form of involvement, individual (filing a grievance, releasing a statement, or taking a swing at the manager), or collective (picketing, rent strike, group statements, political organization) [p. 6].

2) “control”:

   *Control* is a product, a state; it is the making or carrying out of decisions that objectively influence the housing unit or the residential environment [ibid].

In expanding on this two part definition, Marcuse states that “involvement, by definition, must be active; control may be latent, and may only be actively exercised if things are not going the way the holder of control wishes” [ibid]. If these definitions are directly applied to participation in co-op housing, one could say that *control* in the LEC is the right of each LEC member to an *equal vote* that can be exercised if the member chooses to. However, if LEC members want to effectively exercise the control of their voting right they must at least in some way be involved in social interaction with each other.  

7. Here is perhaps a key reason why a majority of people in the U.S. prefer a single-family
example, of going to a members’ meeting if I have never bothered to try to get to know my fellow members, nor tried to learn what their viewpoints on housing are and what talents they have? If at the members’ meeting a vote had to be taken about whether or not the co-op’s heating system is to be replaced, I would have no basis for effectively exerting my control through voting. This would be due to the fact that I do not know any of the fellow-members. For all I would know, the members advocating for a new heating system might not have the needed knowledge to make their recommendation, leaving me with no basis to trust their judgment. If then an election were held of a special heating system committee to oversee the replacement, I would lack essential information for exerting my control effectively with a ballot since I would not know who would have the ability to fulfill the function of overseer.

This simple example shows that participation is not merely the act of voting, or exerting control, but that participation needs to happen on a social level as well. In my example participation should also have happened by getting to know my fellow members and for them to get to know me. It can be argued then, that social or informal participation indirectly serves a co-op member’s ability to use control. If I had at some point become involved, say two years before the heating problem arose, I could have been prepared to exercise my control rights more effectively. However, two years ago I could not have specifically known that at some point I would benefit from my social involvement with my neighbors in a way that goes beyond neighborly relations. This social aspect of participation Leavitt and Saegert found to be an important component in successful co-ops that had come into existence as a result of New York’s programs for transferring ownership of landlord-abandoned property to tenants and community groups: “Women leaders knew that all tasks in organizing and operating a co-op also involved the maintenance of communication and social bonds” [Leavitt and Saegert, 1988, p. 492].

home as the ideal housing option. In a single-family home the owner can directly exercise control without needing to get involved with other people. If the heating system needs replacing, the owner can just pick up the phone and start the process without having to consult and worry about lots of other people. The other side of this same coin though is the fact if this same single-family home owner happens to be so poor that s/he can’t afford a new system, s/he might just have to live with inadequate heating. In a LEC, because of built-in burden sharing this would be less likely to happen.
Purposes/Products of Participation

Marcuse considers it important in defining participation that there be a specification of which goals participation is supposed to serve. Simply assuming participation to be a virtue by itself does not provide a useful basis for analysis since one is left asking the question of Marcuse’s study: participation for what? Marcuse identifies six conceptually distinct purposes that participation in housing can serve, all of which are directly relevant to the successful operation of a housing co-op:

1) Better Housing—in terms of better shelter from the elements, greater economic well-being through lower monthly charges, aesthetics, and higher security from crime (e.g., do residents take care to assure the safety of everyone, and not let anyone into their building unless they know them?). Lower housing costs could result from joint efforts in self management, e.g., everyone pitching in to keep their section of the hallway cleaned regularly and taking turns with yard work.

The key issue to keep in mind, is that the contribution here is not merely involvement, but control, that is, action operating from a base of power, economically, and/or organizationally:

Security, knowledge that housing conditions cannot be changed without one’s consent is an essential attribute of good housing. It is directly affected by participation: control may provide security, for control may be needed to prevent change, but involvement is also required at least to the point of being able to obtain prompt information of pending changes the first steps towards which may be taken without rousing any formal control mechanism through which control may be exercise [Marcuse, p. 15].

2) Freedom or developing the ability to exercise democratic control, which is one of the co-op housing principles. Participation for its own sake may be useful to facilitate the exercise of personal freedom on the part of the individual to make decisions for her/himself, regardless of what the quality of these decisions are. It may be a useful means to teach or allow people to learn democracy in action—expanding the ability of individuals to make decisions—and more importantly, for individuals to have the knowledge that they have
control if they choose to exercise it [pp. 18-23].

3) **Social Integration** and/or social tranquility—enabling people that are traditionally excluded from controlling their housing to have a stake in the system. This fits in especially with the co-op housing principle of “Nondiscrimination in Choosing Members.” Since housing subsidies like Section 8 can be used in LECs by low-income households to acquire and maintain rights to home ownership, a question to consider in my research will be: how well do LEC try to integrate, or rather try to involve low income households in their organization? Such involvement/integration seems important, Marcuse states:

   Control without involvement...has...limits beyond which it will not contribute to social integration. A member of a cooperative association may legally own a share and have an equal right to control his housing with each other member; if he is unaware of it or uninvolved with its exercise, he may be as “alienated” as if he were purely a tenant in someone else’s project [p. 25].

4) **Therapy**—A remedy against apathy and isolation growing out a sense of powerlessness. Here, Marcuse argues, things are reversed, and control is “the means to the end of involvement,” rather than being the goal of involvement. Special effort are made to include people in decision making. The importance is on the feelings and perceptions of participants, something that is particularly relevant in situations where residents have lived whole lives in being made to think that they have no power. This sense of powerlessness is frequently the case with people whose housing is subsidized by the state. This form of participation which has as its purpose to empower residents would be in the spirit of the nondiscrimination and democratic control co-op housing principles discussed in the previous section. In simplest terms it is a redistribution of power that enables people to assume control of their lives and surroundings. Marcuse’s quote from Marris and Rein’s *Dilemmas of Social Reform: Poverty and Community Action in U.S.*, 1967, illustrates this well:

   The redistribution of power is necessary to change people. Participation in social action generates power—capacity to control and change events in one’s life. As individuals acquire power and seek to change their world, they change as well. Thus, social action is a form of social therapy through self-help [ibid, 30].
5) **Mobilization of Resources**—for a number of LECs the ability to rely on “sweat equity,” that is co-op members doing as much of the work needed in building, renovating, and maintaining the building themselves, has been and is what guarantees their existence. The difficulty of encouraging and sustaining this form and high level of involvement lies with the fact that participation in the co-op as a whole is more often than not perceived as independent from the incentives residents see when they are involved in things that pertain just to their own unit of housing [ibid, pp. 33-34]. Participation in housing when considered in the LEC context usually involves an equity interest, where the issue then is how to effectively communicate the need for participation in meeting the needs of the co-op as being in the interest of each member when the evidence of individual benefit is not obvious.

6) **Power for Non-Housing Purposes**—could include effective control over neighborhood to prevent crime, and maintain community standards of cleanliness and resident behavior (e.g., preventing loud booze parties). In accordance with the co-op principle of cooperation with other co-ops, participation of co-op residents in this way could lead to the rallying support of, and giving clout to, political agendas in a city that in addition to promoting affordable housing would also address issues such as lack of employment opportunities, crime prevention or education.

**Strategies and Barriers to Participation**

In defining a strategy for participation, which is important in determining what needs to happen in order to make participation work for members of a co-op, Birchall (1987) raises the issue of limits to participation in the form of costs associated with participation to the individual member. These costs can be the need for a baby sitter, time, a “boredom threshold,” the fact that a meeting place might not be comfortable for lengthy meetings, and/or the obvious fact that people have a life that extends beyond the co-op. Birchall speaks of the need, in defining a strategy for participatory success, to find a middle ground, which he calls the “co-operating side” of participation that falls in between two extremes of participation:
1) participation seen as a means to an end:

The business side...of the co-op; going to meetings in order to find out what you want, and how to go about getting it. This kind of participation stops when all the arguments have been heard, a good discussion has been had, and then a decision is made. For some people it will continue into the actual doing of something, like collecting rents or book-keeping, but even then there is an end in view other than the participation itself [Birchall, 1987, pp. 51-52].

2) or participation which is an end in itself:

the social side of the co-op is not a means to an end, but is an end in itself. Generally, members go to co-op social events to be with other people, to share their company, to have a good time, to celebrate and reinforce their sense of community [ibid]

Birchall’s “co-operating side” or compromise side:

falls in between these two extremes, being partly a means to an end, such as running an education course in order to learn how to run the co-op more effectively, and partly an end in itself, such as being committed to cooperative values [ibid],

It is of note in this last quote that Birchall views commitment to co-op values as leaning toward the more social side which is where I would put the emphasis as well.

With so much of the co-op literature tending to focus on the technical issues in co-op organization this social side gets slighted. Cooperative housing practice should stress the building and maintaining of community in the lives of its residents in which participation is an important component.

In the discussion on participation up to this point I have defined participation itself, spoken in general terms of purposes and products of participation, and touched on strategies and barriers for participation. However, to research participation in housing cooperatives it is necessary to identify the specific types of participation one would expect to find in a housing cooperative. Birchall, in an evaluation of participation at six British co-ops, lists seven types of participation that are generic to most co-ops:

1) participation in general meetings—open to entire membership, elections, major decisions

2) participation in committee work—both board of directors and committees overseeing
specific parts of co-op activities, e.g., maintenance or garden committees

3) voluntary work outside of board and committees
4) social events
5) work done to own home—painting, repairs
6) participation in design of home
7) time spent on co-op business not reflected in 1-6 above [Birchall, 1987, pp. 5-6].

While Birchall’s seven types of participation provide a reference point for where and how participation takes place (or the functions it fulfills) in a co-op, it does not specifically enough show the forms which participation in a LEC can be expected to take. His types of participation could just as well apply to a condominium’s association, from which the LEC is in some ways rather distinct.

The seven housing co-op principles discussed in the previous section on “Co-op History and Principles” seem a logical base from which to improve on Birchall’s list and more clearly define the specific forms of participation needed in limited equity cooperatives:

1) Democratic Control: members, as far as possible, participate in meetings of the membership in order to exercise their informed right of control through voting on the LEC’s affairs and election of representative board members.

2) Member Participation: members participate in some fashion in the affairs of their LEC to assure the long-term success of the co-op, whether that is serving on the

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8. One may question the inclusion of work done to the own home in a list of participation. It does not seem to fit as on first sight it seems a rather individualistic, self-serving activity. However, if members in a co-op were not to work on their own homes, not keep them painted, repaired, and the homes appliances in working order, the co-op would have to hire and pay someone to do this. Many co-ops, including the one in which I live, specify in the occupancy agreement (or lease), that outside of structural and heating system work, members are responsible for all work needed to keep a unit in good repair, including appliances. To make sure members are not deferring maintenance that could cost the co-op dearly at a later point co-ops frequently require annual inspections of all apartments.

In some co-ops which occupy buildings that need to be rehabilitated, members, to the degree that they have the ability, are actually involved in the rehab work themselves on the apartments they will eventually occupy. Such work is frequently referred to as creating “sweat equity,” where members create the value of their homes themselves. The co-op pays only for those parts of the rehabilitation work for which there do not exist the required skills among the members, thus potentially saving the entire membership substantial sums of money. The costs saving both from sweat equity, and members generally being responsible for all work on their homes are reflected in the ability to keep
board, one of the committees, or doing some other task fitting in with the ability of a member. At a minimum participation here means that all members keep themselves informed about what goes on in their co-op (and those in leadership positions make sure that this is facilitated) and what the co-op’s needs and challenges are in order for members to exercise their control in an informed fashion.

3) Nondiscrimination in Choosing Members: members work actively to create and maintain an atmosphere in their LEC that makes it a desirable place to live for all households regardless of family size/composition, race, color, sex, creed, etc. The LEC leadership provides possibilities for all its members to be involved in promoting, recruiting, and where possible, be involved in selecting new members.

4) Providing a Service Rather Than an Opportunity for Investment: members are alert to any possibility to save costs, and in their actions try to save costs rather than using the co-op’s resources in a way that might enhance the real-estate value of the LEC and its shares and as a consequence raise the housing costs for new members.

5) Community Focus: members are involved with each other socially in ways that go beyond mere housing related interactions and so create and preserve neighborliness and community spirit while contributing to an improved community/neighborhood around the LEC as well.

6) Cooperation with other cooperatives: members use opportunities when they occur to assist other co-ops in getting started, and / or staying in business.

7) Mutuality Focus: members focus in their activities on the good of the entire LEC and are not involved to merely protect or enhance their own interests. Actively living the principle of all for one, and one for all. That is, members are aware that to the degree that they each individually try to participate in the various areas where their co-op needs help and for which they have ability, the quality of their the housing costs down for the whole co-op membership.
housing along with that of their fellow members’ housing is maintained and possibly increased.

These forms of participation, which I assume to be needed in successfully running and maintaining limited equity cooperatives, served in large part as the basis for defining the questions (listed in Appendix B) for the interviews of the two case studies presented in Chapters III and IV. Marcuse shows the importance of defining forms of participation when he states:

> to promote participation, without speaking about the forms which one wishes participation to take, is like speaking of promoting transportation without saying what kind; and to try to decide what form of participation one wants to encourage without determining what ends one wishes to accomplish is like choosing one’s method of transportation without knowing where one wants to go [Marcuse, p. 68].

In my conclusion, I will return to my definitions of participation in co-ops and expand on them in light of the research presented in the intervening chapters of this thesis.
CHAPTER II
Barriers to Participation and Tools for Overcoming Them

Maintaining a high percentage of individual homeowners is one of the searching tests that now challenge the people of the United States. [Homeownership] is both the foundation of a sound economic and social system and a guarantee that our society will continue to develop rationally as changing conditions demand (U.S. President Herbert Hoover, 1931). 9

In this chapter I will focus on the social, behavioral, and institutional challenges that a non-market housing model such as the Limited Equity Cooperative (LEC) must come to terms with in U.S. society in order to succeed. I will try to show that the overwhelming desire of most U.S. households for fee-simple ownership of the single-family home as the preeminent housing option, and institutional biases to the detriment of other housing options, are largely rooted in a social and intellectual heritage of possessive individualism. It is possessive individualism, as manifested in the American Dream of homeownership, that I will examine in relation to cooperative housing.

Possessive individualism is reinforced through laws, zoning practices and U.S. tax and housing policies, favoring the individual ownership of single-family homes above all other forms of housing tenure. I will argue that this heritage has resulted in an attitudinal disposition toward housing in most members of U.S. society which encourages individualistic behavior rather than collective action to address the needs of the larger community. This behavior is of special concern in the LEC housing model, since LECs depend for their long-term organizational survival on collective action and community-based decision-making—as opposed to individualistic behavior.

I will argue in this chapter that the long-term viability of LECs as a non-market housing option within a capitalistic society is threatened organizationally unless there are careful

9. As quoted at the beginning of Homeownership—Key to the American Dream, a research report published by the National Association of Realtors, 1988.
selection and training processes for LEC members which emphasize security of tenure and community, rather than rapid appreciation of real estate values and individual appropriation of these equity gains. This emphasis on security and community should be coupled with effective education of the general public about LECs as a viable housing option. The general lack of resident participation that many LECs face in running their affairs (or participation that occurs only for the sake of protecting and / or maintaining individualistic advantages) is an outgrowth of attitudes, expectations, and behaviors directly linked to possessive individualism.

What is Possessive Individualism?

Possessive individualism is the convergence of two powerful concepts underlying many of the traditions and laws of Western society. I will briefly define each of these concepts.

Individualism

This is the belief that the interests of the individual are paramount and that people should be unrestricted in pursuit of their hopes, desires, and ideas. Individualism advocates the free and independent action of the individual and suggests that societal values, rights, and duties originate in individuals. This sense of individualism permeates every aspect of U.S. society; those who “made it” in the American Dream, speak of it as essential to success. John Scully, for example, chief executive officer of the Apple computer corporation, was quoted as saying in an interview with the German newsmagazine Der Spiegel, that individualism is part of the “genetic code of U.S. society, a society that Scully considers to be

founded by people who left Europe to become completely free. The Pillars of the American society are individualism, trail-blazing, inventiveness, creativity, and desire for the constantly new [No. 42, 1992].

Apart from revealing his ethnocentrist bias, Scully’s remark reveals how deep seated in all levels of U.S. society is this notion of what U.S. President Hoover termed in a 1928 campaign speech “rugged individualism.”

Macpherson identifies a set of seven social assumptions that underlie political theories
espousing individualism and on which the U.S. political system is founded:

(i) What makes a man human is freedom from dependence on the will of others.
(ii) Freedom from the dependence on others means freedom from any relations with others except those relations which the individual enters voluntarily with a view to his own interest.
(iii) The individual is essentially the proprietor of his own person and capacities, for which he owes nothing to society.
(iv) Although the individual cannot alienate the whole of his property in his own person, he may alienate his capacity to labor.
(v) Human society consists of a series of market relations.
(vi) Since freedom from the wills of others is what makes a man human, each individual’s freedom can rightfully be limited only by such obligations and rules as are necessary to secure the same freedom for others.
(vii) Political society is a human contrivance for the protection of the individual’s property in his person and goods, and (therefore) for the maintenance of orderly relations of exchange between individuals regarded as proprietors of themselves [1962, pp. 263-264].

Possessiveness: the Acquisitive Interest

There are three aspects to the acquisitive interest in property:

1) property is privately and individually owned,
2) there are no limits on the accumulation of property
3) there are no limits on the return accruing to the individual owner because of the property s/he owns.

These three aspects manifest themselves in society through the widely held belief that one must fully own property and own as much of it as possible without being restricted in the profit one might realize through the ownership of such property in order to achieve security and happiness. This commonly accepted belief is based on Locke’s argument that God endowed man with an inherent right to the unlimited ownership of property because of an assumed natural right to one’s labor and the fruits of labor [Locke, 1978, pp. 18-21]. This overlooks the fact that it is society as a whole that defines through its customs and laws what ownership is, and whether or not one is entitled to own property. But Western society, especially U.S. society, has adopted, and institutionalized this particular notion of property.
Underlying Western societal practices, and at the root of property rights laws and government practices is Locke’s argument that property must be acquired “before [it] can be of any use, or [be] at all beneficial to any particular Man” [p.17]. The significance of Locke’s argument here is, that he establishes individual action, not societal approval, as the basis for property ownership.

Possessive individualism permeates every aspect of U.S. society. It is the driving force behind the conventional neoclassical economic theory on which the U.S. economic structure is based. The dictum of this economic theory is, of course, that society as a whole is better off as individuals maximize their own profit; that somehow, as individuals pursue and focus only on their own goals and individualistic profit maximization, Adam Smith’s invisible hand will efficiently allocate society’s resources, making everyone better off.

Possessive individualism manifests itself in housing through ideas, institutions, and laws that encourage and support the individualistic desire to accumulate wealth through fast and substantial appreciation of a home’s equity, as well as through the protection and legitimization of landlords’ rights to extract maximum rent from their tenants. Although allowing homeowners to reap equity windfalls and allowing landlords to maximize profits through tenants’ rents, deprives large segments of society of affordable and adequate housing, these “externalities” never enter into the individualistic equation of home equity maximization. That housing is essential to provide all people with the basic life necessity of shelter gets overlooked in this drive for profit. Instead, housing is reduced to a commodity, traded and speculated like pork-bellies.

In the next section I will show how the assumptions underlying possessive individualism manifest themselves in the U.S. through an ideology of homeownership, in laws and in other public measures favoring homeownership, and in attitudes and expectations embracing homeownership as the preferred form of housing tenure.
Manifestations and Effects of Possessive Individualism in Housing

Ideology of Homeownership

The dominant ideology of homeownership in the U.S. is founded on three assumptions: a home should be individually owned; the higher the value of a home the better it is for the individual, the neighborhood and society as a whole (and therefore this value should be protected by society); and finally, homeowners should be entitled to the entire value of their homes, including the socially created value, when selling or leveraging the home. The predominant way in which this ideology is institutionalized is in the governmental promotion of homeownership as society's most desirable housing tenure. Every U.S. president since President Hoover has created programs or directed federal governmental policy to make homeownership a reality for as many citizens as possible. As a result, the rate of homeownership increased from 43.6 percent of all households in 1940 to 64.6 percent in 1975 [Dreier, 1982, p. 182].

The governmental favoring of homeownership did not begin in the 1930s, however, but is the outgrowth of a societal bias against tenant-tenure that began with the first European settlers in North America. This bias is rooted in a belief that "property ownership...bestow[s] on individuals, or [is] evidence of, certain character traits highly valued in U.S. culture" [Dreier, 1982, p. 181]. As Dreier shows, societal discrimination and stigmatization was such that not until 1860 were tenants in the U.S. permitted to vote in federal elections. In the founding of the country, to use Dreier's words: "colonists debated whether tenants should be granted the vote, opponents of tenant suffrage argued that ownership of property was a good indication of an individual's moral worth. Among landowners, they argued, one could always expect to find moderation, frugality, order, honesty, and a due sense of independence, liberty, and justice" [ibid]. Perin in her research on the social order underlying housing and land-use in the U.S. found that in today's society these values are still deeply held, that to become a "full-fledged citizen," one must be a homeowner [1977, p. 56]. In fact, any type of housing

10. As represented by the value increase that occurs outside of any effort on the part of the homeowner due to speculation, public investment in infrastructure, change in population demographics, change in the public’s housing preference, and inflation.
tenure but single-family ownership is an unsatisfactory compromise for U.S. citizens:

Anything other than the single-family-detached house represents a compromise with the American ideal of freedom—freedom from unwanted social contact and from the possibility of social conflict. That ideal couched as the American dream of homeownership is equally, then, the ideal of social peace and domestic tranquility [p. 90].

While stigmatizing those who cannot buy their own homes, a homeownership ideology that is primarily concerned with preserving and enhancing property values also deprives low and moderate income families of housing. This was something I observed in person last summer while working as an intern in the affordable housing division of the planning department for a well-off Boston suburb. The city had a vacant parcel of land on which the planning department wanted to create six low to moderate-income townhouses as either a limited equity co-op or as limited equity condominiums. Because the land was city-owned, the board of aldermen would have to approve the plans. The city’s mayor and aldermen appointed from among the citizens in the immediate neighborhood a citizens’ advisory board that would review the plans for the site and recommend what action the board of aldermen should take. In their evaluation of the city’s plans for the parcel of land, the neighbors were primarily concerned with what the development would mean for their own property values. Despite the smallness of the proposed development, and the fact that it was going to be developed as a homeownership opportunity, there was fierce opposition. In the advisory board meetings, neighbors who did not want low or moderate-income families in their neighborhood insisted on calling the city’s proposed development a “project,” knowing that use of this code-word would punch the right emotional buttons and cause their fellow neighbors to vote the development down. A nine-to-one vote derailed the development because abutting homeowners thought it might shave a few thousand dollars off the values of their homes—in this city where the median price of a home was over $290,000 in 1990.

The strong societal bias for private ownership as the only fully acceptable housing-tenure in English-speaking countries such as the U.S., Kemeny (1986) argues, has lead to governmental adoption of housing policies that
leave very little real choice for most households as to which form of tenure they can realistically choose. In turn, widespread acceptance of tenure-discriminatory housing policies is based on a housing ideology that eulogizes homeownership and denigrates alternative forms of tenure [1986, p. 273].

Kemeny concludes that there is “systematic discrimination in favor of homeownership... that leave[s] very little choice for most households as to which form of tenure they can realistically choose,” since other tenure forms are not awarded the level of governmental level of support that provides the same level of security of tenure as homeownership does [pp. 272-273]. Furthermore, he speaks of how the bias toward homeownership “support[s] the vested interests of powerful groups that stand to benefit from owner occupation,” and creates a symbiosis “between ideology and the power to determine policy” [pp. 273-274]:

Once a system has been established that discriminates between tenures and in favor of privatisation in society as a whole, there is a strong element of self-perpetuation involved. Discriminating in favor of homeownership will increase its attractiveness relative to other tenures, in terms of subsidies, sociolegal status, and eventually in sheer availability [p. 274].

As Kemeny shows, the social forces which drive and uphold the homeownership ideology and with which LECs and other tenure alternatives must come to term with are formidable. There is clearly a convergence of government and society’s major institutions, in particular the banking, real-estate, and construction industries, that use all their power to make the majority of members in society believe that for meeting their housing needs there is no desirable or acceptable alternative to outright ownership-based housing tenure. While LECs, as an alternative form of tenure, have in recent years seen a substantial increase in the U.S., they constitute a minuscule segment (according to Stone [1993] 150,000 to 250,000) of the U.S.’s total housing stock. Many of them were created in response to a governmental system which retreated in the 1980s from creating affordable housing while at the same time raising the worship of individualistic property-ownership to new heights even though substantially less families have been able to make the traditional ownership of a home a reality for themselves. The major hurdle that advocates for cooperative tenure must come to terms with,
as most citizens continue to strive for their homeowning piece of the American Dream, is the
fact that the:

homeownership ideology is by now deeply entrenched in the
housing folklore, as well as in the housing policies of most
capitalist societies. Indeed, so much is this so that there is very
little likelihood that tenure-neutral housing policies will ever
replace the current homeownership policies in most countries, at
least in the near future [Kemeny, p. 275].

Mortgage Interest and Property Tax Deductions

The most widespread governmental action favoring homeownership over all other forms
of tenure is the mortgage interest and property tax deductions from personal income taxes. In
fact, as Dreier and Atlas show, it is a massive governmental subsidy costing the U.S.
government (by 1990) approximately $34 billion in forgone revenues every year. However, in
keeping with the accumulation of wealth component of possessive individualism, the reality is
that this tax benefit is primarily a subsidy for the well-to-do, since there is no ceiling on how
much interest and property taxes a household may deduct from its income taxes: over 78
percent of the lost tax revenues benefited just 15.1 percent of U.S. taxpayers, those with
incomes over $50,000; more than one third of this tax-benefit went to 3.1 percent of
taxpayers, those who earned in excess of $100,000. So biased is this tax-break toward the
most expensive homes that Dreier and Atlas have termed this it a “Mansion Subsidy” [p. 10].

By the 1960s and 1970s, some economists were suggesting that the homeowner
deduction was inequitable and unnecessary. Nevertheless, strong forces within the real estate
industry thwarted any attempts to reform this subsidy program for the well-to-do [ibid, p. 11].
This illustrates well Kemeny’s point that “the vested interests of powerful groups stand to
benefit from owner occupation” [Kemeny, p. 273].

That the homeowner deduction is actually contributing to push home values up
artificially, and thus facilitates accumulation of wealth through homeownership, is borne out
by what Dreier and Atlas cite as the fact that indeed “homebuyers include the tax subsidy in
their purchase decision” [p. 11]. In this way the system clearly reinforces the belief of the
average citizen that, while housing is useful for shelter, it also is a tool for investing and increasing one’s wealth.

Zoning

At the local level, zoning laws tend to be the chief tool used to encourage or restrict developments within a city or town, while also protecting the property interests of the residents. Given the political reality in any city or town, it is clear that zoning favors the protection and enhancement of private property ownership and private property values: as surely as local politicians tend to seek reelection, so their property owning constituents are going to vote for those who they perceive as serving in the interest of protecting and enhancing their properties’ values through enactment and enforcement of property-value enhancing zoning ordinances.

Since property taxes are also a municipality’s major source of revenue, it is also clearly in a municipality's interest to have high valuation of property within its borders. If one considers the fact that higher-income households are more likely (and more able) to itemize income-taxes—and thus more likely to be able to use and profit from the income-tax deduction benefit described in the previous section (deducting property-taxes from income-taxes)—the self-enforcing, interconnected system driven by the predominant homeownership ideology, which favors wealth accumulation over use-value, becomes obvious. High property-taxes are tolerable if they can be deducted from one’s income taxes at the end of the year.

While zoning ordinances enhance and protect property values, the public obsession with property values can also provide an excuse for using zoning as mechanism to exclude citizens on the basis of wealth and of society’s minorities, as minorities tend to be the economically weakest members of society. In many locales exclusion on the basis of wealth occurs through a municipality’s adoption of substantial minimum lot size requirements that ensure the exclusion of low and moderate-income households on the basis of property acquisition costs. In turn such exclusionary zoning practices create an environment of scarcity of homes that
itself boosts the values of existing homes. Perin (1977) argues that these scarcity based land-use practices embodied in zoning laws ascribe to homeowners of being “housing producers” as well, and who in this role naturally aim to maximize personal profit and rather than meeting what are the actual housing needs in society. In support of her argument she states:

When [homeowners] sell, they produce the used housing on which the total [housing] supply is so dependent. Annually, brand-new housing accounts for only about 1.5 percent of the total supply. The National Association of Realtors estimated for 1976 that 3 million existing single-family units would be bought and sold for a total of $125 billion in 1976, compared to 1 million new single-family houses having a total value of $55 billion. The used-property market represents 70 percent of housing activity, and in volume about three times that of the new-property market [p. 129].

In addition to facilitating wealth accumulation through property appreciation, zoning’s other primary purpose in the U.S. is to institutionalize ownership of single-family detached houses as the norm by discriminating against other housing tenures and types. This, of course, is in keeping with the anti-social tenet of possessive individualism where the interests of the individual, “freedom from unwanted social contact and from the possibility of social conflict” [Perin, p. 90] is paramount. Nothing illustrates this better than the 1926 U.S. Supreme Court ruling in Euclid v. Ambler which established the legal basis for zoning throughout the U.S. over sixty years ago. The contested issue was that Euclid, a Cleveland Ohio suburb, had adopted its first zoning ordinance in the early 1920s, restricting an important section of a real estate company’s (Ambler) property to residential use only. The company challenged this in the courts, requesting that the ordinance be invalidated on the basis that zoning its property exclusively for residential use reduced its value for the real-estate company and thus denied them due process [Fischel, 1985, pp. 46-47]. A federal district court ruled favorably for the real estate company arguing that “the result to be accomplished [through Euclid’s law] is to classify the population and segregate them according to their income or situation in life” [ibid, p. 47].

However, the U.S. Supreme Court overturned the lower court’s decision. In the wording
of its decision the Court stigmatized apartment-tenure in severe terms as being detrimental to single-family homes. It legalized exclusionary zoning and gave its constitutional blessing to strong governmental and societal favoritism of single-family homeownership as society’s most desirable housing tenure:

With particular reference to apartment houses, it is pointed out that the development of detached house sections is greatly retarded by the coming of apartment houses, which has sometimes resulted in destroying the entire section for private house purposes; that in such sections very often the apartment house is a mere parasite, constructed in order to take advantage of the open spaces and attractive surroundings created by the residential character of the district. Moreover, the coming of one apartment house is followed by others, interfering by their height and bulk with the free circulation of air and monopolizing the rays of the sun which otherwise would fall upon the smaller homes, and bringing, as their necessary accompaniments, the disturbing noises incident to increased traffic and business, and the occupation, by means of moving and parked automobiles, of larger portions of the streets, thus detracting from their safety and depriving children of the privilege of quiet and open spaces for play, enjoyed by those in more favored localities,—until, finally, the residential character of the neighborhood and its desirability as a place of detached residences are utterly destroyed. Under these circumstances, apartment houses...come very near to being nuisances [Euclid v. Ambler, 272 U.S. 365 (1926), pp. 394-395].

With the apartment house being in the eyes of the U.S.’s highest judicial institution a “mere parasite” and a “nuisance,” it is not surprising that in the over six decades since the Court’s decision most of this country’s governmental and financing institutions have favored single-family homeownership.

Attitudes and Expectations

Just what are the attitudinal hurdles to be overcome in promoting and developing cooperative housing? The June 1992 Fannie Mae “National Housing Survey”11 of over 1,500 households provides an insightful answer. It shows how widespread attitudes are in U.S. society that favor single-family homeownership—even if individuals must incur high social costs. Eighty percent of those surveyed in Fannie Mae’s door-to-door interviews identified the “traditional single-family detached home with a yard” as the “ideal” home [p. 4], and by a

margin of four to one would prefer to own their home, commuting some distance, rather than renting a home with an easy commute to work. To attain their “American Dream,” people will by a four-to-one margin sacrifice their opportunity for a better job in a city in which they could only rent, and by a two-to-one margin take a second job if needed [p. 2]. A measure of the societal/community values people have with regard to homeownership is revealed by the fact that homeownership (46 percent) is by a double digit margin preferred as a long-term goal over: having a positive effect on other people’s lives (31 percent), developing one’s self spiritually or intellectually (31 percent), helping one’s children pay for college (30 percent), or making a mark in one’s profession (21 percent) —(people were allowed to give up to three answers) [p. 6]. In fact, 35 percent responded that putting a young child in day care so that the mother can go back to work in order to own a home, is a sacrifice worth making—a rather substantial number given the emotional and social costs of such a choice [p. 9].

While the survey also showed that the key reason why people desire to own their home is security of tenure (71 percent)—also a key goal of LECs—another 71 percent felt that to own property that goes up in value to make it possible to buy a “better home” later is also a very convincing reason to own. This desire for upward mobility is obviously something that could cause frustration and apathy for someone in a LEC who hopes to become financially enabled to someday own a “better” home.

Keeping in mind that 80 percent of the respondents saw the single-family home as the “ideal” model, it is particularly relevant in any policy discussion about promoting co-op homeownership aimed at low and moderate income households, that the lower the income bracket, the more intense the desire to own one’s home—60 percent for those in the lowest bracket, and 31 percent in the highest [p. 6].

An important item for advocates of LECs to keep in mind is the type of housing people favor. It shows just how individualistic people tend to be, expressing possessive individualism’s basic assumption and tenet of “what makes a man human is freedom from the dependence on the will of others,” which, as Macpherson (1962) continues: “means freedom
from any relations with others except for those relations which the individual enters voluntarily with a view to his own interest” [p. 263]. The survey showed, that given the choice, only 6 percent of the survey respondents would find the traditional apartment building with 10 units or more an ideal living situation. For an apartment building with less than 10 units, the acceptance rate was only slightly higher (8 percent); for the single-family townhouse this figure was better, but still a low 16 percent. Fully 46 percent to 50 percent of the people surveyed thought that apartment living was unacceptable [p. 15].

While some may argue that these housing preference percentages are primarily reflections of people’s life styles and desire for privacy and not so much indications of individualistic tendencies, I argue that one needs to ask the question of where the desirable standards for privacy and life style are rooted. I am not asserting that all people who do not want to live in apartment buildings are self-centered, but given society’s strong bias for single-family homes, a certain behavior is encouraged by forces over which the average citizen is not aware as s/he adopts individualistic tendencies. I believe that these individualistic tendencies play a large role in defining standards for acceptable housing styles. Substantiation for my argument can be found by comparing acceptable housing standards in societies which do not emphasize the role of the individual, with those of the U.S., such as China, but also by comparing housing expectations and behavior in the U.S. to that of Germany where the percentages of housing-tenure are the opposite of the U.S.: two-thirds renting, one-third owning (U.S. two-thirds owning, one-third renting). Based on my own observations, having spent over half of my life in Germany, people, as a rule, tend to be much more tolerant and respectful of maintaining mutually beneficial community standards (as expressed in keeping stereo systems and TVs at a low volume, watching out for one another, keeping common areas clean, etc.) than I have found living here in the U.S. Furthermore, the extremely low acceptance rate (16 percent) for a single-family townhouse shown above, which presumably would provide the resident functionally with a degree of privacy that is similar to a single-family home (private entrance, no-one living above or below one’s home)
shows that individualistic tendencies play the major role in defining housing-style preference.

Beyond suggesting that limitations on equity would be perceived as undesirable to many people, the housing preference percentages reveal how people feel about living in housing that requires close contact with one’s neighbors, and therefore are relevant indicators of the attitudes that people commonly bring into cooperative housing. They show that there is likely to be a need to handle attitudes of members who accept cooperative housing as a form of homeownership because it is the only form of homeownership they can afford; its community aspects may have no place in their calculations whatsoever.

For LECs the affordability argument is, of course, one of the main arguments used in justifying the concept of restricting equity build-up in housing aimed at low and moderate income households which, as Mallach shows, runs also directly counter to the above described, and widely accepted homeownership ideology:

The American Dream is a pervasive one, and forms a part of the value structure of the poor as well as the rich... [t]he absence of [its] economic benefits does not reduce the desire of large numbers of lower-income people to own their own homes. Homeownership offers a stake in a small and perhaps illusory way, to feel in control of one’s destiny [Mallach, 1990, p. 16].

It thus becomes important to examine what the differences between co-ops and the predominant housing ideology are, and what needs to be done to bridge these differences to assure the viability of the co-op model. This I will do in the next section.

**The Conflict Between the American Dream and LECs—Linking Problematic Participation in LECs to Possessive Individualism**

Because cooperatives involve both owning and renting for the individual household—one owns the shares of the cooperative and / or leases one’s home from the same cooperative—one common way to introduce people to this form of housing is to feature the co-op as being something in between renting and condominium ownership. This defines co-ops purely in terms of the predominant housing ideology’s emphasis on the individual. Notably absent from this misleading definition is the fact that cooperatives involve joint responsibility through joint ownership of all of a co-op’s assets (the housing), which in turn
means joint exercise of control over the assets. Unlike renting, where one’s major responsibility ends with simply paying one’s rent to the landlord, or condominium ownership, where one wholly owns an individual unit and can speculate in and dispose of that unit as one desires, co-ops involve collective action in controlling and maintaining all aspects of the housing. Participation is the heart of the LEC model. Birchall sums up the importance of participation well when he states:

though it may be relatively simple to define and measure participation, there is nothing more important or problematic to the future of a co-op. In a democratic organization, it is ultimately a matter of life or death; the greater the participation, the longer the duration [Birchall, 1988, p. 163].

It is the difference between the belief in individual freedom and the need for collective action where there is the potential for conflict. While cooperative housing requires that members participate in running and maintaining their housing in a cooperative, mutually beneficial manner, possessive individualism puts the emphasis on the individual and the individual’s freedom from depending on the decision-making of others and any relations that are not voluntary. Furthermore, restrictions on one’s equity and on one’s freedom to sell a property interest to whomever one wants to seem at odds from an possessive individualistic point of view in the restrictions emphasis on the good of society rather than allowing the individual to maximize personal gains. Yet, in a cooperative the needs and desires of the individual are not sacrificed for the sake of the group, as some might argue, nor are members expected to engage in purely altruistic activities. The cooperative organizational model explicitly recognizes the needs and desires of the individual through its mutuality principle: the needs of individuals are met through the mutual cooperation of individuals. The principle

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12. The paramount importance of participation in LECs is brought out even more by the fact that four out of the seven co-op principles (Democratic Control, Member Participation, Cooperation with other Cooperatives, Mutuality)—described in my LEC definition section in Chapter I—clearly require some form of active participation by co-op members.

13. In fact, since possessive individualism makes the assumption that the individual “is the proprietor of his own person and capacities [and so] owes nothing to society”[Macpherson, p. 263], participation for a purpose that is not clearly distinguishable as being to the direct benefit of the participating individual is from a possessive individualistic point of view undesirable.
is that individuals maximize their own benefits and meet their needs by maximizing the benefit of the organization as a whole. In that way, unlike the possessively individualistic manner of operation, maximization of individual benefit is achieved through cooperation with others rather than by competing against and/or exploiting the weaknesses of other members of society. For successful operation LECs require a convergence of residents' ideas and compromise between the wills of members. LECs require that individual residents enter into a mutually beneficial relationship with the rest of the LEC membership and, through the equity limitations, limit the individual return obtained through ownership of property so that other low and moderate income families can afford to enter into this form of housing tenure.

Given the gulf between the homeownership ideology's focus on the individual and the needs of LECs for collective action, it is logical to assume that possessive individualism can cause problems with the way co-op members participate in running and maintaining their co-op. Some empirical research which confirms this assumption was done by Barton and Silverman (1987). In examining "common-interest communities" in California—by which they meant housing communities where there is some form of shared ownership as in co-ops, condominiums, and planned developments, "a structure that virtually demands involvement"—Barton and Silverman found that "most common-interest community homeowners either participate very little in the affairs of the association or participate in ways that emphasize the values of individual property ownership rather than those of community interdependence" [p. 1]. They argue that it is the expectations and viewpoints about housing that people raised in U.S. society have adopted consciously and/or subconsciously as the American Dream that cause resident owners of common-interest housing to base their behavior "on their understanding of the rights associated with private property rather than on the norms of neighborliness."

The home...physically maintains as well as symbolically manifests two of the most important American values, freedom and individuality. At least within American society, the two concepts are related; one has freedom to the extent that one's actions as an individual are not constrained. Thus, American traditions of private property ownership emphasize the rights of
the owner to do as he or she wishes with the property, rather than the obligations of the owner to use the property in a way that is responsible to the surrounding community. In general, private property is linked to freedom rather than to responsibility, limited by the rights of others rather than by a commitment to their well-being [Barton and Silverman, p. 9].

The authors’ argument for linking the problem of participation to behavior driven by possessive individualism is supported by fairly extensive research: a mail survey of 579 active associations in California, 12 case studies of such associations in Northern California that involved 50 in-depth interviews, and 20 in-depth interviews of professionals who work with common interest developments. The problems found by Barton and Silverman were lack of participation (only a median of eleven percent of residents served on boards, committees, or was involved in some other co-op volunteer function), apathy, and participation that happened only in order to protect self-interest: “the most frequent correlate of increased participation among the membership was dissatisfaction with the board’s policies” [Barton and Silverman, 1987, p. 7].

While there might be some question as to the validity of Barton and Silverman’s study for LECs because it does not show what proportion of the associations surveyed were low to moderate income co-ops—and because co-ops were probably a rather small proportion in Barton and Silverman’s research base,14 since co-ops are an uncommon form of housing in California [Heskin, 1991, p. 28]—I believe their research to be highly useful. All of the types of housing studied by the Barton and Silverman include some form of common ownership requiring cooperation by residents. Certainly with a majority of Barton and Silverman’s data coming from condominiums where the degree of shared ownership and joint responsibility to be borne by residents is substantially less than what one would expect in a co-op, there might be some cause to question the applicability of this data to LECs. However, it is more rational to argue that the participation problem would be amplified in a sample drawn just from LECs.

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14. Barton and Silverman’s paper does not contain any information on the proportions of the various housing models in their data.
Looking at “The Participation Problem” More Generally

Except for Barton and Silverman’s work, there is no research examining specifically whether or not possessive individualism underlies participation problems in cooperatives. Nevertheless, member participation clearly is key to a successfully functioning, and organizationally viable LEC; conversely, the lack of participation leads to a dysfunctional LEC. While I did not come across any information on failed co-ops, I did uncover a couple of case studies in which the lack of participation was shown to seriously impact the organizational viability of the co-op.

In conducting case studies of six co-ops in Great Britain, Birchall found low participation to be a serious problem in all but one co-op. In a study excerpted from his dissertation research, What Makes People Co-operate? (1987), Birchall actually posed the question of “How little participation can there be before a co-op ceases to be a co-op?” [p.3]. He doesn’t actually provide an answer to this question but rather tries to give the reader a sense of the scope of the problem in his account of each of the six co-ops. There one reads about core members who are actively participated in running their co-op, but felt frustrated and let down by their fellow members. In two co-ops, less than a quarter of the entire membership bothered to attend general meetings (at which usually board members are elected, and major decision are made, or those of the co-op board are approved/endorsed) and to exercise their right to control their housing. In one co-op active members saw lack of cooperation as a serious violation of co-op principles, as “…a declaration on non-co-operation,” and are concerned that those who do spend hours running and maintaining the co-op and then see that others continually share in the fruits of their labor without doing

15 One other argument against the applicability of Barton and Silverman’s study might be that most condominiums and planned developments tend to be occupied by middle to high income households who presumably have a more pronounced inclination toward individualistic form of behavior in their housing. However, the earlier quoted Fannie Mae housing survey shows that the opposite is more likely to be case. It found that 60 percent of those in the lowest income bracket considered owning a home their most important goal in life, whereas only 31 percent of those in the highest income bracket saw it as such [Fannie Mae, 1992].
anything to help, could become discouraged in their work for the co-op. In another co-op that started out with high participation and took care of its own management and maintenance, participation declined to a level where only two in ten members would attend general meetings, and the co-op had no choice but to contract out all of its maintenance, a change of co-op operations that obviously increased housing costs to the entire membership. In another case, the “…co-op is in a very risky position, depending entirely on the interest shown by current officers; when one chairman was in, there was one committee meeting a month, when a new one [chairman] was elected, this dropped to one [meeting] every 3 months. By relying on a managing agent to do most of the administration, the co-op survives…the [co-op] has a struggle just to make all the decisions that are needed” [pp. 3-12].

A 1990 Tufts master thesis by Hoekman that focused on the impact on organizational development/capacity and resident participation of the context in which LECs originate, provides some useful insights on the participation issue in Boston area LECs that seem to mirror Birchall’s findings. Although the study is inconclusive in its examination of the impact of the “origination context” on participation and building of organizational capacity, it showed participation to be a problem in all three of the LECs examined. All of the co-ops had difficulties finding members willing to serve on their boards and boards feeling overburdened (and in some cases resentful) toward non-participants.

Hoekman’s study also found LEC members feeling uninformed about how their co-ops function, as well as alienated from their co-op boards. This directly relates to one of the purposes Marcuse outlines for participation: involvement as a process of informing residents so they can in an informed way exercise control in their housing situation. From within the context of Hoekman’s research, several points emerge that confirm and emphasize the importance of participation for the survival of LECs [pp. 102-103]:

- adequate participation can keep LEC leadership from becoming exhausted

16. He examined whether co-op conversion that was initiated by existing tenants, involved existing tenants but was initiated by community development corporations or other outside developers, or was new construction or renovation of vacant buildings in which the developer had to market the co-op units, made a difference in the organizational success of the LEC.
- participation can foster communication and prevent alienation between boards and memberships
- participation can give people the sense of being in control over their housing and perhaps prevent apathetic tenant behavior
- participation can produce an involved and informed membership that is much more likely to deal effectively with internal and external challenges to the existence of the LEC, e.g., when the whole co-op would be more effective in lobbying city hall, legislators, administrative agencies, banks, etc.
- participation can produce a committed membership that is much more likely to respond in a timely and adequate fashion to problems threatening the entire co-op.

In a phone conversation with one of the senior trainers and assistants at ARCH, I posed the question of whether participation is a problem in LECs. I learned that indeed it is a problem faced by many LECs, one that tends to be most severe in LECs that have been in operation for a while. ARCH focuses in part on participation in the training they provide to LECs, though these training services are not free and many LECs, unless they are new and funders insisted on training, simply do not have the funds. The specific participation problems are boards finding it difficult to recruit new board members to replace retiring members. Some of the smaller LECs (where each household has a member on the board) have even tried to mandate participation.

Other indicators of lagging participation, according to ARCH, were: longer tenured members feeling burdened that things will not get done, or get done inadequately, unless they do them; members feeling inhibited from participating due to lack of child care, being excluded on the basis of their newness in a LEC, culture, or language; members in larger LECs feeling distanced from management and excluded; and participation problems that

17. This is an issue Marcuse addressed directly in his study: “A member of a cooperative association may legally own a share and have an equal right to control his housing with each other member; if he is unaware of it or uninvolved with its exercise, he may be as 'alienated’ as if he were purely a tenant in someone else’s project” [p. 25].
18. Association for Resident Control of Housing, formerly the Cooperative Housing Task Force.
emerge out of mixed income LECs, where lower income members find themselves in conflict with other higher income members. All of these issues deserve investigation and documentation as to their impact on participation and the organizational viability of LECs.

Lack of participation, as discussed above, has serious implications for the long-term organizational viability of a co-op. If not dealt with, declining participation can lead to the demise of a co-op. The importance of examining why or why not residents participate in the life of their LECs should be obvious. Yet, most of the literature which I have reviewed on housing co-ops tends to focus on technical issues like how to finance, develop, and legally incorporate co-ops, how to hold elections, etc. Very little attention is paid to how organizational capacity and member participation can be developed and maintained.

**Overcoming the Participation Barriers**

Realizing that Locke’s argument, that man is somehow endowed with an inherent right to property, is what ultimately underlies the way people think of property ownership in the U.S. is important when promoting and implementing non-traditional housing models such as the LEC. Realization of what motivates resident behavior can then lead to ways of education about, and implementation of LECs that provide the best fit of this housing and its organizational needs with people’s expectations and abilities.

One of the key features of LECs is risk and burden sharing. This makes LECs highly attractive for low and moderate income families, for whom the financial and management responsibilities accompanying traditional homeownership (if they can overcome the high financial hurdles of just becoming homeowners) are frequently insurmountable. The potential for risk and burden sharing with its inherent participatory conflicts in LECs takes the discussion back to the conflict of collective action versus individualism, and offers many lessons in what it takes to make community-based housing work.

Apart from one’s financial contribution through monthly carrying charges, burden sharing means to give of one’s time and self in managing and maintaining the co-op. By doing as much as possible of the housing management themselves, co-op members can
substantially reduce their costs. Yet, the majority of members seldom are actively engaged and act as “free-riders” on the efforts of others. This can be partially explained by members feeling more like tenants, never having known another form of tenure. However, it is also easier for the average household to just let others carry the load. There is a need to examine more closely a set of organizational tools that co-ops could use to bridge the gulf between individualism and collective action. These tools include:

1) Member selection: How are new members selected? How are LECs promoted, is individual homeownership emphasized or is the focus on security of tenure and community? Are there criteria that are considered in selection of new members that consider the proclivity of new members toward participation?

2) Member Training: What happens once a family is admitted to the co-op membership? Is anything done to show the new members how a successful co-op is dependent on everyone sharing the burden? How is the gulf between individualism and co-op needs bridged. While I have learned of some training going on in co-ops, it generally tends to focus on helping members understand how their co-ops technically work—by-laws, how the budget and other finances need to be done etc.—but not how members can and must work together and give of themselves. There are obvious lessons to be taught that show that the demands of co-op life are not unlike that of individual homeownership and perhaps less demanding than individual ownership. For example, one of the most frequent arguments for why people do not participate is that of lack of time. Yet most homeowners probably would agree that they are under considerable neighborhood (peer) pressure to maintain their yards, to cut their grass every week, paint their homes, and if that was not enough, frequently to work second and third jobs to keep up with paying their mortgages. The difference, of course, is that in the latter case all this work is done for what they perceive as their own individual benefit. What must be done in teaching new and long-tenured members in co-ops is that under the
co-op principle of mutuality one enhances one's own standard of living in the co-op by working in concert with others. As Kirkpatrick states: "members should be taught that the value of the co-op lies in the members working together; when members cease to participate in the co-op, they cease to have a right to this value [1981, p. 6].

3) Enforcement of Expectations for Participation. Are there formal and/or informal expectations that members should participate? Are there stipulations in the occupancy agreement or in the by-laws that make it clear that members are expected to participate? Outside of formal demands for participation, what signals do individual members get from their neighbors and the co-op leadership?

I believe that participation and the skillful application of these tools are linked.

Given the social environment in which co-ops in the U.S. exist, it is crucial for members to move into a co-op with a clear understanding of how co-ops are unlike other types of housing. Indeed, co-ops require an approach to selection and training that goes beyond what is required for any other form of housing tenure. Mallach illustrates this point well when he writes about co-ops in terms of "Hurdles to Ownership":

The price of reducing individual risk is the increased reliance on cooperative behavior. In cooperative housing—particularly small projects, where the pool of potential participants is limited—every single resident is under a strong obligation to become an active and committed participant in the cooperative's affairs.

Among Americans, raised to be individualists, the level of cooperation required to make a housing cooperative work is often difficult to sustain. Economic realities dictate that this is a more serious problem for a lower-income cooperative than for an expensive one. Although lower-income inner city residents are not inherently less capable of cooperating than more affluent ones, they are less able to raise funds to pay for the services that enable the latter to reduce the level of resident participation required. Unable to buy those services, inner city cooperators must themselves learn to provide them. To assume that the conversion of rental to cooperative housing—with a dash of training added—will engender the level of participation needed, as many seem to assume, is not only erroneous but dangerous.
Cooperative housing, rather than a starting point for community or behavioral change, is more logically an outgrowth of a process of change which has begun in some other fashion [Mallach, 1990, pp. 17&18].

This message rings true in the case studies that follow, where I shall look at how ideology affects co-op participation—and why members do or do not participate.
CHAPTER III

Marksdale Gardens: Oasis in the Midst of Despair

Overview

Coming from Dudley Square, and driving through Roxbury along Walnut and Humboldt Avenues, everything seems gray and washed out until one is greeted by Marksdale Garden's brightly colored signs on the corner of Martin Luther King Boulevard and Humboldt Avenue, impressing themselves on the passerby with their bold golden letters on a rich blue background. The signs seem like the gate into an oasis in the midst of a wasteland. Marksdale's well-maintained 178 townhouses sprawl left and right off Humboldt Avenue up a gently sloped hill on the top of which sits St. Mark's Church. The impression immediately is one of a well kept, clean, and inviting neighborhood, unexpected in Roxbury (considered by many as Boston's toughest area) on its most crime-ridden street. The unexpected doesn't end there. As I drove along the sidestreets of this co-op community for my interviews, people would greet me—me a white stranger in an all-African-American neighborhood!

This is a community where the members watch out for one another and care for each other, defying the stereotypes of such developments in run-down neighborhoods. At Marksdale I felt completely safe. In fact, almost all of the people I interviewed confirmed this impression when they told me how neighbors watch out for one another and will not shy away from confronting criminal elements wherever they dare to encroach on this peaceful neighborhood. My sense of this co-op neighborhood being an island in the midst of inner-city despair was confirmed by one young father who told me he feels safe raising his two elementary school age children here and allowing them to play outside: “Marksdale is a great place in a bad neighborhood...going just one block in any direction from here, one can get into really serious trouble.” In fact, his reason for being actively involved in the co-op as a

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19. For the methodology employed in compiling this case study, see the Appendix A. Appendix B contains the questions used for interviewing co-op members.
board member is rooted in wanting to protect this place, Marksdale Gardens, by maintaining togetherness of the community and direct control over the co-op’s governance free from outside influences whose interest might be something other than maintaining the community. This commitment to protect the community is shared by all the board members of the co-op I interviewed—and permeates the co-op’s history.

**History**

The housing was developed and built between 1964 and 1966 by its original owner St. Marks Congregational church. By 1978/79 the church had run out of funds and was unable to continue to pay off the HUD insured mortgage along with other property related bills. HUD took control of the property’s management in 1978 and became owner of Marksdale through foreclosure in 1979. St. Marks, which up to 1978 had managed the property itself and in doing so had hired church members, some of whom lived at Marksdale, was forced into hiring a management company. This management company, which had no attachment to the church or to the residents, promptly laid off all of the staff the residents considered good workers (one of these was a resident who had worked there for almost 15 years and was everyone’s favorite Mr. Fix-it who knew the place inside out). Eventually another management company was brought in, but it was clear to the residents that this company was scheming to take over ownership of the property. This management company blatantly ignored the residents’ interests, and in fact attempted to subvert the tenants’ board of directors.

It was at this point that Minnie Clark, one of the residents who had worked for a tenants’ rights organization, the Tenants Association of Boston, became actively involved as the main mover and shaker in the struggle to defend the interests of Marksdale’s residents. Minnie Clark—a soft spoken woman who moved the most forbidding bureaucratic and regulatory mountains through her deep conviction about the innate right of people to control their own lives—fired up her neighbors into forming a strong residents association. That association eventually managed to snatch Marksdale away from speculators and HUD for a mere $1,060 in 1984. Her efforts were gargantuan. Initially with the help of only one other neighbor, who

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had been Marksdale’s property manager until fired by the first outside management company\(^{21}\), she went from one household to the next and explained to 170 plus families how the residents could take control over their housing and their lives by forming a cooperative. Each visit would take three to four hours.

The process of taking control over the housing took from 1979 to 1984. In addition to the door to door education at the beginning of the process, Ms. Clark created a petition, held meetings almost every month and did whatever she could to get the residents involved in making it clear to the outside world that they wanted to become a housing cooperative by forming a residents association. Part of the process was also for the fledgling association to learn on the job how to create an effective organization that would keep the residents banded together and be able to rally the political forces necessary to help in dealing with the bureaucracy of HUD and those opposed to the residents taking control over their homes. Eventually a strong residents’ board of eight directors formed that at various stages of the conversion process would meet on a daily basis for long stretches of time. Several board members told me how they frequently would take unpaid time off from work in order to meet with officials from HUD, bankers, city and state officials. In fact, much of the initial expenses for copying and other organizing tasks were paid for through collections the board members would take at the beginning of their meetings. Six of these original directors still serve on the co-op’s current board of directors.

While Ms. Clark had done a lot initially to teach herself about co-ops, what they are and how they function and tried to pass this along to all of the residents, eventually she and the early board members participated in special seminar sessions where they learned the ins and outs of housing co-ops and how to run one\(^{22}\). Throughout their co-op organizing process, Ms. Clark and the rest of the board faced challenges that seemed insurmountable: the management

\(^{21}\) Underscoring the sense of community at Marksdale, that permeates every aspect of this co-op, is the fact that when this neighbor died, the co-op dedicated a plaza to her and her father who had in prior years been worked for Marksdale Gardens.

\(^{22}\) These training sessions took place in 1984 and were taught by affordable housing consultants, including Emily Achtenberg whose work focuses on community-based housing and preservation of federally assisted housing.
company tried through various schemes (such as counter education or disseminating false information) to discourage members from supporting the co-op conversion, knowing that HUD required that at least 80% of the residents had to agree to form a co-op. Several developers, hoping to cash in, came from as far away as California to make promises to residents in exchange for their support of the developers’ interest in buying Marksdale. Perhaps worst of all, three times when the residents thought everything was in order, HUD (supposedly) lost all paperwork due to changes on their staff, forcing residents to repeat the process four times prior to 1984 when the residents finally took title and became the proud owners of the Marksdale Gardens Cooperative Corporation.

All of these efforts contributed to making the Marksdale Gardens Cooperative a strong organization that has done well since 1984. Today the property’s value is estimated to be worth around $10 million and the initial fifteen-year mortgage is almost paid off, five years early. This will give the co-op a lot of leverage as they take on a subsequent mortgage at hopefully more favorable terms for replacing their twenty-eight year old heating and hot-water furnaces, along with other major items such as windows. Most importantly, this resident-run and community-based organization has been successful since 1984 not only in keeping the housing affordable, getting the property into good repair, and making the grounds look inviting and homelike for its residents, but also in maintaining a strong sense of community in the midst of a neighborhood that as whole became even more desolate and crime-ridden during the 1980s then it already was. The overwhelming majority of its residents of ten years ago still live at Marksdale, and the waiting list of those wishing to move into this oasis is still long.

Property

The Marksdale Gardens Housing Cooperative is located in Boston’s Roxbury neighborhood at the corner of Humboldt Avenue and Martin Luther King, Jr. Boulevard. This is in the center of a triangle formed by Washington, Warren, and Seaver Streets. Dudley Square is at the triangle’s northern tip; one and one-half miles to the south, Franklin Park
forms the triangle's the southern side. Since the site is slightly elevated, it offers a view of downtown Boston's skyline.

The housing, constructed in 1964 and 1966, consists of Marksdale I and Marksdale II, on opposite sides of Humboldt Avenue (see Appendix E). Together there are 178 townhouses and one two story low-rise building with a large retail space downstairs and co-op office space upstairs. The breakdown by bedroom sizes is 94 two-bedroom, 58 three-bedroom, and 26 four-bedroom townhouses. There are full basements in 128 (or 72%) of the townhouses. The buildings are well-built, wood-frame structures with wood clapboard and brick exteriors and slanted roofs. The buildings are arranged in clusters around courtyards with every two units in a building separated by basement to roof masonry fire walls. On the interior the townhouses have finished oak floors and ceramic tiled floors in the bathrooms. There are also 160 on-site unassigned parking spaces. There is a central gas fired heating and hot-water system that supplies the heat and hot water included in each unit’s carrying charges. The co-op does not have a large community room of its own, so Marksdale Church, located across the street from the co-op office, is the co-op’s defacto community center where all member meetings are held.

The carrying charges as of January 1993 were $520 for a two-bedroom, $599 for a three-bedroom, and $671 for a four-bedroom townhouse. The amounts that a prospective member needed to invest for purchasing the needed shares in the co-op according to bedroom sized townhouse were $1,228, $1,369, and $1,541 respectively. Marksdale provides new members, who cannot afford the whole costs for their shares at once, with an installment plan for paying for their shares on a monthly basis.

This is a mixed income co-op for low to moderate-income households, explicitly stated as such in one of Marksdale’s articles of incorporation which commit this co-op to “maintain a waiting list of eligible low and moderate income families who wish to become members of the corporation and residents of the cooperative housing owned by the corporation” [Article 5(k)]. There are project-based Section 8 certificates available for all units, of which fifty percent are
currently utilized by residents. When the residents took title to the property from HUD for $1,060 in 1984, they were awarded a fifteen-year Section 8 contract by HUD, but in exchange had to commit to repairing and bringing up to code all townhouses. To accomplish this structural rehabilitation, the co-op took out a 15 year mortgage of $700,000 with the National Consumer Cooperative Bank (NCB) at 13.5 percent interest, a loan which the co-op has almost paid off—five years early. The other condition for the sale of Marksdale and for the awarding of a Section 8 contract by HUD was that the co-op be set up as a limited equity co-op. The resale formula in the co-op’s organizational documents that satisfies this latter condition, limits the transfer value of shares as follows:

\[
\text{Purchase Price of stock} \quad \text{plus} \quad \text{Consumer Price Index plus}
\]

"undepreciated aggregate value, not to exceed $500, of fifty percent of the value of capital improvements" made by occupant with co-op board approval.23

Before the closing HUD paid all past due real estate taxes on the property. It also absorbed the loss from the property’s original mortgage of $2.4 million on which St. Mark Congregational Church owed in excess of $1 million in back-payments when it defaulted on the mortgage in 1979.

Residents

More than half of the residents have lived at Marksdale since it was built in the mid 1960s. Marksdale’s turn-over rate has been low (2.6% annually) since it became a co-op nine years ago: only 38 townhouses, out of a total of 178, have changed members, which leaves close to eighty percent of the original membership still in place. One third of the turnover is due to older members having died; about 26 % of the residents are now senior citizens. Thirty-five percent of the members have children below age 18. This low percentage is due to the length or residency of members and the children of nine years ago having grown up. I found that half of the members I interviewed had children that had grown up within the last five years, and who were delighted that they had been able to raise their

23. Article 5 of Marksdale Garden’s Massachusetts Articles of Incorporation. This article further states that the approval for improvements must be in writing and that the value of the improvements is “determined solely by the corporation at the time they are made.”
children at Marksdale. Thirty-four percent of the households are single individuals living by themselves. With the exception of one household the entire membership is of African-American background. Several members interviewed estimated that about five percent of the residents belong to St. Mark Congregational Church right across from the co-op's offices on Humboldt Avenue.

When asking members how long they expect to stay at MD: seven of the nine interviewed stated either until they “die” or “forever.” The other two weren’t sure because of anticipating some issues in their families coming up that may necessitate moving.

**Governance**

Marksdale Gardens Cooperative is set up under Massachusetts General Law, Chapter 157B as a corporation governed by a board of directors for the purpose of making housing available to its shareholders. As in all limited equity cooperatives, each household has one vote regardless of the size of housing occupied or the number of shares held. Marksdale’s by-laws provide for only one annual meeting for the whole membership, while special meetings of the membership can be called by the president, the board of directors, or on the basis of a written petition by ten percent of all members.

The by-laws of Marksdale provide further that among other business the annual meeting is for the purpose of reports from the co-op’s officers and committees, as well as the election of directors. The board is composed of eleven members. Originally the by-laws called for a board of nine serving three years each. The by-laws were amended in 1986 however, to provide for additional two board-seats as there were two good people that the board want to have join them. The terms each directors serves are now determined by the number of ballots cast for each, three directors for three years, four directors for two years, and four directors for one year.

According to Marksdale’s by-laws “The affairs of the corporation shall be governed by [the] board of directors.” The powers and duties of the directors include

...all the powers and duties necessary for the administration of the affairs of the corporation...The powers of the the board of
directors shall include but not be limited: to accept or reject applications for membership...; to establish charges...; engage an agent or employees for the management of the corporation's property...; terminate membership and occupancy rights for cause; promulgate rules and regulations pertaining to use and occupancy of the corporation’s property [Article 5.2].

The principal officers of the cooperative are elected by and from the board of directors for one-year terms. These are the president that serves as the co-op’s chief executive officer, one or more vice presidents, a clerk, and a treasurer. The by-laws do not call for any committees, though the president is empowered to “appoint committees from among the members as he or she finds appropriate to assist in the conduct of the affairs of the corporation” [Article 6.4].

Management

Marksdale has a total staff of six, which includes both maintenance and office staff. The president, who works for the cooperative officially part-time, calls herself the administrative property manager. Having background and experience in property management and related skills through her past employment with a tenants rights organization (Tenants Association of Boston) and two Boston area property management firms, she oversees the day to day management of the property, deals with contractors, budgets, settles resident conflicts, and interviews, recommends and trains new members. She does whatever is needed and keeps herself at the beck and call of the co-op at all times; even on the weekend day that I interviewed her she carried the co-op’s beeper. Ms. Clark explained that HUD and NCB permitted Marksdale residents to self-manage their co-op because someone on the co-op’s staff was capable and qualified to do property management. HUD and the bank had required that everyone on the board submit their resumes. Also a proposal for self-management had to be submitted similar to what would be expected from a management company competing for a management contract of a property. On an ongoing basis, an outside consultant, who also works for Massachusetts’ Community Economic Development Assistance Corporation (CEDAC), meets with the co-op president once a week to assist in the management of Marksdale, helping with the budget, complicated contracts, and to render whatever technical
assistance is needed. For this purpose, as well as for providing training on co-ops to new and current members, Marksdale budgets around $30,000 annually.

**Homeownership (Bundle of Rights)**

**Why Members Supported the Conversion or Joined the Cooperative:** Feelings of this being the only homeownership chance they might ever have were strong among several members. But even stronger were the feelings about issues of control by those who lived through the conversion. Members spoke in strong terms about being sick and tired of managers being imposed on them from outside who did not understand the community. Others spoke of their fear of having “the rug pulled out from under [their] feet” by opportunistic speculators who might raise rents and endanger the affordability of their homes. Others who felt that St. Marks Church, prior to the outside management that had been imposed, had been a good landlord, were afraid of what a new, more landlord like, management could mean to them. One board member, who with her children had survived several bad landlords before coming to Marksdale and had found St. Marks Church the only decent landlord she ever had stated:

> I was determined to never return to a landlord situation, this was heaven to me and I was gonna fight to secure it.

Other members were primarily concerned about preserving the community they felt they had at Marksdale:

> This was my home, I liked it here and I didn’t want to move. This was like a little village of our own.

Those members who joined the co-op after the conversion spoke of wanting to be out from under the thumb of landlords. One member in particular spoke of the anguish she and her children suffered when her landlord died. Being a tenant at will she had no control over the heirs changing the terms under which she had to go on renting the apartment. Members spoke of feeling that Marksdale was a quiet and safe spot in the middle of crime-ridden Roxbury, of wanting to join because residents are watching out for one another, and of being able to “fix up the place, it’s like having your own little home.” One member spoke of the
low cost of housing and being able to get good quality for the monthly payment and of there being “a lot of good people, people respecting privacy while also watching out for one another.” Another member spoke of Marksdale being clean and people taking care of their property.

Seven of the nine members interviewed feel like homeowners or co-owners. The reason for this relates to their feeling of being in control of their own homes. Especially the ability to decorate and do other work in their homes and yards makes most members feel strongly of being owners and being proud of it. The responses from four members are quite representative here:

Most people around here act like owners, especially with the parking space stuff. People who have no intention of ever leaving Marksdale definitely act like owners and these often are the people you see participating [board member].

I feel completely free, this is mine, I take care of things as if I own it.

I can fix my place the way I want to and don’t worry about someone telling me they want me out of here.

If there’s a need I don’t hesitate to tell my neighbors about things I see that concern me. I’ve been able to panel and paint my home and make repairs whenever I want to for which I’d never get permission in a rental situation.

Members also feel that serving on the board, having a say through their voting contributes to their feeling of being owners.

Two members, who feel more like tenants, said that this has to do with the fact that their voice in the co-op is just one of many. They would also prefer a greater sense of privacy than what the co-op housing is offering them. Not having a full sense of individual control, and that they associate with homeownership, seems to cause this feeling of being a tenant. One member’s response sums this feeling up well:

Anything where others have rules, or to share or deal with social issues like noise from neighbors right next to you—things like that make me feel like a tenant. Being in a condo would be the same. I prefer a single family home.

What residents mean by control
If I want to paint or alter the grounds, do whatever is reasonable, landscaping, paneling the apartment, to make it home [member].

Here is what other residents said when asked what they mean by control over their housing:

“Taking care of the home,”
“taking pride in what you live in,”
“once I fix it, I know no one else is going to destroy it,”
“everyone trying to keep up the homes where they live.”

Members generally feel strongly about a freedom from fear of monthly housing charges “going through the roof.” One member spoke of not wanting “anyone living above [her] head.” Another members spoke of “taking care of it [the home] since it's mine, doing what I want.” Freedom from landlords and their differing attitudes, “freedom from being at the mercy of the landlord.”

The majority of members said that control over rent increases and freedom from eviction were their top concerns. At least half of the members felt that freedom from evictions and control over rent increases is synonymous to control and for that reason did not mention it as one of the things of what they mean by control.

Marksdale members face a number of restrictions when it comes to their ownership stake: they cannot sell their shares to anyone but back to Marksdale, the permitted return on improvements made by members is limited to $500, and the overall return that they are allowed to realize is restricted in a way that other forms of homeownership are not. I asked all members whether they thought the restrictions on reselling their shares are too severe or are fair and why. Three members said:

It’s a give and take thing, it’s much less than a condo ownership and gives much more back than just paying rent every month where I have no security.

The only way to keep this place affordable is having a board control it.

I think it’s a good deal because I don’t have to worry about all
the things a homeowner has to worry about, but then I have the convenience of being a homeowner without all their problems.

The sentiment of not having to shoulder alone all of the responsibilities of a traditional homeowner, reflected in the last quote, as a fair tradeoff was touched on by several other members. Related to that, one member spoke of how he felt good about not being tied down with a burdensome mortgage, of not having to work two or three jobs just to pay off a mortgage as relatives of his have to do in order to own their home. This sentiment was echoed by a board member:

> Everything has its restrictions, and in comparison to traditional ownership it’s much easier to get in, no closing fees or lots of mortgages. We need restrictions for our success and to enable those who’d never be homeowners otherwise. In comparison to the burdens that some owners have to take on and the money they have to put out our co-op is gold, platinum, silver, you name it, it’s it.

Several members spoke of not minding the restrictions because this was the only way they would ever be able to own a home. Another member feels that, since the money needed to buy the shares was so low, she sees it more as a security deposit and feels good about the level of control she gets in return. This member had actually owned a single-family home many years ago and stated:

> I remember not being able to fix the leaking roof because we couldn’t afford it. If anything goes wrong you’re on your own with a mortgage besides. Here I can call and get immediate help. Monthly costs are low and you get maintenance besides.

While to an outside observer the restriction on improvements seems especially restrictive (fifty percent of the undepreciated value of all improvements up to a combined total of $500), the president explained that most improvements a member might want to make can be done by buying the materials for, or items of improvements such as carpeting, through the co-op. Marksdale has well established relations and accounts with several major vendors who provide substantial discounts. For example, if a member wants a new kitchen cabinet, s/he can go to one of the co-op vendors, pick what type and style of improvement s/he wants. The vendor bills the co-op and the member pays for the improvement when carrying
charges are due. If a member cannot afford the improvement in one payment, Marksdale even provides the member the option to pay it back on an installment basis, adding the installments to the monthly carrying charges. As an additional benefit, the co-op’s maintenance staff will install free of charge any improvements purchased by members.

As a whole, the members I interviewed seem very happy with their home situation, the only detractions being lack of control over noise, people wanting more privacy, and problems with parking. Several members at Marksdale have actually resorted to using traffic cones to block off what they consider their parking space even though no parking spaces are assigned by the co-op. It was these issues of privacy and control that prompted five members to respond to the question of which type of housing they would prefer by saying they wanted a single family home with a yard on all sides. Interestingly, two of these five, when given the option of owning a single family home as part of a co-op decided that that would be their preference, since this would presumably provide the sharing of the responsibilities while also affording more privacy. Four members opted for where they live now as the choice of housing they would prefer over all others:

I prefer what I have now, I’ve got great neighbors.

The reasons member gave for why they supported the conversion or why they joined Marksdale later on were identical to the predominant good or positive things members could think about, and that made them feel good about living at this co-op. One member, in support of her feelings about the security and caring of members for each other, stated:

The very best proof is that very few people move out. There were many more move-outs before we became a co-op and took over.

Other members cited the monthly carrying charges having been kept low, that “management is right on the ball,” the board staying in close touch with all members, and “neighborhood camaraderie” as their most positive experiences living at Marksdale. One of the board members spoke about the fact that Marksdale succeeded because of her and her fellow board members’ efforts as her most positive experience of life at Marksdale:
Seeing how the work we have put into Marksdale is working and wasn’t in vain. We helped a lot of people and ourselves. We proved the doubters wrong.

The things that annoy members the most have to do with noise and lack of parking, but for none of the members were these reasons to feel deeply unhappy about their lives at Marksdale.

**Types of Participation**

The predominant form of resident participation at Marksdale is the striving for and active promotion of community. It was not only something I heard in my interviews, but something I could actually feel. As stated earlier, initially I felt very conscious of being a white man in an African-American neighborhood, yet, to my surprise, I found myself greeted by residents while driving my car through their side streets even though my windows were shut tight because I was conducting my interviews during the most snowy and coldest season in Boston’s history in over ten years. As I walked the co-op grounds, people took notice of me, but not in a way of “what is this white stranger doing in our neighborhood,” but in a friendly, watching out sort of way that made me feel welcome. Although Marksdale’s members do not fall over each other to participate in co-op committee work, nor are they eager to run for a seat on the board of directors, I found both the members who are engaged in activities for the whole co-op, as well as other members who do not engage in formal participation, informed and interested in what is going in their co-op community.

**Formal Participation (Control)**

I asked all nine members interviewed about how they participate at Marksdale Gardens. All but one stated that they make the effort to stay informed about what goes on and what the needs of the co-op are. All but one also said that they attend annual meetings and other members’ meetings that might be called. This feedback agrees with other information I gathered in the compilation of this case study. Only three of those interviewed participate in any committee work. Three members said they are engaged in voluntary work outside of the
co-op board and committee work; one of these is a neighborhood crimewatch program. Especially noteworthy was the fact that three members who are not active in committees or on the board, stated that if the board or the president were to personally ask them, they would help in whatever way they could. Seven members responded that they attend social events at the co-op, while only two also volunteer in organizing such events. All members stated that they do work in their homes and their yards. The members’ occupancy agreements do require that members maintain their homes and yards and keep them in good repair, and provide further that there are annual inspections required of each member’s home. Board members told me that the overwhelming majority of members take great pride in maintaining their homes—which showed in my interviews at members’ homes—and that only the maintaining of yards becomes an occasional problem, one that is usually rectified after the board sends an official reminder to the non-compliant member.

Board of Directors: six of the original board members who were involved in organizing the co-op are still on the board. One of the members not involved in any formal co-op activities observed that it has been the same core of board members for all these years because it is a very strong board: “I don’t think anyone else could do the job that they are doing, in fact I know that nobody else could run Marksdale. I don’t know of anyone I would pick over who is already there.”

The original by-laws called for a board of nine members, but the membership amended these in 1986 to allow for a board of eleven in order to draw on the skills and interest of some talented members. This amendment also changed the terms that each board member is elected to. Originally all directors were elected for three years; now only three board positions require a three year commitment. The eight other positions are equally split among one and two year terms, thus permitting co-op members not to feel overburdened if elected for shorter terms.

Meetings of the Board of Directors: The monthly board meeting is open to the entire membership, though these meetings are not announced to the whole membership and several
interviewed members said they did not know they could attend if they wanted to. On the other hand, the members who expressed an opinion on this felt that they were not interested in attending the board meetings and that their board was handling things just fine.

I attended one of these meetings. A board member had brought calendars as a gift for everyone. All but two of the board members were in attendance, and the meeting was held without wasting time while also dealing efficiently with the business at hand. At the same meeting, time was also taken to talk about things happening among the membership: who was ill, births, and who had died, and what if anything the board might want to do, such as sending flowers and notes of comfort in the case of one member’s illness. The whole meeting lasted a little over one hour, at the end of which in a community spirit everyone joined hands for a few seconds to thank God and to ask for His blessings for the future of Marksdale.

Committees open to all members: The president stated that the co-op’s committees have not been very active over the past few years. There is a newsletter committee that publishes the Marksdale Gardens Cooperative Newsletter once a month, for which committee members gather materials. The co-op’s office staff then puts the newsletter together, types, copies, and makes sure it gets distributed. This newsletter is like a community paper in that its focus is not on co-op business (though some of this information is included), but rather focuses on items that are of interest on a neighborly community level. The two issues I reviewed included the following items:

- congratulations for a member’s 97th birthday accompanied by a small description of how her birthday had been celebrated;
- a welcome note to a new co-op member;
- a reminder to think of the community’s sick and shut ins, accompanied with the names and addresses of two of them: “please remember our sick and shut ins with a prayer or a card;
- announcement of a member looking for a Tupperware consultant;
- announcement of aerobics classes at St. Mark’s church;
- clippings from newspapers of recipes, tax advise, health and diet tips;
- a thoughts for the month column;
- details from black history in keeping with celebrating Black History Month;
- a member’s 3 page suggestions on exercising and how to add fiber to one’s diet;
- advertisements from a local travel agent;
- notices on recycling, upcoming community theater plays;
- description of the New England food SHARE program, how it works and how members can participate.
Almost all of the members interviewed said that they read the newsletter.

There is also a beautification committee that encourages yard upkeep. In the past this committee has awarded prices for the best looking yards, although it has not been active recently.

Finally, there is also an entertainment committee that exists from summer to the end of each year for organizing about three events a year: something for children, a community social type event, and an annual shareholders’ dinner on or near Marksdale’s anniversary to celebrate the day when it became a co-op. Members are charged $20 to $25 for attending this event and about a third of the members usually attend. Because of a concern about crime, the entertainment committee does not hold many social gatherings during the winter and early spring months because people try not to go out at night. I was told by several members that these social events are attended by about a quarter to a third of the membership.

Annual Meeting of the Cooperative: In recent years, according to the co-op’s records, approximately 55 to 60 percent (not counting proxies) of the membership was represented at this meeting. To make it possible for everyone to attend, members can and do bring their children to the meeting. On an individual basis, informal arrangements are made to help elderly members come to the meetings, or at least to send them a copy of what happens after the meeting.

Other membership meetings: Except for the annual membership meeting, no additional membership meetings are held. However, special meetings on issues of concern to the whole membership have been called in the past. When important issues have come up that potentially affect all members, such as crime, the board has on several occasions called meetings of the whole membership. Decisions taken at those meetings resulted in direct actions that effectively dealt with issues that prompted these meetings. On the whole, members said they would have no hesitation to call for special meetings of the membership, but they felt that the board and the co-op’s staff have time and again proven that they can handle things properly so that there is not much need for special meetings. On occasion, the
board has called for a special members’ meeting of just certain sections of the co-op affected by a decision to be made, e.g., the landscaping of court yards, and members interviewed seem quite satisfied with this approach.

**Board/ Resident Relations:**

I feel much more secure here than a place I was renting from because of a very caring, capable board [member with 10 years residency].

I think we have a damn good board here, a board who’s very concerned about the people here [member and 20 plus years resident of Marksdale].

All of the members interviewed at Marksdale feel that their board members are skilled and doing a good job. None of the members felt that any board member is involved just for his or her own interest or that their board seems like an exclusive club that shuts members out or makes them feel discouraged from getting more involved in their co-op. When probing on this point and asking people about the fact that the six members have served on the board for over ten years, I was told by a member who is not on the board or any of the co-op’s committees: “if you have good people, you don’t want to move them.”

In asking members about their own voice in the co-op’s affairs and if their opinions mattered in the ongoing running of the co-op, I was repeatedly told things like:

The board has a tough job, and I honestly feel they are very sensitive to peoples’ needs here and I think they are doing the very best they can do.

All of the interviewed members feel that the board keeps their ears tuned to the membership. Despite very few special meetings outside of the annual members’ meeting, members feel that they are adequately consulted on decisions made by the board that affect them individually as well as collectively. Members talked about there having been “finding-out-what-members-think” type of meetings (though none lately), and that when important issues like an increase in crime arose, a strategy meeting for the whole membership was called before the board invested the money for improved lighting of parking areas. One board member talked about the time when some landscaping was done in one of the
courtyards. The issue of changing what had been a dust hole of a courtyard was brought by
the affected members to the board’s attention. Several co-op meetings were held for the
members affected by the courtyard decision where anyone could raise what they wanted and
what was of concern to them. Only then were steps taken towards getting the courtyard
landscaped:

It wasn’t a snap thing, everyone gave their concern, it was done
maybe slower than some would like it to have been done, but it
was done the right way. It was talked about, looked at,
evaluated, and then it all got done. Now it’s a nice place to look
at, no more dust, and a good place for the kids to play.

Members feel that the board and the office does well to keep them informed about
important issues through memos and reminder notices. A case in point one member talked
about was a memo about the impact on Marksdale from the very steep water/sewer rate
increases. This memo explained in an easy to understand way what the impact would be and
what members could do to save on charges.

Members also feel very positive about their leadership because of the prompt responses
they get from the co-op staff whenever they call the office, regardless of how small or how big
the problem or issue they call about. I heard of numerous instances of how well needs were
met. Members sometimes went to great lengths to tell me how much better things have been
managed since Marksdale converted to a co-op because the members are managing the
property themselves.

A lot of what happens at the co-op revolves around the president, Minnie Clark. This
focus is due to her key role in creating Marksdale as well as the fact that Ms. Clark is the
defacto property manager who deals with all members on a day in day out basis. Many
members feel very warmly about her and look up to her. With her in place, they feel they do
not need to worry or try to get more involved in the co-op’s affairs. It almost seemed like the
way small children are: as long as they know their mother is right there they play without any
worry or care. I heard from several of the members who do not participate in any formal

24. Ms. Clark calls herself the administrative property manager. For more details on her role
see under the previous heading “Management” in this chapter.
co-op activities that if their help and input were needed, they are sure the president would let
them know. Therefore, there was no need to get more involved. One member stated that if
called on by the president, he would do whatever is asked of him. This member holds her in
high esteem, not unlike what other members related to me:

Minnie is one hell of a person! Dollar for dollar, if we had to,
we could not pay that lady for all the time she puts in here. She
goes to everybody’s board meeting, she’s down at City Hall,
she’s down at HUD, she’s every-place, she don’t miss a thing.

This member does not take too kindly to what he considers a very small number of members
who criticize the president, stating:

I couldn’t do it [running Marksdale] myself, and if you’re not
willing to do all these things [that Ms. Clark does], do not
criticize her because what that lady does has got to come from
the heart, because it’s sure not comin’ from any money you may
pay her. Minnie is a spark from heaven.

He showed me with great pride a newspaper article that featured Ms. Clark and the success of
Marksdale in a January 31, 1993 Boston Sunday Globe in the Boston/Brookline City Section.
The article described Ms. Clark as a role model for another tenant group at Clarendon Hills, a
500 unit high rise expiring use project in Somerville, that prevented their homes from being
sold to the highest bidder by buying it themselves in 1990. The article quotes Clarendon
Hills’ president, Mary Louise Daly, referring to Ms. Clark: “Minnie was our inspiration at
Clarendon Hill. When Minnie started talking and said ‘we did it; you can too,’ you could hear
a pin drop” [p. 10].

Those who are unhappy with the board tend to focus on the president because she is the
most visible in her role as the co-op’s property manager. I was told that these disgruntled
members are the tiny minority of residents one is apt to find in any development of this size.
I did not succeed in talking to any of these members. Nevertheless, through probing
questioning on this issue with several of the members both on and off the board, I learned that
the disenchanted members tend to feel that the president is overbearing and domineering,
especially in her role as property manager. One member expressed the opinion that it was the
air of authority that the president projects. From this member’s point of view some people
will always object because they cannot, or will not, accept that even a co-op needs some rules to govern itself which its members must accept. I heard of some members who in the past have challenged their board by insisting that no increase in carrying charges should ever occur, or members who refuse to pay their carrying charges or maintain their homes and yards according to established standards, and who in one case, because of being evicted, decided to wreck their townhouse before leaving. Another member stated that “it tends to be the younger members who don’t quite have the same attitude toward caring for the things in life that are important, who don’t care about disturbing their neighbors by driving around the parking lots with their car stereos turned all the way up and their windows open.” Another member told me: “the members who act this way and dislike Ms. Clark are the ones who weren’t here at the time of the conversion and don’t appreciate the change that Marksdale has undergone.”

None of the members who seem to object to their management are organized and, as a board member sadly noted (because she wants Marksdale to be a good home to anyone who is willing to take care of their home regardless of where they came from), they tend to be families that come from public housing projects. The conflicts that arise tend to be over issues that normally do not confront people who live in public housing authority type of housing, such as having to keep one’s home clean and in good repair, the yard kept up, and the lawns mowed etc.

One of Marksdale’s board member’s description of the president’s style of leadership was very insightful, and shows why she has her members’ trust. Based on the board meeting I attended, I would tend to agree with the board member. It shows a person that is skillful in getting things accomplished while at the same time making sure that her troops are with her:

Minnie is the nucleus of the co-op, she definitely holds the baton, she controls the flow but she doesn’t just outright say: here it is, that’s what’s going to happen. But her opinion weights heavily on everything. Yet, she does not override anyone without speaking first and then verbalizing what she thinks should be done. She doesn’t throw around authority, usually she’ll say: ‘this is the situation, what do you think?’ She’ll wait and then she’ll say what she thinks.

**Informal Participation (Community)**
Community is very important, when you have a strong community, you have control [member who does not serve on the board or any committees].

The sense of community and physical safety I felt while on the co-op’s property, I learned very quickly, resulted from the majority of the residents continually taking active steps to maintain their community, both through vigilance and through caring for each other in a friendly neighborly way. Members told me that co-op residents keep an eye out for each other and will come out of their homes to let people know, who they suspect don’t belong in the neighborhood, that they are being watched. Members are known to even take risks in keeping their community crime-free. One member told of how when her apartment got broken into while she was at work, neighbors who had seen it came out, rang her door bell, tried to get in and essentially scared the burglars away who otherwise would have cleaned her apartment right out. In their flight, the burglars had been so startled that they left their crowbar behind in the apartment, along with a pile of this member’s things they intended to make off with. Other neighbors had called the police and the office, as well as the member at work. A board member said she regularly, along with several other neighbors, keeps checking out her window from time to time and if she sees someone who she’s not seen before will approach them and ask who they are looking for.

While the 178 townhouses are arranged in several clusters on opposite sides of Humboldt Avenue, the sense of community extends beyond a member’s immediate cluster. Over the years, members have made friends with members all over the co-op, and have had relatives families and friends move in as well. Generally members in a given cluster have one another’s phone numbers and watch out for each other. However, even people who socially do not interact will make efforts to maintain the community as a member related to me who has been at Marksdale only a few years:

Two years ago someone tried to break into my car, and one of the neighbors saw the person, tried to frighten him away and then came to let me know. And this was a person that I don’t socialize with, nor am friends with but just a neighbor.
This community also seems to have found a balance between respect of people’s privacy and being involved with one another in a neighborly way. The only conflicts where members felt their privacy violated had to do with noise because members live in close proximity to each other, which several members related as the element about co-op life they find most annoying. One member, when asked about privacy stated well what I sensed at Marksdale:

People respect the privacy that I need, yet they are there when I need somebody.

She went on to tell me of an incident where someone had started a fire in the shrubbery right next to her house. First neighbors called the fire department, then rang her door bell. The member was in a part of her home where she couldn’t see the shrubbery on fire. When she answered the door bell she was not only greeted by concerned neighbors, the smoke and the fire in her shrubbery, but also by the fire engines roaring in.

Members know each others’ cars and will call if they see someone has left his or her lights on. If they see children getting overly rambunctious, they will intervene. Several members told how members seem to have an unstated policy of watching out for each others’ children and not hesitating to correct them when they see them engaged in undesirable activities. While the children may not be too happy about all the grown ups ganging up on them at the time, children who had grown up at Marksdale that I spoke to in the course of my interviews, were happy to have grown up here.

When I asked what members thought was the reason why people maintain such a strong sense of community that to many would seem unusual, one board member responded that this has its roots in the way the co-op came into life, the struggles, the need to stick together against adverse property management that was always scheming to undermine the residents’ efforts: “People bonded with the board and each other in the struggle for survival.”

Marksdale has no by-laws that mandate participation by members, though the occupancy agreement signed by each member requires that beyond keeping their homes clean, each member must “maintain the yard and plants outside his/her building…remove snow on the sidewalk in front of and next to the building, on the walkway from the sidewalk to the...
building...be responsible for any redecoration of his/her townhouse and building interior [6–(3), (4), (6)]. It is clear that most members do work in and around their homes and take great pride in doing so. In fact, I was told repeatedly by members that one of their major reasons for joining the cooperative was so that they would have the right and freedom to work on their homes and yards.

I asked all of those I interviewed what the word “participation” means to them. The answers I got centered around community, of caring for one another, and taking pride and care in one’s home. Many members defined participation in terms of taking care of their home and watching out for one another.

A member who calls herself a recluse doesn’t like going to meetings, but she keeps her home impeccably clean, takes much pride in her garden, and is delighted that the children in her area seem to always play around her yard: “All of us [are] trying to keep our areas clean...not wasting water because this is a co-op and everyone’s paying for it...taking care of our property.”

An older resident, who does a lot himself in his own very personal sort of way, stated:

I think of people helping each other, now during one of the snowstorms this year, one of my younger neighbors looked out the window, saw me shoveling and told me, Mr. ___ don’t do that I’ll do it for you...last year I had a heart attack...he came out and did not only my house but every house on both sides. And cleaned everybody’s’ front up for them as well. I do a lot of cooking, baking and stuff like that.

He lives alone and frequently shares his cooking with several of his neighbors who delight in it. He showed me a card from a delighted and grateful neighbor for whom Mr. ___ made a lemon meringue pie after learning that she had had a baby and “...wanted to help her celebrate the new arrival when she got home from the hospital.”

Other members defined participation as:

Everybody sort of working together “watching out for your neighbor and making sure that your own actions don’t expose you or your neighbors to crime.”

“That we all get together and talk about what we’re gonna plant this year out front and
back. Looking out for one another’s children.”

Only two members included in their definition serving on Marksdale’s board or committees, attending annual meeting and voicing one’s opinions and learning about what goes on at the co-op.

I found it striking that in talking about what participation means, one member said that participation includes reading, keeping up with and using the information from the memos that the co-op office sends out. These are not just official business type memos that ask members to conserve water or remind them of other home related things that they should be doing; they are communications from the co-op’s management staff that alert all members to a fellow member being seriously ill, weddings, funerals, births etc.. One member who has lived at Marksdale since day one, said that these notices frequently come out on the same day that these events occur. She considers this “very important” and that this has “always been done,” for as long as she can remember. These memos also come out promptly when there has been a crime committed, both to assure members and to let them know what to watch out for in order to protect themselves. Most members actually read these memos and notices as my questions for determining what type of participation there is at Marksdale brought out.

Tools to Facilitate Participation
Selection of Members

This is a decent group of people who live here, and the board has a lot to do with that in their screening [member who joined a few years after the conversion].

The members interviewed who did not already live at Marksdale during the conversion learned about the co-op through word of mouth. Marksdale Gardens has not needed to advertise. In compliance with its articles of organization and the HUD Section 8 contract, it maintains a waiting list of low and moderate income families which had, as of February 1993, about 200 households listed.

The president described the selection process as follows. As townhouses become
available, the next family on the list still interested is notified that their application for membership has been approved, pending the successful outcome of:

- the membership committee’s visit to applicant’s home
- several interviews with all family members at the co-op’s office (for introductory and educational purposes)
- acceptance of the vacant townhouse by the family
- credit check

What the president and the board look for in a new member is whether or not the head of the family has a solid background. What is the degree of family cohesion, how do they live in their present home?—i.e., “are they sober when you get there, how well is the home maintained?” Another question the board considers is what applicants are doing with their families—e.g., are the children just hanging out unsupervised in their neighborhood or are they involved in after-school activities. In looking at the family’s credit history, the emphasis is on there being a history of regular, on-time rent payments and that the family has made concerted efforts to pay their other creditors. Thus a nonexistent or spotty credit report will not automatically disqualify a family. In the past, the board has ruled favorably if the family could produce letters from creditors stating that the family was making a good effort toward meeting their obligations.

During in-take interviews (usually two) at the co-op’s office, there is a thorough introduction of the family to the concept of cooperative housing, what is expected of members, and questions and answers where applicants are expected to have familiarized themselves with the co-op’s “Members Subscription Brochure,” provided to applicants before the interviews. This booklet contains a well-written twenty-two page information bulletin that provides a good overview of co-ops, what kind of a co-op Marksdale is, and how it functions. This booklet also contains a complete set of the co-op’s articles of organization, by-laws, subscription agreement, and the occupancy agreement to be signed by each member.

Other board members said that they look for new members being willing to compromise.
and be part of the community, that they like to see past community type of involvement by the applicant. This is not a make or break issue for voting favorably on an application, however.

**Education/Training**

Most of the members, when asked about the training they had had about co-ops, remembered the individual meetings that had with Ms. Clark as well as several larger organizational type of meetings of all residents in the years prior to the conversion in 1984. Once Marksdale was converted to a co-op, there were also seminar training type sessions that were broken up in eight once a week sessions for members about all the different aspects of a cooperative, how it works, how to get involved, what needs to be done, etc. This was done by outside affordable housing consultants such as Emily Achtenberg. These sessions were repeated several times in the past nine years whenever there were enough new members to form a group for such training. All co-op residents were usually invited to attend as well, giving longer-tenured members a chance of a refresher. Members who had participated in these seminars had found them very helpful, according to my interviews.

Because of a very low resident turnover, members who joined in the past two or three years have not gone through any seminar training and felt that it would probably be helpful to them. These members met several times with the president, however, to learn in-depth what co-ops are and how they work.

Most members thought they knew how their co-op works and that they were familiar with the by-laws and the occupancy agreement of the co-op. However, when asked, two thirds of the members did not know, or were unsure, what the difference between the by-laws and their occupancy agreement was. When asked if they found the way a co-op is set up, along with the rules, by-laws etc., so complicated that it prevents them from getting more involved in running their co-op, some members felt they had a general sense of how things work and that the complexity of the co-op would not make any difference in their involvement.

However, two members felt they needed more classes and that this might cause them to get

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25. In more recent years this training was done by the Boston based Cooperative Housing Task Force, which since 1992 is known as the Association for Resident Control of Housing (ARCH).
more involved. One of these two said she would actually be willing to take classes. One of the board members thought that without more training for members, she could see how some co-op members could easily be turned off from joining the board because they feel that they would have too much responsibility.

Three of the members interviewed, who are not on the board, felt that it would be helpful to have more ongoing training in order to be better prepared for voting and for joining a committee or the board. One member mentioned also that this might help her understand better: “how money is spent and why, and make me keep trying to keep down any expenses I can, like water and things like that.” One of the board members related within this context how the board in years past actually has met with some elderly members on a one on one basis before the annual meeting to explain to them the issues to be voted on at this meeting as well as let them know what was going on at Marksdale. This, she said, gets around the uneasiness many of these members feel about asking questions at big meetings and having a sense of how they might vote.

Board members have in the past received training on how to run their co-op. Marksdale Gardens’ by-laws actually provide for board members to receive training:

Within 60 days of each election, the board of directors shall if practical take a board training course on their role and responsibilities, not less than a full day in length, offered by a competent training organization [Article 5.10].

For developing managing skills one of Marksdale’s board members is actually taking courses in housing management, which the president says she encourages. In terms of finding members with skill or ability to serve on the board and help manage things Ms. Clark’s commented:

You are never going to find 15 or twenty people no matter where you are. It’s just always going to be handful of people that have that skill.

When asking members about the possibility of Ms. Clark no longer being on the board and how the co-op would fare without her, I learned that she actually is training some board members in the ins and outs of co-op management. Members felt that the co-op would
probably be all right, but perhaps not run as smoothly. In fact, no one would put in as much
time as Ms. Clark does. One member responded that while Ms. Clark has laid the
groundwork, that someone taking over would have to be as strong as she is, but that on the
whole Marksdale would continue, though perhaps not as well. The fact that Ms. Clark is
clearly in charge and competently running the co-op gives most members a great sense of
security about their housing and why they feel good about living at Marksdale.

Several board members talked about how they do try to reach out to younger members
and have them join, and that they feel conscious of wanting to sort of assure that the torch gets
passed along at some point. Four of the current board members are of retirement age.

**Enforcement of Expectations for Participation**

What the by-laws say about member participation is limited to the mechanics of voting,
voting rights, and who is eligible for running for seats on the board of directors. As
mentioned earlier, the occupancy agreement requires members to do work in and surrounding
their townhouses. Other than this, the only other reference to participation in the co-op’s
official documentation is in the information bulletin which states that

> One of the most important functions that members will be called
> upon to perform is the selection of qualified directors. The
> cooperative functions through its board of directors, which acts
> on behalf of the members...the voting right means that a
> member participates, through his or her elected representatives,
> in the management of the corporation’s affairs. The elected
> board of directors should receive the full support of all
> members. Full support does not preclude constructive criticism
> [pp. 10-11].

In terms of expectations within the membership that are not stated explicitly, but cause
members to get involved, I did not detect anything that gets members actively involved
beyond what I have described in terms of the strong sense of informal interaction of members,
where residents watch out for potential crime and each others’ children. In terms of
community building, during the interviewing of prospective members, the need for
community interaction and that members are expected to become part of the community is
clearly communicated, and as my research showed, with considerable level of success.
Why Do Members Participate—or Not?

Members' feelings about participation: Most members felt that the considerate and caring manner with which their board runs the co-op encourages the whole membership to interact with each other in such a way that it creates the strong sense of community at Marksdale. It was quite obvious from the interviews that mutual caring and watching out for each other was something most members took for granted. They felt that it is something that has to do with attitude,—not something they have to make time for.

On getting involved with volunteering for committee and board work, members felt that this had a lot to do with ability, individual interests, and whether they had enough time to get involved. In asking those members who are active on Marksdale’s board and other formal co-op activities, whether or not they ever get discouraged from being actively involved by the fact that many of their fellow members are not actively engaged in committee work and other activities for the whole co-op, all said that it has no impact on their desire to stay involved.

Some members felt that the members who had lived at Marksdale the longest were more committed and involved than members who had joined since the conversion. Others felt that there was also a difference in the level of involvement and care for Marksdale whether people received Section 8 support:

> They assume that living at Marksdale is like living in a project, they don’t know that the best thing is to keep your place clean. They don’t trust as much in the difference that their involvement could make.

Another member thought that members with children are more concerned and involved in the co-op because: “they have more at stake.” On the whole, most members do not think that receiving a subsidy, having a higher or lower income, or whether people live alone or have children makes any difference in the level of participation of members.

Three of the members who are not on the board or any committees thought that being involved on the board involves a lot of skill and responsibility and would therefore never really consider serving as a board member. On the other hand, they stated that if the board
were to ask them to help with something specific that they could do they would participate.

I asked the president if she ever feels burned out and if so, how she deals with that. She responded:

This place can almost run itself. So one doesn’t feel overwhelmed. We don’t have a lot of “problem people” here.

She attributes this in part to careful resident selection but also:

When Marksdale was built it had good solid people and a lot of these good solid people are still here.

Why Members Do Participate: Most members, I heard repeatedly in my interviews, do involve themselves in work in their own homes because they strive for a sense of their own home, and want their homes looking as good as possible. Some members also spoke of wanting to maintain a sense of living in a nice neighborhood that causes them to work hard on their yards and to watch out for their neighbors. This attitude contributes in large part to the sense of community that I felt at Marksdale.

I asked all the board members why they are involved, and what keeps them actively involved. One of the most striking responses came from Marksdale’s president:

Some things are like you gave birth to a child, you have more interest in that child than anyone else and so your interest is going to be vastly different from anyone else [Minnie Clark, President].

Others board members were much more matter-of-factly in their responses, such as a board member who had been very active on the board since the days when it was trying to take over control from HUD:

Somebody’s got to do it, I guess it’s just the type of person that I am. As long as I live here, I will always participate, I’m very interested in everything that is going on.

Yet this is a mother of five children, one of which is still living at home. She has over the past years been very involved in pushing for school reform, taking her five children to wherever she had to go.

That it tends to be a certain personality type that gets involved was brought out in several interviews:
I am just the person that likes to help wherever I can help. And I like to see things nice. Every community I have ever lived in, the groups of people I’ve been with, I was always an active person. I think it’s because I had children. And I wanted my children to know the importance of being nice and committing yourself to this, that or the other.

I’m active because I enjoy it. I enjoy getting involved with my community, so it’s natural that I’m going to be involved with the community in which I live.

Some members’ reasons for participating stems from what they perceive as important personal benefits. One member who does not serve on the board or any committees stated that she goes to all the co-op meetings, social and otherwise: “So I know what’s going on.” The desire for knowing what is going on was also declared by one of the board members as his main reason for serving on the board, but it was also a desire to get to know his neighbors better and to pick up some experience in “management.” He also enjoyed the fact that he had “a say in things.” Most of all, he is involved because he wants to protect the Marksdale community, its safety, and beauty from negative outside influences that could destroy it.

Why Members Do Not Participate: At Marksdale things are running so well that most members do not give much thought to getting involved in the running of their co-op. I heard from a board member that some co-op members have actually told the board that they are not as involved as they might be because they know that the board is doing its job well. As this board member said:

They just kind of sit back and say “well, everything is being taken care of properly, I don’t have a need to become actively involved.”

A unique perspective was ventured by a board member who speculated that perhaps what contributes to people not participating is all the memos they get on everything going on at Marksdale, and that this might lull them into thinking that they do not need to become involved.

One board member tried to rationalize low level of formal participation by stating that every group she’s been active in always has a nucleus of people who do everything. Another
board member said that it is just human nature for people who are content not to involve themselves more:

They see that their board is doing a tremendous job, [and think] let’s not upset the apple cart.

Every year the board tries especially to get some of Marksdale’s younger members to join the board. Lack of time is the most frequent reason why these and other members decline becoming active on an ongoing basis. Two of the “non-active” members interviewed gave time constraints as their main reason for not being actively involved beyond their home. One works until late at night and the other feels that all the things she has to do to keep her home clean and in good repair consumes all the time she has to spare. However, a busy board member with children felt that

Everybody can make time but they choose not to. I’m a busy parent, but that is no reason not to make time. I think if there were a drastic issue of say rent going up $150 starting next month, everyone would show up to see what they could do.

Related to this issue of time, an active member said:

People are selfish. They haven’t got it yet. They don’t realize they need their neighbor. They are selfish with their own life. Time of course is a concern, but it only takes a small amount of time. Perhaps some training could help with that.

One board member thought that perhaps people are just put off by the amount of time it takes:

During the summer they may see board members very busy meeting sometimes every week and get very concerned that that is what is expected of them.

An older member I interviewed simply stated matter-of-factly:

I want to enjoy the evening of my life without a lot of needless chit-chat at meetings that never come to the point in all those meetings.

When I asked him if there was something that could be done to change his mind, this member said that all meetings should be kept as brief as possible and should get straight to the point of what needs to be accomplished.

Another of the “non-participating members” felt that she just was not sufficiently skilled
to be involved beyond a “neighborly sort of way.” She would be happy to be more involved if the board would let her know how she could contribute more. She did say that the beautification committee is something she is very interested in, but does not know how she could be more involved in that.

A member who is quite active as a member of the abutting St. Marks church explained her minimal involvement in the co-op by the fact that in serving her church, she is in some way already contributing to Marksdale because many co-op members are also members at St. Marks. About five percent of the co-op’s membership belongs to St. Marks.

Supporting the statements made by some that they are involved because of the type of person that they are, is what I heard from the board member who is involved because he feels very strongly about needing to protect Marksdale. This strong feeling helps him overcome an inner resistance he explained this way:

Sometimes, because I’m a pretty private person I don’t like to get out and about very much. Sometimes, I’ve got things to deal with in my life and with my own home from which I have to break away when I just really don’t want to.
CHAPTER IV

Nassau Gardens: Shattered Dreams of Co-op Success

Overview

Driving south along Route 1 from Boston, one passes shopping centers, road-side chain restaurants, fast food establishments and all those things that typify a landscape shaped by the habits of a suburban population that would be stranded without its cars. The stretch just before one reaches the suburb of Norwood is, in fact, known to locals as the "Automile." Left and right off a short stretch of this divided four-lane road there are probably more car dealerships within one small area than anywhere else in New England. To reach the Nassau Gardens Cooperative, one takes a right off Route 1 between a Buick and a Chevrolet dealership to get to Neponset Street, off which the co-op's 204 garden-style apartments and townhouses are neatly arranged inside and outside of a U-shaped road called Bahama Drive (see Appendix E).

The co-op's well-maintained property is located next to an eighty unit condominium complex (Eaton Village). The co-op's buildings are arranged around six quads, four inside the space created by the U-shaped road and two outside the rounded part of the U. There are assigned parking spaces for residents inside each quad. One of the first residents interviewed suggested jokingly, when I arranged for our interview by phone, not to park my car in any of those quads; I might be sorry if I did. My interviews later on revealed that this was only half a joke. Many co-op members are extremely possessive about their parking spaces and will easily get angry at their neighbors over parking. There have been instances in the co-op's history where spiteful members resorted to vandalizing cars to stake their claims.

This unneighborly, uncooperative attitude, manifests itself in other areas of this co-op as well. It has its roots in the co-op's history where the membership was never really given the

26 For the methodology employed in compiling this case study, see the Appendix A. Appendix B contains the questions used for interviewing co-op members.
chance to learn and understand the ideas and principles behind cooperatives in the midst of the speed with which the residents' leadership converted the rental property to co-ops in 1979.

History

Nassau Gardens was developed in several phases, starting in the early 1960s. The building of the apartment quads was not completed, due to a series of financial problems, until the late 1960s by Kanavos and Associates, who also developed the neighboring condominium complex. Kanavos, as those members who were living at Nassau during the early to late seventies remember it, had done a lot of development work throughout the area, often by utilizing HUD insured mortgages—as was the case with Nassau Gardens. When it became public that many of these development deals had been done under fraudulent pretenses, including the deception of federal funding sources, the head of the company is reputed to have fled the country with substantial amounts of the firm’s money (some members think he committed suicide), leaving two of his partners to try to rescue what they could by forming the Peter Elliot Company. HUD eventually foreclosed on Nassau Gardens’ mortgage. Until taking title, in June 1978, HUD relied for its management on the former owner’s partners, the newly formed Peter Elliot Company. After HUD became the owner of Nassau Gardens, it hired a large Boston property management firm, Hunneman Company, to manage the property. Within a few months after Hunneman took over management, Nassau Gardens, which had suffered neglect, was repaired and brought up to code. In the fall of 1978 HUD then announced to the residents that it had to divest itself of the property within one year. In its announcement, HUD informed the residents that it would sell the property either to the highest bidder or at an inexpensive price as condominiums to the residents.

Rumor had it that the owners of a nearby 2,000 unit apartment complex—Windsor Gardens, which many Nassau residents felt was an expensive place to rent and whose tenants were considered the town of Norwood’s most trouble-some residents—was interested in buying Nassau and turning it into a luxury rental complex. Nassau’s residents feared that their rents would double or triple if they did not act to somehow buy the property themselves. Two

27. U.S. Department of Housing and Urban Development.
or three meetings were held for residents to figure out what to do. At one of these, Hunneman, thinking that it could make some money, presented the residents with a proposal where Hunneman would form a condominium corporation, sell the apartment to the residents and manage everything afterwards. However, many residents were either uncertain that they could afford to come up with the needed money to buy their apartments as condominiums or, as one member put it:

...they didn't want to buy here because everybody thought that this was a place you start out before you buy your first home.

One of Nassau's residents had actually grown up in a co-op in New York City. Because of people that she knew, she and her husband eventually made contact with the president of TechniCo-op, Roger Willcox, whom some Nassau members today consider as sort of Nassau's "godfather." TechniCo-op is a not-for-profit management/consulting firm based in Bridgeport, Connecticut specializing in developing and managing housing cooperatives. After this resident and her husband convinced some of their neighbors to consider the idea of a co-op, TechniCo-op's president, Roger Willcox was invited to speak at one of the two or three initial meetings. His proposal was that TechniCo-op set up a service contract with the residents and do all that was necessary to enable the residents to buy Nassau Gardens from HUD as a housing cooperative. In convincing the residents of his proposal, he presented a plan where the residents' security deposits would become their payments for their shares in

28. Roger Willcox was also past president of the Foundation for Cooperative Housing Company Inc., a subsidiary of the Foundation for Cooperative Housing, created as a non-profit organization in the early 1950s to provide professional assistance anywhere in the U.S. to "...groups interested in organizing cooperatives, and work on new techniques to solve problems" [Liblit, p. 226]. Jerome Liblit’s 1964 collection on Housing Cooperatives includes two articles from Willcox, one on “Resale Policies in Housing Cooperatives” [pp. 123-128] and a reprint of an article originally published in 1953 on the advantages of creating single family homes within a cooperative setting “A Defense: Cooperative Techniques and Effective Reduction in Housing Costs” [pp. 203-213]. In 1979 Willcox actually published a paper through the National Association of Housing Cooperatives titled “Conversion of HUD-Owned Multifamily Developments to Cooperatives: A Tenants’ Handbook.”

29. Most of its business is mainly in the New York City area, Washington, and Cleveland. Nassau Gardens’ property manager explained that TechniCo-op specializes in distressed housing, converting it to co-ops as well as offering different levels of managing properties ranging from consulting to full management. TechniCo-op’s only other involvement in Massachusetts is the full property management of the 160 unit Cochituate Homes
the co-op, and where the same amounts that residents were already paying in rents would suffice to pay off the co-op’s mortgage in the form of carrying charges. They were told they could take control of their housing without increasing their monthly costs, and without having to come up individually with a down-payment and a mortgage of several thousand dollars.

About a third of the resident families had attended these initial meetings. One member recalled the direction these families decided to take:

> It really wasn’t close, pretty much the vast majority were in favor, going: I don’t have any money I don’t want to spend any money. So they wanted to go co-op. There were a lot of Section 8 people here, there were a lot of people who weren’t on Section 8 but didn’t have an awful lot of money and they clearly didn’t want to come with five to seven thousand dollars.

Over a period of nine months a resident board of directors formed and signed a service contract with TechniCo-op to “effect the cooperative conversion. This included the development of the overall conversion plan, the initial operating budget, recommendations to any needed improvements or repair programs, supervision of the sales program and other related services” [Nassau Gardens Information Bulletin, p. 4]. The board and those supporting it worked on organizing the residents into the future co-op organization and getting the support from the percentage of residents for the conversion that HUD required as a precondition for its sale of the property to the residents. Several more resident meetings were held to convince all the residents to convert to a co-op.

These meetings were the only form of education on what a co-op is that most residents received, and where they could learn and discuss how other co-ops function, how Nassau members would govern themselves, and whether they would have a management company or be self-managed. Outside of TechniCo-op’s president doing a few very generalized presentations, there was no educational process of the membership done by knowledgeable outside consultants.

The future government structure of the co-op was drawn up by TechniCo-op and approved by the board without consultation of the whole membership. The board and the

Cooperative in Framingham.
members that had taken charge did things the way they thought best and seemed unwilling to be flexible and inclusive of other members. The organization was shaped by a few who had the needed time, in a process that excluded and limited the input of ideas from others. I heard about one board member who because of the nature of his job was able to spend a lot of time during the day on organizing the co-op and, as one member put it:

He was able to work on it during the day, he more or less took over the whole thing. It was gonna be his way or no way...and over a period of four or five years became the, well everything was his way which wasn’t necessary the right way, it was his way or no way.

The process of educating members about co-ops seems to have been, in some cases, a pressuring or strong-arming of residents who were known to be opposed or not fully in support of co-ops. As one of the initial board members related:

The best education came with groups, four or five women or men and women going around to different people who were dissenterers as we called them, and explaining to them what we were trying to do. That what we were trying to do isn’t so terrible, that as a matter fact it would probably be a benefit and improve their quality of life.

Another member acknowledged that there should have been a more thorough process for educating the membership about co-ops, one that went beyond the mere information type meetings:

It seemed like sort of a select group that was starting it. There was never anyone that sort of put together slides or had a board and stuff describing the whole concept of cooperatives. People REALLY didn’t understand what the whole concept is about, the type of mortgage that we had and all those things. There was a lot that could have been done but didn’t get done at the time.

Eventually ninety-eight percent of the residents voted to form the Nassau Gardens Cooperative. In retrospect, one board member remembers that...

...there were probably only a very small number who were opposed to the whole thing. Probably the vast majority didn’t care one way or another, that this was probably just like living in an apartment complex and maybe 30 percent that really liked the idea of having some say and being able to elect people to represent them etc. I don’t think that has changed that much, the other 65 percent, to them its just like an apartment complex
‘I pay my rent don’t bother me.’

In September of 1979 the residents bought their homes from HUD for four million dollars, taking title to the property on October 1, 1979.

After the conversion, things seemed to go well for Nassau Gardens. The majority of the board members who oversaw the conversion became the co-op’s first board members. They were proud and determined to make it work the best they knew how. Many of these board members had a professional background and thought that bringing their professional skills fully to bear on the co-op’s management, along with their enthusiasm, would be all that was needed to make their co-op successful. No attempt was made to educate and bring in more of the co-op’s membership in running the co-op. After all, the board members thought they were doing things well by themselves and had things that they could point to that seemed to confirm this.

Financially things worked out just as expected. Monthly carrying charges stayed low while in rental properties everywhere around Nassau the housing costs’ rapid inflation of the 1980s had taken hold. According to the co-op’s September 1981 newsletter, the first increase of carrying charges did not occur until two years after the conversion. Even then, it was a mere 2.5% due to a rise in the co-op’s utility costs.

There were even tour buses of groups interested in forming co-ops that would go to Nassau to see what a successful co-op looks like [July 4, 1981 Newsletter]. Some of these buses came because in HUD’s view, in those early days, Nassau was the kind of success-story that HUD officials would like to see duplicated elsewhere.

In its contacts with the outside world, Nassau’s leadership seemed to be doing everything right: Nassau joined the Federation of 213s in New York as well as The National Association of Housing Cooperatives. In 1981, as one of four founding members, it even helped create the Federation of New England Housing Cooperatives.30 Since Nassau’s technical assistance consultant, TechniCo-op, was (and still is) also the property manager for Cochituate Homes, it also maintained an ongoing relationship with this co-op for low-income

30. A non-profit organization which after the mid 1980s ceased to function.
families. In its early years, the co-op even organized bus tours and other social events for its members. There were special events for the members’ children along with the other things that the board and committee members would decide there should be for the membership.

But if one looked beneath all of these outer niceties the writing of the co-op’s later troubles—a severe lack of member participation and interest in the co-op—seemed to be on the wall. Beyond approving the board’s actions in the annual ceremony of reelectons to the board, the membership was never brought in at a community level, was not given a stake in its management, just as it had not during the conversion process. Education for members that would de-mystify the process of being on the board, of how a co-op is run, never took place. Members were merely informed of things but not given opportunities to have input into decision making. While members to this day are invited to attend the board meetings, attending a board meeting was more like being a citizen observer in one’s state house and watching how the legislature runs things. Member participation and input was limited to voicing one’s opinions and suggestions during the “open meeting” segment of each board meeting.

Nassau’s leadership felt very confident in its own abilities and resources of board members who in their work-lives were professionals and entrepreneurs that knew how to get things done. Board members thought, and many still do, that this was all there needed to be for assuring the success of their co-op. But in doing so, they failed in building a community.

The co-op’s (no longer published) is one indication of how little attention was paid to community building. Except for a half a dozen or so issues, from 1981 to 1987 every issue of the co-op’s newsletter was written by the same person, a member of Nassau’s founding board, and a board member and treasurer throughout the 1980s. The newsletter did not cover the things that could build community such as births and weddings within the membership. The newsletter’s focus was strictly co-op business, informing but not involving the membership in the things that its leadership was doing and how the co-op was run. As the excerpts of the co-op’s newsletters from June 1981 to April 1988 show (see Nassau Gardens Newsletter
Analysis in Appendix C), the leadership, as represented to the membership through its newsletter until 1988 when it disappeared, took a patronizing, disempowering attitude toward its membership, and in fact encouraged unneighborly behavior that set the tone for how the membership has felt for the last decade.

That the cooperative spirit never had more than the most shallow of roots at Nassau Gardens, became painfully clear when the drive to convert Nassau to condominiums took over in the mid-1980s and shattered the dream of what seemed to be the ideal cooperative.

The Shattering of the Dream: The Condo/Co-op War

That terrible time, dark days, as we call them condo days [member’s characterization that lived through it].

The condo/co-op war was started by a small group of members who felt they were sitting on a gold mine in 1986. Members of the small group wanted to take advantage of the real estate boom of the 1980s by converting Nassau to condominiums and allowing co-op members to suddenly each individually own real estate worth over $100,000, a tremendous windfall considering that the amounts of money members had invested for their shares in 1979 were between $200 and $400. The small group grew fast, would eventually hire their own attorneys, architects to draw up ideas, and succeed in taking over the board of directors and get seventy percent of the membership to vote for a condo-conversion. However, a quarter of the membership was and remained utterly opposed throughout the controversy. Ironically these “dark days” in the co-op’s history were also the most active and most engaging time for the co-op’s membership in the co-op entire thirteen-year history. The membership turnout at board and member meetings was higher than it had ever been prior to the controversy.

The quarter of the membership that opposed the conversion wanted to keep the co-op because they feared what a condo-conversion would mean in terms of the affordability of their housing. Some of the members opposing the conversion were afraid of residents loosing control over their physical environment: if Nassau became a condominium association, who could stop members from selling their units to individuals who would be noisy and in other ways disrupt the lives of their immediate neighbors?
Eventually seventy percent of the membership voted for a condo conversion. Confronted with the promise of instant wealth used to get members to support the conversion, and finding that they were hopelessly outnumbered, the quarter of the members who opposed the conversion tried whatever they could think of to stop the conversion process. Desperate members sent letters to HUD and the local newspapers, writing about their fears, hopelessness, and of what they perceived as misappropriation of co-op funds for the conversion planning under way. Law suits were threatened. Some physical fights ensued. Once it was clear that HUD's final decision denying the conversion in the early summer of 1987 could not be challenged, about 15 to 20 pro condo members moved out of Nassau Gardens over the space of one year. For a chronology of the controversy see Appendix D.

Close to the end of the condo controversy, the Nassau Gardens Newsletter of August 1987 contained a clearly labeled editorial by the newsletter's only writer and editor for over six years:

It is time for co-operation, unity, and peace at Nassau Gardens. The Condo/Co-op war is over after more than a year. As clearly stated by HUD twice, the Condo Conversion is denied.

All conversion expenses were paid from the voluntary fund, not from Co-op funds. It is time to work together for the good, success, and future of Nassau Gardens, the Co-op. The BOD [Board of Directors] has been trying. Yet the problems continue to grow with HUD. These are a result of continual accusations and mis-information being pumped into HUD by members. If the goal was to stop conversion, this was done. If the bad press is not stopped now, it will finish the Co-op and Nassau Gardens as well. What is best for Nassau Gardens is for the outside world to forget we are here!

Let's get together, work together, patch up our bad image with HUD, and get on with a happy, quiet Co-op.

The plea for cooperation fell on deaf ears. Neither those to whom it was addressed nor the author himself heeded it. The board, which heavily favored the conversion, took the newsletter's chief to task for writing what to many seemed a defeatist point of view in the co-op's official paper. The board required that the content of all future issues would require

31. Eventually this caused HUD to impose much more severe oversight conditions and requirements that to this day cause Nassau's board to feel overburdened and abused by HUD's bureaucracy.
their review before publication. The editor's response was to quit writing the newsletter, causing the newsletter's demise. Only five more issues were published by different members, each issue getting more sparse than the previous one. There have been no newsletters since November 1988, a pattern of decline that matches the steep pattern of decline in the co-op's cooperative spirit. Like the newsletter, the cooperative spirit had never really sparkled. The condo/co-op war appears to have stunted whatever cooperative, participatory spirit there ever was. It also called down on the board the wrath of the HUD bureaucratic machinery.

The majority of the board members I interviewed feel strongly that back in 1979 they were misled when the FHA\textsuperscript{32} mortgage insurance contract was granted and signed by the board. Originally Nassau's permanent mortgage was to have been financed through the Massachusetts Housing Finance Agency (MHFA). MHFA required the insertion of certain clauses in Nassau's articles of incorporation and by-laws restricting the equity build-up that members could realize when selling their shares. MHFA financing required also that a certain percentage of the co-op's units would be set aside for Section 8 eligible families. The MHFA mortgage, which would have been at an interest rate substantially below what regular banks would charge, fell through shortly before the closing was to have taken place in the fall of 1979. TechniCo-op was able to arrange for a mortgage through a regular financial institution, BMFC, Inc.\textsuperscript{33}, an affiliate of Berg and Co., Inc. with mortgage insurance under FHA's section 213 program. The FHA insurance would guarantee payment to the bank in case of default. FHA mortgage insurance also placed restrictions on the property similar to those accompanying MHFA mortgages. Several of the members who were actively involved in the conversion and closing of the co-op's mortgage, thought that since the co-op did not receive the low-interest MHFA mortgage, all equity restricting clauses were supposed to have been removed from Nassau's organizational documents along with Section 8 requirements. These members feel that it was an oversight that restrictive documents and clauses had not been pulled out of the final closing documents in the rush of meeting HUD's deadlines, that

\textsuperscript{32}U.S. Federal Housing Administration.

\textsuperscript{33}Berg Mortgage Finance Corporation. Boston based, ceased lending in the mid 1980s.
caused them to be in stuck with their equity limitations and the Section 8 set-aside of co-op units. However, apart from the fact that the co-op had a lawyer representing the members, and thus presumably knew what they signed onto, the interest rate that Nassau’s Membership booklet shows in its information bulletin is 9.5 percent. This is a low interest rate for a forty-year $4.27 million mortgage obtained in October 1979, showing that the FHA insurance gave the co-op distinct financial benefits.34

Increasing the level of frustration for these members and Nassau’s board are two issues in particular. The first relates to the number of Section 8 qualified members living at the co-op. Nassau Gardens had project-based Section 8 certificates for twenty-six percent of its units (fifty-three in total). Prior to the condominium controversy less than thirty subsidized members were actually living at Nassau (a February 24, 1987 letter from HUD’s Boston office shows the number to be at eighteen), and no one at HUD ever seemed to object. The co-op leadership thought that initially they could have up to fifty-three members on Section 8 subsidies but were not required to. In fact, the board thought that in 1985 HUD had recaptured thirty Section 8s. Once HUD started to scrutinize the co-op and its management, responding to the request for permission to convert to condominiums and to the mail it was receiving from disgruntled members who objected to the condominium conversion, HUD insisted that membership of Section 8 holders be brought up to the required fifty-three.

Consequently, since 1987 the only new members Nassau Gardens has been allowed to admit have been Section 8 qualified families. Yet, to this day, there are only thirty-six qualified members living at Nassau with Section 8 support. Due to the very low monthly carrying charges—e.g., $510 per month for a three-bedroom townhouse including heat and hot

34. According to information available through the Federal Reserve Bank, the average interest rate for a multi-family development on a thirty year mortgage was 10.48% for October 1979 (40 year rates were not available). Considering that Nassau was able to get a mortgage for 98% of the property’s total assessed value for a term of forty years, I learned from the Federal Reserve, the commercial interest rate Nassau would have most likely gotten for such a deal was 11.5 to 12%. Had the deal with MHFA not fallen through, the most likely interest rate would have been 8 to 8.5% (based on information obtained from MHFA). So while Nassau’s mortgage payments under a MHFA mortgage would be 10 to 14% less than what they are now, without FHA insurance these payments would be 20 to 25% higher than what they are now.
water—resulting from the co-op’s financial success, it does not take much of an increase in incomes of members receiving Section 8 support to become ineligible for this subsidy. The net result has been that the number of members with Section 8 support at Nassau is still seventeen members below HUD’s requirement despite five years of only admitting qualified Section 8 members.

The second issue, and according to board members perhaps even more frustrating since it affects month to month operations, has been HUD’s insistence of checking and rechecking Nassau’s compliance with all HUD rules and regulations in its operations. Some board members spoke about how when the co-op needs to purchase equipment such as a new truck, it is now required to request several bids and to document in detail that they have done so. Board members feel this has not only increased the amount of paperwork to be done, but also Nassau’s costs of operation.

If one looks at Nassau from the outside, not knowing these struggles, Nassau seems to be doing well. The property looks well maintained and fiscally the co-op has been extremely successful. Carrying charges have stayed far below the town’s and surrounding area’s average rental costs, and the co-op’s assistant treasurer, who many members gave credit to for having been extremely skillful in managing the co-op’s finances, told me with pride of having built up half a million dollars of reserves in the bank. He also spoke proudly of the co-op’s other fiscal accomplishments:

We actually have more money than we know what to do with. Since we took over here we have repaved all the roads, redone the sidewalks, we’ve redone the parking areas all in the last five years. Redid all the roofs in the complex in the last seven or eight years. We have spent probably $50,000 in landscaping, putting in bushes etc, redone all the lighting with high and low pressure sodium, and rebuilt the master antenna system. We’ve completely gutted and rebuilt the swimming pool, built the complex housing the co-op office, maintenance department, garage and function room. We have new trucks and plows...
The Nassau Gardens Cooperative Housing Association is located in Norwood, Massachusetts, which is about a forty minute drive south on Route 1 from Downtown Boston (or about a ten minute drive south after the Interstate 95 exit on Route 1). Within the town of Norwood, Nassau Gardens is located about a half a mile or so from the center of Norwood on Bahama Drive which is right off Neponset Street a main road parallel to Route 1 (see Appendix E).

The co-op’s buildings were constructed in the early to mid sixties on nineteen acres of land. There are 204 brick and frame two-story garden-style apartments in six quads with the following break-down: 25 one-bedroom apartments; 159 two-bedroom apartments; and 20 three-bedroom townhouses. There are no basements, since the buildings are constructed on concrete slabs. All ground-floor apartments have patios and most second-floor apartments have porches with separate outside staircases.

The apartments are not very well soundproofed. I heard of members being resentful because they had to make adjustments to be considerate of their neighbors. A number of neighbor disputes have arisen over this issue in the past that among other things have involved threats and petty vandalism. One member complained that not only does the noise from the sides of the apartment become too much, but that

One has to constantly be overly concerned not to make too much noise walking around for the people living under me, or running the vacuum cleaner. Consequently it has affected the way I live.

The co-op management tries to assign members with children to first-floor apartments, but the problem with noise does tend to be rather irritable to the majority of the members interviewed.

There are individual gas-fired hot water furnaces and separate hot water heaters for each apartment with heat and hot water being included in monthly carrying charges.

Nassau also has a separate building on site which houses the co-op’s office, maintenance department, and function room. It also has a separate garage for its trucks and equipment.

Right next to the co-op’s office building is a swimming pool and a basket ball court. Resident

35. Norwood has a population of 28,700 of which the minority population constitutes less than three-and-a-half percent.
parking is provided inside each quad, with parking spaces assigned to individual units. Visitor parking is along Bahama Drive. Each quad has its own laundry facilities, as well as a few former utility rooms now utilized as long-term storage facilities by residents.

The carrying charges are very low. As of January 1993 these were $365 per month for a one-bedroom apartment, $420 for a two-bedroom apartment, and $510 for a three-bedroom townhouse; this includes heat and hot water. The amounts that a prospective member needs to invest for purchasing the needed shares in the co-op to occupy an apartment or townhouse range from $2,640, $2,950, to $3,830. Nassau provides a monthly installment plan for anyone who cannot afford the whole costs for their shares at once.

Certain clauses in Nassau's by-laws and articles of organization (imposed through an FHA regulatory agreement, in return for which the cooperative’s forty year mortgage is insured under HUD’s Section 213 program) require the co-op to provide its housing to low and moderate-income households. There are project-based section 8 certificates available for 53 members, of which thirty-six are currently utilized.

The resale formula in the co-op’s Articles of Organization limits the transfer value of shares as follows:

\[
\text{Purchase Price of stock in 1979 plus the value of improvements as determined by the corporation plus a specified increase for every year since 1979 depending on unit size: 1 bedroom$180, 2 bedroom$200, 3 bedroom$260. After year twenty the specified annual increases are$270, $300, $390 respectively [Article 5].}
\]

Residents

According to the property manager, seventy-five of the members have moved away from Nassau since the residents took control of the property in 1979. This leaves about sixty-three percent of the original membership still at Nassau Gardens, a 2.8% average turnover per year. Approximately ninety percent of the members have children below age 18. Twenty to twenty-five percent of all members’ households are headed by a single parent. Five percent of the households are single individuals living alone. Only two percent of the members are senior citizens. The percentage of racial minorities is also approximately two percent. All but
one of residents interviewed for this case study plans to stay at Nassau Gardens indefinitely.

**Governance**

Nassau Gardens Cooperative is set up under Massachusetts General Law, Chapter 157B as a corporation governed by a board of directors for the purpose of

Constructing, owning, operating and providing, on a non-profit cooperative basis, housing...for persons and families now or hereafter residing in the residential complex known as Nassau Gardens, Norwood, Massachusetts [Article 2. of Nassau Gardens’ Articles of Organization].

As in all limited equity housing cooperatives, each member household has one vote regardless of the size of housing occupied or the number of shares held. Nassau’s by-laws provide for only one annual meeting for the whole membership, while special meetings of the membership can be called by the president, a majority of directors, or on the basis of a written petition by ten percent of all members.

The by-laws of Nassau provide further that among other business the annual meeting is for the purpose of reports from the co-op’s officers and committees, as well as the election of the co-op’s directors, treasurer, and clerk. The board is composed of nine members. The terms directors serve are staggered so that each year three directors are elected for three years, unless there are vacancies when directors are elected for lesser terms to maintain the staggering principle.

According to Nassau’s by-laws “The affairs of the corporation shall be governed by [the] board of directors.” The powers and duties of the directors include

...all the powers and duties necessary for the administration of the affairs of the corporation and may do all such acts and things as are not by law or by these By-laws directed to be exercised and done by the members...The powers of the the board of directors shall include but not be limited: to accept or reject all applications for membership...; to establish monthly carrying charges...; subject to [HUD’s approval] engage an agent or employees for the management of the project...; terminate membership and occupancy rights for cause; promulgate such rules and regulations pertaining to use and occupancy of the premises as may be deemed proper and which are consistent with these By-Laws, and the Articles of Organization [Article V, Section 2].
In addition to the clerk and treasurer elected directly by the membership, the other principal officers of the cooperative are the president that serves as the co-op’s chief executive officer, and a vice president. The president and vice president are elected by and from the board of directors. The by-laws do not call for any standing committees, though the president is empowered to “appoint committees from among the membership...as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Corporation” [Article VI, Section 4.]. Because of reoccurring conflicts, Nassau’s board instituted a grievance committee two years ago. The grievance committee is composed of board members and handles conflicts, as a mediator, between neighbors that property management cannot resolve.

The co-op’s by-laws, articles of organization, a copy of the occupancy agreement, and the rules and regulations are bound together with an informational bulletin in what the membership refers to as the “Blue Book,” and provided to each member.

Management

The co-op’s by-laws stipulate that a board member cannot be an employee of the corporation. So the property manager, although a member of the co-op, is not a board member. The co-op is assisted in its management through TechniCo-op. TechniCo-op’s role is to provide support in interacting with and meeting the requirements of HUD, reviewing the financial management done by the co-op itself, compiling monthly financial reports, tax filing, as well as providing technical assistance on anything the board and the property manager might not be able to handle on their own. Nassau has a total staff of four full-time employees: two maintenance and two office staff. During the summer the co-op hires up to seven people for help with maintenance and for the required life guards when the co-op’s swimming pool is open.

Three members were extremely annoyed about what they see as their board’s and property management’s misplaced sense of priorities on the co-op property’s upkeep. Some members are very upset and object to what they see as a lot of money being spent on
gardening, road work, and other things that are clearly visible outside of members’ homes, while not enough money, time, and effort is being spent on the inside of members’ homes. I was shown instances where maintenance had been deferred on things that are subject to wear and tear: loose bathroom tiles, worn out kitchen cabinet drawers and doors, damage from outside weather conditions around the windows, probably due to weather proofing of the windows having become ineffective and leaking faucets that despite calls to the office members had not been able to get satisfactorily fixed.

**Homeownership (Bundle of Rights)**

**Why Members Supported the Conversion to a Co-op or Later Joined the Cooperative**

I liked this place very much, I didn’t want to move and I sure as hell didn’t want it sold to Windsor Gardens so my rent would go up to $750 a month [active member].

Several members who supported the conversion to a co-op in 1979 did so because of only needing to put up their security deposit for purchasing their shares and because they thought buying shares in Nassau seemed to make sense financially if housing costs stayed low. The reader needs to keep in mind that at the time of the conversion, when HUD wanted to sell the property as quickly as possible, the only other options were for Nassau Gardens to be bought by members as condominiums or to have the entire apartment complex sold to the highest bidder. Buying their apartments as condominiums was something that most members did not want, either because they did not have the needed financial resources to do so, or because buying an apartment was not what they envisioned for their first home. The possibility of Nassau being sold to the highest bidder scared people because of potentially severe increases in rents. Besides these options, the risks involved in supporting a co-op conversion seemed relatively low.

When asked about their support for the co-op conversion, members explained that their monthly housing costs were not supposed to rise dramatically, which has turned out to be true over the past thirteen years. Some members were also swayed into supporting the conversion because they believed the argument that in addition to the low costs they would be able to
have control over their housing and a say in how it would be run. While for most members financial issues were the overriding issues for supporting the conversion or joining the co-op, for some members, who never considered homeownership because of the responsibilities involved, a co-op seemed a good deal in retrospect because:

In the long run, after all the years of being here I didn’t have to deal with a lot of issues that homeowners have to deal with such as appliances, electrical, the plumbing things like that. I mean it’s taken care of by the co-op for no fee as in a condo. It’s really been an ideal situation for me. In the winter I just have to clean my walk way, they do the plowing after people move their cars, they plow the sidewalks, in the summer they cut the grass. You do your own minor little gardening and things like that. The burdens of being a homeowner, in that aspect, is not there. I’m sure two parent families feel differently, but that to me is a real luxury. I’ve had the refrigerator break down and I just called them up and say would you please check it out. And they either fix it or they replace it, who wouldn’t like that? [a single mother of two].

When asked if part of the reason for joining the co-op was to become a homeowner, one member responded:

No, it really hasn’t. Although it hasn’t hurt, I can’t say that that was a primary reason because I still intend to be a single family home owner.

The things that most frequently were mentioned as the most positive experience of living at Nassau have to do with the control of costs of housing and that Nassau has been a good location for raising children in terms of safety of area and stability of neighbors. The most annoying things have to do with noise, lack of privacy, and issues of parking.

Being able to make this place my own rather than just feeling like an ant crawling across an elephant’s back.

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Several members spoke about the cost of housing having stayed low as the most positive experience of living at Nassau. One member felt that this low cost had enabled him to do
many other things and experience a freedom that most of his friends could only dream about:

I could put my money into other investments, like a summer place and that sort of thing. It was better than buying a house with a steep mortgage and that sort of thing. I got friends that live to pay their mortgage, and I never had to do that, I had the luxury of living in co-op with very decent neighbors until over past few years or so.

Related to this, one member used the age of cars parked on the co-op’s grounds as a barometer of how things had gotten better for him and his neighbors because monthly housing costs had stayed so low and how good he felt about that:

I’ve seen a marked change. When we first moved in here there were an awful lot of old clunkers in the parking lot. The age of the cars and conditions of cars has improved, so people in general are in a better position to pay rents and to justify things. The rent increases have been minimal and yet it’s still a well managed, well maintained facility.

Several people spoke about having a stake in their housing and so put in work to plant and to keep nice flower beds and things like that which give them the feeling of this being their home. There is little turn-over of residents, which enables members within the same quads to form long-term relationships with neighbors, a fact that was mentioned as one of the most positive aspects of living at Nassau Gardens by about half of the members. Board members spoke of feeling good that there is not some absentee landlord like there had been in the past who can impose his profit making objectives on their housing anymore.

**Do members feel like co-owners or like tenants?**

I truly believe that I feel better than a renter. I feel that I have taken pride in ownership and made my own improvements to my property whenever I could. I’ve learned to live with people I thought I could never live with before and they turned out to be rather nice neighbors.

The majority of the members interviewed feel very much like owners, primarily because of the freedom to decorate and the long-term security afforded by the co-op model. On the other hand, the difficulties of apartment living cause some members to wish they were living in a single family home. Freedom from noise and privacy is what caused three quarters of the questioned members to view a single family home with a yard on all sides as the housing
option they would prefer most. Interestingly, two of them thought if they could have a single family home as part of a co-op this would be ideal because of the possibility of burden sharing.

One member equated becoming a homeowner in her co-op apartment as an achievement. She is very proud of it and feels very much like a homeowner because of the freedom to decorate and to really make the home her own.

From the property manager’s perspective, over 90 percent of the members act like homeowners. Members do take the initiative to tell their neighbors if they think their backyards are too cluttered or if something else seems to be not right.

I think that by and large people do consider this their home and because most of the people are long-term they figure it’s not going to get any better if they don’t make it get better [property manager].

Several members, however, said that the euphoria of being a homeowner is substantially dampened for them because of the difficulty with the board and management situation. Particularly bothersome to some members is the fact that there are annual inspections, and the issue of noise and the problems with parking and laundry that cause them to feel like tenants, while they also proudly tell their friends at work that they are homeowners.

What residents mean by control

I hate to use the word control. To me its more security than control that I want [non-participating member].

One member defined control within the context of a condominium, of being able to wallpaper, panel, paint, and those sorts of things without needing anyone’s permission. Many members, in answer to my question of how they define control, compared their current housing to a rental situation and felt extremely good about the freedom to decorate and modify their homes, if permission is obtained from the board, in a way that makes them feel at home. In the majority of the homes I visited, members pointed out with pride the things they have done to make these homes their own. Many members have invested a lot of time and money into shaping their units into something that fits their image of a comfortable home. One
member spoke of how pleased she was to have been able to take out a section of the wall in her kitchen:

Yes, I had to get the board to approve this, but as long as you meet the board’s specifications for things like this and don’t want something outrageous, you can make a lot of changes. You have to pay for them yourself of course. But a lot of apartments, I’ve lived in apartments before, you’re lucky that they allow you to change the paint or that they let you wallpaper. There is a lot of rules that they don’t have here.

Some members also defined control in terms of having input into decisions about rent increases, expenses, major projects that affect their housing costs through electing a board directors. Freedom from exploiting landlords was another definition for control one member felt strongly about:

no one [is] arbitrarily deciding they are gonna make 15 percent profit, or jack up rents 25 percent because they want to take a trip to Aruba.

Two other residents defined control over their housing as follows:

Having more control over my environment. Having a voice as a shareholder and member over what happens.

Control is having a say in things that apartment dwellers do not have, like when roofs are done and how, because that does affect what people have to pay for their homes every month.

How members feel about the restrictions on their homes’ equity and resale rights: The majority of the members thought that the restrictions on their shares’ equity build-up and to whom they can sell is too severe. One member justified her objections on the basis of what she called the “principle of owning.” However, two members felt strongly that because ownership of a single family home means to be solely responsible for everything that could happen and might need fixing, they would, if they could, prefer a single family home that was part of a co-op. In this way they thought they could get all the benefits of their current home situation: maintenance, shared burden carrying in cases of major repairs, as well as upkeep of grounds, financial management of property, etc., while also getting the benefits of privacy, freedom from noise, and the life style they associate with living in a detached house with a yard on all sides that they can call their own. Here are some members’ comments about the
fairness of the restrictions:

I don’t think they are fair. A lot of it I disagree with totally, it is at times too severe. There has to be a happier medium especially on this equity allowance thing. There is a lot of favoritism with the board here. I should be able to sell to someone directly, it’s mine, I put a lot of work into this. It isn’t the money so much but the principle of owning.

I’m glad that that’s there because I’d be afraid of someone in a sense profit taking and selling it off to someone who would not be a reputable member of the community. On the other I would like the market rate co-op so I can sell without equity restriction.

I could be in a normal apartment complex and not have anything or any say about what goes on. So I don’t have a problem with those rules.

The restrictions are absolutely too severe. I think it should have become a market rate co-op a long time ago. People should have been able, to not even to sell it, but to have the equity in it. I think the equity should have increased over time more because the value of the value of the place has increased a lot over time, and the taxes that we are paying are based on higher value than what we paid for the place. I think the original intend was not that this be a limited equity co-op, the original intend was that this be a market rate co-op. The equity should be there, because where will it go 20 years, 30 years from now? This property’s mortgage will be paid off, who is gonna get the benefit from that? It should the people who’ve lived here and worked here and put a lot of time into it.

Would be ok as long as it is applied to everybody equally, fair is fair but of course I would prefer the flexibility that comes with say a market rate co-op, and being able to sell to whom I want. However, there would of course be problems with the community as a whole not being able to maintain control over the property itself.

I don’t think the restrictions are unfair because I went into it knowing it was a limited equity co-op. My reasons for staying here haven’t been to earn money. It’s been because it’s been a nice place to live and well run. The monthly charges are very reasonable.

How members felt/feel about the condo conversion issue: In interviewing I asked some members whether or not they supported the condominium conversion proposal during the condominium controversy and if so why. The reasons why people supported it all centered around the prospects for an increase in wealth:

Because values had in increased so dramatically at that time. A
unit that was valued at $20,000, was now worth over a $100,000. To me that was phenomenal, what a deal.

The interesting part of this member’s response was that he had originally (in 1979) voted for going co-op. He did not want to have it be a condominium then. When I pressed this member about his change in attitude I got a straightforward answer:

I supported it for this for selfish reasons. I didn’t want to put up a lot of money at that time. My finances, position, it all changed, and the[re was that] phenomenal change in value. I don’t know if I would have changed if values had basically remained the same. But [the value increase] was so geometrically, you couldn’t even conceive that that sort of thing would happen to values. So it wasn’t really selfish; at that point to me it was sensible. It was taking advantage of a situation that would allow a lot of people that had nothing—that had nothing!—for no investment to all of a sudden have an asset worth a $120,000 to $150,000. What’s selfish about that!? Everybody was now maturing and that sort of thing. Their kids were growing up. They all had lived there a few years; they wanted some change. Why couldn’t they have something that’s a property that they could rent and derive income from? I don’t think it was so much selfishness as—well it was obvious—but an opportunity.

This member also spoke on the issue of the board of directors being taken over by those who wanted condominium conversion:

There was stagnation with the board of directors, two or three people, not enough people really understood what was going on until this group, when this group took over, people really understood what power we really had as a democracy.

When I asked this member about the loss of control that comes with condominiums over who one’s neighbors would be if individual condo owners decided to sell to people who might not be considerate of their neighbors under them or next to them, I was told that at that time the board had already lost control over the process and from his point of view was letting people in who were undermining the quality of life for the members who had been there a while.

Other members responses:

I am and felt then very ambivalent about going condo, because I think that there would be a very rapid turnover, and I don’t think that would necessarily be good for the property. On the other hand it would obviously enable me to make an awful lot more
money than I have now. But given my situation, I'm very happy with the way the co-op is now [non-participating member].

I was in favor of the conversion, it seemed like a good deal of course, but it's over. But there are still people who haven't let it rest, people who are trying to stain our reputation. There's a nervousness—it's quietly festering [board member].

Types of Participation

We need to get people to address problems as a community here. The same rules that apply to a family apply to a co-op. And there needs to be opportunity for meaningful participation. Don't give me make-work; make-work is crap [non-participating member].

Everybody at Nassau has an opinion on participation, but not much of it seems to be happening. When I first met with Nassau's board, I was told that most members do not care about participation and are unwilling to participate. Yet, as I met with those non-participating members36, I learned how upset they are with their leadership, how their board has become something akin to the unbeatable politicians that people never bother to vote for or against. I heard from those on the board and those in management that most of the membership just does not care about what is going on, and cannot even be bothered to get involved in just keeping themselves informed about their co-op. I was told by the property manager that probably less than ten percent of the membership makes the effort to get informed about their co-op. For this reason, the property manager stated that “we make them informed though memos and things.” Yet, all but one member interviewed told me that they try to keep up with what is going on at Nassau. Furthermore, members who are not on the board expressed their dissatisfaction with their board for creating an atmosphere that prevents working together in a caring way:

The big thing that's been lacking here is opportunities to work together. This has to be directed by the board of directors, but this board of directors doesn't want to do anything which could

36. I should clarify here that in my use of the term non-participating member, I am strictly referring to those who are not involved on the board, in committees or other formal co-op activities. It is just a way to simplify for the reader to whom I am referring.
jeopardize their power. They keep making decisions that are like carved in stones, sort of saying ‘We know everything, we’re doing this for your benefit’ [non-participating member].

Such sentiments permeated all of the interviews with members who are not participating formally in the co-op, as well as several of those who are on the board or otherwise active. I have documented this in some more detail in the sections that follow.

Most board members tend to interpret or define participation quite narrowly: more people attending annual meeting, running for the board or serving on committees, and members coming to the open session of the monthly board meeting. I heard very little from board members about informal activities and involvement and yet, this was precisely what the majority of non-participating members raised in the interviews when they spoke about wanting to meet with board members in more informal settings along with other members of the co-op.

Among all of the non-participating members I found caring and concern, but to the degree that it is expressed outwardly it mainly takes place within the individual quads where people live. People are caring, but the membership just has not figured out how to make it co-op-wide.

All of the members interviewed work on their own homes and many take pride in caring for their yards. Most spoke of how they and their neighbors watch out for one another in their quads, though newer members find it more difficult to connect with their neighbors than those who have lived at Nassau for a long time. Long-term members also spoke of their hesitancy in making contact with newer members. There seems to be a yearning among people to figure out a way to connect with each other. At least half a dozen times I was told of how touched people had been by the community spirit they felt in the blizzard of 1978 when everybody pitched in and somehow tried to work together to help each other.

Formal Participation (Control)

I asked all members (ten) how they participate at Nassau Gardens. All but one reads the
minutes that the board sends out of its meetings every month. All told me they try to keep up with what is going on at Nassau. None of the five non-participating members I interviewed have attended their co-op’s annual meeting in recent years. Only two could remember having attended some social event in recent years, most of the others thought that there had not been any for several years.

**Board of Directors:** Nassau has a board of nine. While presently none of Nassau’s founding board members serves on the board, the majority of the board have served for five or more years. The selection of new board members appears to be dominated by the board. One member thought that there probably never had been a nomination made at an annual meeting:

>I don’t think we ever had a nomination at an annual meeting, it’s pretty much decided in advance.

In the weeks prior to Nassau’s annual meeting, members are nominated for open board positions through the nominating committee. The nominating committee in turn is appointed by the board. Finding new board members tends to be a matter of selecting among those co-op members known to board members.

> We talk about it beforehand, like ‘what do you think of so and so?, do they have a good background that would be useful. We don’t just take anybody and just say sure you can become a board member. I mean we sort of look at it and make sure that we have what we need [active member].

**Meetings of the Board of Directors:** The board meets monthly and the meetings are open to the entire membership. Members are notified of when these meetings are held through notices every month. However, these notices do not show the agenda for the upcoming board meeting and thus fail to inform members of things that are coming up at a board meeting that members might be interested in. The minutes of the board meetings are distributed to all members every month and the majority of the interviewed members read them. However, members find these minutes only of limited use because they feel that they never read about the reasoning behind decisions that are made by the board. Members who are not on the board are wondering what is being withheld from them by the board going into executive session as these comments from two members show:
As I read these minutes that come out of the monthly meetings and what they are voting on, [but] I don’t think we get all the information. I understand they have to have closed meetings but it’s like you’re cut off and you don’t know.

Yes, I read the minutes, but they are short, not much in them. The real stuff happens in executive session and we never hear about that.

I attended one board meeting. Although, board members seemed genuinely concerned about what they were doing, there also seemed to be a level of formality that brought images of smoked-filled rooms where some people in power make decisions and speak each other’s language that might be unintelligible to an outsider. Particularly strange seemed the set-up. The board and the officers are seated around a big table in the center of the room, while those members who are not on the board are expected to sit like spectators (myself included) on chairs arranged along the walls of the room with the backs of the directors and officers toward them. This is hardly an arrangement that gives one a sense of being part of something, and can easily seem an intimidating and more importantly, excluding experience. There were two non-board members who sat with me in the spectator seats. The board meeting started with what is called the board’s “open meeting,” a standard agenda item, where members can bring up issues to the board. One of the two spectator members made a request to start up a newsletter, perhaps with a focus on the older members at Nassau. Although the board listened and asked some questions of the member, they were noncommittal despite the fact that the member was offering to do much of the work herself. Later on, as the board went through its agenda and this member expressed herself a few times on the issues the board was discussing, a board member tried to put her in her place by asserting that the open session for members was over. The board meeting lasted close to two hours, at which point the board decided to go into executive session.

Committees open to all members: According to the co-op’s property manager, at the most five percent of the membership is involved in committee work, and it tends to be the same people serving on the committees year after year. There is a membership committee
which consists of volunteers from the membership and the board of directors. Naturally this committee is only active when there is a vacancy at Nassau. This committee interviews prospective members, reviews, and recommends to the board applications for admission. There is also a social activities committee which has not been active, a buildings and grounds committee for which the co-op’s property manager is trying to recruit members, and a nominating committee which only gets together once a year for nominations and related election work.

Annual Meeting of the Cooperative: Annual meeting is open not only to all members but to their children as well. It is always held on a Sunday afternoon and a buffet-style dinner is offered. Despite this, participation (except during the condo conversion controversy) has been rather low. In recent years, on average, only about twenty-one percent (including proxies) of the membership is represented at this meeting. This barely meets the co-op’s quorum requirements. In fact, since 1987 the co-op board has been unable to change two of its by-laws. By-law changes require a majority of the entire membership to vote affirmatively. The two by-laws needing amendment are a by-law that governs the co-op’s voting procedure, which is currently in violation of state law, and a by-law that governs the order of the annual meeting’s agenda. The board has tried to get more involvement by sending out notices to encourage people to volunteer for committees, and sending out packages of information on elections and nominations a month before the annual meeting. But recruiting for board positions and committee work is mainly done by board members and office staff on an informal level with the members that the board and office tend to come into personal contact with on a regular basis.

Other membership meetings: outside of the annual membership meeting there have been none since the condo crisis.

Board/Resident Relations:

They are like a high school clique. They help each other but I don’t think their heart is in helping all the co-op members [non-participating member].
There might be maybe three people on the board that I care for or even like. The rest of the board I'm not particularly fond of and I think a lot of them have been on the board way too long. They are sort of sat in their ways and not open [non-participating member].

I don’t think people think about the board. They just take it for granted that nothing is ever going to be changed [non-participating member].

Nassau Gardens’ board seems to be an entity unto itself. Members who are not on the board feel disconnected from their leadership in a way that mirrors the way the general population in the U.S. feels disconnected from politicians who supposedly act on their behalf at all levels of government. In fact, at least half the members interviewed expressed a longing or a hope for a White Knight or a co-op equivalent of a Ross Perot to come and rescue them and get them out of the rut that both the board and the membership are in. Just as citizens feel intimidated by layers and layers of government bureaucracies, members at Nassau feel intimidated by their board and management.

Nassau’s governance is dominated by formality and rules and regulations. Instead of trying to communicate on a human community level with its fellow members, Nassau’s board has resorted to legislating member behavior, as evidenced by Nassau’s excessive set of rules and regulations. The collection of rules and regulations enacted by the board over the past thirteen years and affecting all members (twenty-one pages in the “Blue Book”) exceed the total number of pages of its by-laws by eleven, and the total number of pages of its Articles of Organization by six. The board’s penchant for enacting new rules and regulations has gotten out of hand. Some of these rules include things like a detailed set of fourteen rules and regulation—with subclauses—governing the use of the co-op’s function room, or the use of snowmobiles on co-op grounds, or a rule which reads: “members must clean up after their pets” [IV. 2.]. There is even a rule and regulation (January 6, 1988) entitled “Policy for Enforcement of Rules & Regulations,” specifying the number of notices and fines imposed on members if they do not comply with one of the co-op’s rules and regulations, which in the extreme is a fourteen day notice to vacate an apartment.37

37. Several members stated that there is favoritism in the enforcement of Nassau’s rules and
Among board members, I learned, there is often infighting and that there have been incidents of vindictiveness. Several co-op members were distressed over a recent expulsion of a long-term board member who had fallen behind in his monthly carrying charges. Apparently the majority of the board, by insisting on enforcing a relevant by-law, voted to expel him from the board without attempting to work something out on an informal and caring basis.

Several members also expressed distress over what to them looks like the property manager engaging in favoritism by the way co-op office and maintenance services for members are handled. These members also stated that the property manager is anything but neutral in the board’s power-struggles, and that she is involved in making co-op policy decision at the board-level.

Even HUD has become a tool in the power struggles among the co-op factions. There are two factions at Nassau: those members who wanted to convert to condominiums five years ago and are now pushing for turning Nassau into a market-rate co-op; and those members who do not want the co-op’s nature to change and, according to some of my informants, are trying hard to eliminate anyone from power who ever supported condominium conversion. One side will threaten to call or write to HUD, attracting even more debilitating oversight from HUD’s bureaucracy than Nassau is already suffering through.

Considering the impressions many members have of the way their board operates, it is not surprising that most members feel intimidated by this board and do not bother to get more involved. On the rare occasion when members do overcome their anxieties and make the effort to speak up at a board meeting, the board may either ignore them or if it agrees with them, will let months go by without any action being taken. Several members spoke of there being an inflexible mindset on the board of directors that is resistant to new ideas. One member spoke of being turned down when proposing the idea of a newsletter, reporting on issues of community interest such as a baby being born or someone getting married. Members also spoke of negative experiences where they had made efforts on their own to research regulations by the board and co-op management.
issues of concern to them and their neighbors, only to be told, when making proposals based on this research at a board meeting, that there are committees handling these issues on whose agendas the proposals do not fit.

Several members feel that if there would be more receptivity and support from the board, members would be ready to get involved in the co-op. Some members even had ideas like arranging for a crime-watch program where they would take turns patrolling the co-op complex, or having leaf sweeping parties on weekends in the fall. But the general consensus I heard expressed in the interviews is that the board is averse to any informal, more social activities. The board also seems unwilling to consider suggestions and ideas coming directly from members as is illustrated by one member’s experience when suggesting that the co-op fund a social event for all members:

\[\text{it was basically bombed right out \[by the board\] they just threw so much cold water on it. I think it was because it wasn’t their idea. It’s like if it doesn’t come from them it’s no good. Maybe they do put out notices saying they want more member to get involved, but they really don’t want anything, don’t want that input.}\]

The board never takes a reading of the members. Member input to the co-op’s leadership always has to be nicely packaged and fit in neatly somewhere in the organizational structure of board meeting agendas or letters to the board or co-op office.

Another member spoke of how the co-op office seems inaccessible to members:

\[\text{They got things up there, where it’s like the inner sanctum, God forbid you should walk up there, you’re an intruder! Nobody goes in there.}\]

Several members resent the annual meeting always being held at the same time on a Sunday in April early in the afternoon. They claimed they would attend the annual meeting if it could be held at a better time that does not cut into family time like a Sunday afternoon does for them. Others feel that this is just one more example of the board being inflexible and not considering the wants and needs of the membership.

Two members interviewed did not know who all their board members are. One member stated he had never met any of the board members. The names of the board members is all he
knows and so has absolutely no idea of how well they are doing their job even though he does try to keep up with reading the minutes.

The way co-op governance works, like the meetings of the board, seems very formal and intimidating to the non-participatory members. One member suggested that the board needs to reach out more to the membership and be “more imaginative about reaching out to the Nassau Community.” This member would like the board to do some informal things:

It would be nice if there was like one night every other month where there would be a tea or coffee served and it wouldn’t be held as a meeting but more informal. Where you could just go and sit down and say ‘gee, I’m having this or that problem and not feel threatened. It’s like the old cop on the beat, when your only access to police is to call 911 and then a car shows up and two cops are there you get one level of neighborhood awareness. On the other hand if the cop on the beat is there every day and you just happen to be taking your trash out, and you know of some kids getting into trouble, its more likely one’s free to talk about it.

All of the non-participating members feel disempowered. Four out of five non-participating members thought that their board is like an exclusive club and feel discouraged from getting more actively involved in the co-op.

One example frequently mentioned by members was a change in the equity improvements policy of the co-op last October. To several members the process of decision-making by the co-op board seemed highly politicized and they resented that they and the rest of the membership were not included in the process. Although there had been an equity improvement committee made up of members to research the issue, members felt they had never been given a chance for input into the committee’s work. Nor had there been an all members’ meeting on this issue. The primary issue centered around what would and would not be considered additional equity, or included as improvements for the purpose of calculating members’ share prices if they decided to move. The recommendation of the

38. The members I interviewed stated that the whole membership was never informed about who the members on this committee were. It seemed that they were either self-appointed or chosen by the board. One irate member was especially upset that apparently a member on this committee was someone who no longer lived at Nassau but has retained his ownership stake in the co-op and rents his co-op apartment out.

39. In the past, items such as vanities had been counted toward a member’s equity but
committee was draconian in its approach: simply do away with all improvement allowances. This recommendation was subsequently adopted by the board as a new rule by which all co-op members have to live. This change in letter and spirit of the co-op's transfer formula, a key piece of co-op governance, was adopted without a general involvement or vote by the entire membership. Members feel that this is just one more example of how their board just does things without concern for the interests of the members as a whole. 40

Everything is acted on by the board of directors and any time you recommend anything that might usurp any of their power they vote against it. The only way to challenge them is for people to know what's going on. They don't want people to know what is going on.

Board members were quite frank in responding to my question about how much member input there is sought on major decisions that affect the whole membership. They told me that there is none. Several board members defended this by pointing out that the minutes of the board meetings are distributed to all members; and if a big issue arises, it is usually talked about at more than one board meeting. Thus, if any members have objections, they have an opportunity to come to a board meeting and to make themselves heard. The board's regular agenda does, at the beginning, make room for any member to raise and bring attention to issues of concern to him or her. The problem with this approach is that members who are not on the board have no decision-making power; only the board has a right to vote at a board meeting. All of the non-participating members interviewed spoke about how distanced from and disempowered by their board they feel. Most of them would never think about trying to change something by going to a board meeting.

Several members raised a serious issue in the interviews. In terms of who actually lives in some of the co-op's housing, it appears that the board of directors may be permitting depreciated over five years. From the board's perspective the major item of concern had been over enclosed porches: originally they had just been screened in but then members decided to put windows in causing concern over the ability to resell units if new members would not be willing to pay for these improvements that could add up to $2,000 to the price of a share.

40. In my interviews even some board members admitted in retrospect that the equity issue had not been handled well.
violations of Nassau’s own by-laws and its occupancy agreements pertaining to occupancy of
its housing—or at least the intention of these—and the purpose for which the co-op was
created and stated as such in its by-laws and Articles of Organization:

The purpose of this Corporation is to provide its members with
housing and community facilities, if any, on a nonprofit basis
consonant with the provisions set forth in its Articles of
Organization [Nassau Gardens By-Laws Article II, Section 1].

The purpose for which the corporation is formed and the nature
of the business to be transacted by it are as follows:
Constructing, owning, operating and providing, on a non-profit
cooperative basis, housing and related amenities, facilities,
services and other activities for persons and families now or
hereafter residing in the residential complex known as Nassau
Gardens, Norwood, Massachusetts [Article 2. of Nassau
Gardens’ Articles of Organization].

In my interviews, members spoke of a substantial number of the apartments being rented out
by shareholders that have moved away and do not intend to return as residents of the co-op.
One member stated that “everyone knows” that even a board member does not live at Nassau
anymore. Members are irate over this issue which seems to be just one more of those
elements in which the board does what it wants and ignores the rest of the members:

It’s like who you know. If one of the members happens to be a
Norwood cop and he lives here and he decides to move out and
buy his own home and lets his daughter sublet his apartment,
which is totally against the rules of the cooperative, that’s ok. It
continues to go on. [My] neighbors and people that I know, we
just sit back and sort of say ‘what are we gonna do about it,
there is nothing we can do because all the people involved on
the board and the committees are sort of like a tight-nit group.’
This [members serving the board who do not live any longer at
Nassau, as well as others just renting their apartments out] is
really bothering me because it seems to be becoming a trend. I
happen to know that there is a long waiting list for people to get
in here. Suddenly [members] move out and their children are
moving in, and you know they haven’t been on the waiting list.
[Some] members on the board...if they move from the
cooperative...they seem to be remaining on the board. I don’t
feel that they can represent the best interest of the co-op.

Nassau’s by-laws and articles of organization do not provide for a transfer of
membership directly to family members except through inheritance. A member explained to

41. In checking this member’s name and address in the Norwood telephone directory, I found
two listings with the same first and last names, both of which showed an address
somewhere other than Nassau Gardens'.
me that the way some members are circumventing this is by having their children entered as co-owners on their Membership Certificates as well as on their occupancy agreements when they become adults. One other way in which new residents at Nassau have slipped through the occupancy regulatory provisions and past the waiting list is through room-mate arrangements.

Impact of Condo/Co-op War on Participation: In asking members whether or not the condominium controversy had any effect on participation once the controversy was over, the majority of members responded that the level of participation and care members had in their co-op, while never great, was higher before the condo crisis, that in fact a lot of people got burned out and retreated from active involvement.

A lot of the community feeling was lost, there was a lot of animosity amongst the neighbors. A lot of people were constantly arguing and very upset about it. Some people just stopped talking to each other, there was a lot of hard feelings at the time. They had a children’s Christmas party every year and I used to bring my children up there. Do you know that they have no one participating so they don’t even have it anymore? Something has got lost, I don’t know what it is [non-participating member that lived through the controversy].

Several board members remember that prior to the crisis committees were more active, that more members would attend the monthly board meetings, and that more people came to co-op activities and the annual meeting. These impressions are supported by attendance figures published in the co-op’s newsletters prior to 1986/87.

In retrospect two members remarked that maybe things would not have become so problematic in the later years of Nassau if, when the co-op was formed, things could have been done differently: not allowing a few people to usurp so much power, not giving TechniCo-op so much leeway in putting together the co-op. On the other hand, both members felt that there had not really been much of a choice to step more carefully in setting up the co-op because HUD was applying so much pressure to sell the property within one year. There had been no room to educate everyone nor any time for caution. One non-participating member felt that the co-op needs outside help:
This might just be the easy way out, but I wished there was sort of an outside mediator who is very knowledgeable about cooperative living, that could come in and somehow get the ball rolling. People need to be inspired, and maybe refreshed on the rules and by-laws.

**Informal Participation (Community)**

I asked all members how they would define participation when thinking about their co-op. Few members spoke of some sort of formal activities, most of what members define as participation relates to informal involvement:

- Getting involved in what’s going on in the co-op
- To take an active role and propose something
- Finding a kid’s bike left in your back yard and asking around the neighbors as to whose it is, so that the little kid isn’t crying because he can’t find his bike.
- Walking around in the community looking at the people who might be there and taking an interest.
- Watching out for one another. Looking occasionally out of my window to make sure there is no one messing around with the co-op’s property or neighbors’ things.
- Going up to the elderly who might need help and do what I can.
- Interacting with my neighbors here in my little area here, we talk about things, we help each other out. Neighbors helping me fix something in my house.
- Being on the board and making policy.
- Serving on a committee.
- Vacuuming one’s hallway and picking up trash and things you see in the parking lot and other co-op areas.
- People willing to come forward and make suggestions about committees and those kinds of things, and by making suggestions on how they think things could be better. Coffe-hours those kinds of things.

When I asked one member if she participates in her co-op by making the effort to stay informed about what goes on at the co-op she responded in a telling way:

I don’t make the effort, they inform us. We don’t need to go out
and seek information on what’s going on, it’s given to us.\textsuperscript{42}

Community involvement of members tends to occur primarily within the quads. Members in the 500 quad, for example, tend not to interact with members from the 200, or even the quad right next to theirs. Families with young children tend to interact more because of the playground, but in general it is just the people in the same quad that interact. Partly this may be related to the fact that the things that in the course of day in and day out life cause people to interact are separate for each quad, such as trash areas and laundry rooms; each quad has its own. Within each quad, members do watch out for one another; moreover, many members have exchanged phone numbers and will call each other if there is a need.

However, even among neighboring members there appears to be a tendency not to deal with issues in an informal, neighborly way. I heard of instances where even on a first occurrence of a child being perhaps too noisy, or because of some toys being left in the hallway, neighbors who were bothered by this would report the “offending” neighbor right away to the management office instead of approaching each other in a neighborly way. The following response from a member illustrates this well:

One time when I had just moved here, I got a notice from the management where somebody complained about my children having made too much noise. I think they could have told me first to keep my children quiet instead of just complaining to the office and not talk to me. Another time somebody did the same thing about my kitchen shade they didn’t like. Just called the office...that doesn’t feel good, the neighbor could have told me first and I would have fixed it right away. So my neighbors and I talk just about the weather.

On the other hand, a resident who has been a member since the conversion and is active on the board felt:

I believe overall the place became a much friendlier much closer nit group after we became a co-op, because everybody was an owner, everybody did care and I think people took a lot higher interest once they felt they owned part of this place than before.

It is noteworthy here that the board has had to institute a grievance committee to deal

\textsuperscript{42} Co-op memos and reminders from the co-op office along with the monthly copy of the co-op board meeting minutes.
with neighbor-to-neighbor conflicts. There have actually been cases where the board decided to transfer members to different apartments to separate feuding neighbors. Conflicts tend to arise over members feeling that because they are homeowners they have an absolute right to do as they please in their apartments:

Some people have a tendency to think that just because that they are homeowners here, that they don’t have to like think about their neighbors. They’ll say: “This is mine why can’t I do with it whatever I want to?” rather than look at well, yes you do own, but you own with 203 other people [property manager].

While Nassau’s members generally think of themselves tolerant and non-discriminatory, I did pick up on sentiments that are resentful and prejudicial towards members who are receiving Section 8 support. Because of the HUD mandate that only Section 8 eligible households are admitted when vacancies occur at Nassau (until the 26% of all units are occupied by Section 8 eligible households) every new member that has joined during the last five years has automatically been stigmatized. Several members expressed very low opinions of anyone on Section 8 support, making stereotypical remarks about families’ attitudes toward taking care of their housing and their lack of a work-ethic. Two long-tenured members stated that because of all the new Section 8s, the quality of life has deteriorated at Nassau. Because of these prejudices, members receiving Section 8 support feel far more intimidated from participating than most members.

My interviews also revealed instances of ethnic and religious insensitivity which in some cases resulted in actual conflicts.

Members feel very frustrated about their neighbors’ lack of flexibility and consideration. A common complaint is members not accepting an equal share of the burden for keeping the hallways clean in those buildings where four apartments share the same hallway. Some members seem to be always the ones who because of inconsiderate neighbors finally clean the hallways when they cannot stand the clutter and or dirt any longer but are resentful toward their neighbors for it. Related to this, several members feel that the lack of a private entrance is in addition to the upkeep problem something that sometimes get under their skin. To some
cooking and tobacco smoke odors in these hallways make this lack of private space around members’ access to their apartments especially annoying and reduce their feelings of living like a homeowner.

Some members felt very frustrated about a lack of their fellow members being careful with the co-op’s resources, e.g., how some members sprinkle their lawns and repeatedly forget or not care that they are leaving the water on for hours on end or when it is raining:

...they are causing everyone’s water costs to go up because they keep their sprinklers on for eight hours, and no one cares. And these members don’t listen it kills me and everyone else.

One board member was much dismayed that a co-op member had sued their own co-op for having fallen on co-op property and injured themselves without giving consideration, as the board member saw it, that it would negatively impact the financial situation for all members.

I heard several members vent their frustrations about a co-op rule and regulation that prevents them from buying and installing their one’s own washers and dryers. This is particularly strongly felt by some members who live in townhouses where there are no downstairs neighbors who could object to the noise. Other members object to the reason they were given for this regulation, which the board enacted in 1983, that the co-op’s plumbing system is not set up to handle washing machines:

They tell us we can’t have washers and dryers because the plumbing isn’t set up for it, so set it up! The co-op has the money to fix this!

The data presented in this section on informal participation/community is a sad commentary of the dysfunctionality of Nassau’s community. While there is some neighborliness going on within individual quads, the information gathered in my interviews and presented in this section—all the bickering, backbiting, and grumbling—is evidence of a great lack of of informal participation and community at Nassau.

Tools to Facilitate Participation
Selection of Members

Nassau Gardens has not needed to advertise and maintains a waiting list of Section 8
qualified prospective members. The average time for those on the waiting list is estimated to be about four to five years before their applications come up for consideration.43

The selection process was explained by the property manager as follows: as apartments become available, the next family on the waiting list still interested is notified that a home has become available. Before admitting the new member the following are done by the office and Nassau’s membership committee:

- Section 8 income level verification
- credit and landlord check
- probation check
- a house check
- interviews with all family members at the co-op’s office (for introductory and educational purposes)

Two membership committee members interview the prospective members, and two other committee members do the house-check. During the interviews prospective members are required to bring their children as well. What board members look for in a new members are

a person’s willingness to become part of the co-op through taking pride in being part of a co-op, we want the person to give the impression that they feel it would a privilege to live here and promote the ideals we have. It’s the attitude more than anything else that concerns us.

While the membership committee would prefer new members to have an inclination to participate, and would prefer new members that have been active as a volunteer in some way in their past, past or future inclination for participation is not a deciding factor for admission. The only major concern, apart from being financially responsible, is a prospective member’s willingness to keep their place clean. Interviews take about one hour, and members are expected to have familiarized themselves with the co-op’s “Blue Book” which contains a complete set of the co-op’s articles of organization, by-laws, and the occupancy agreement to be signed by each member, and the co-op’s many rules and regulations.

43. There were actually three waiting lists at one time: those who wanted to move in (with some priority for Section 8 applicants), a transfer list for those who wished to upgrade to a larger or better suited unit in terms of noise and conveniences, and a preferred list of relatives of Nassau members wanting to join. Today it is only a waiting list of Section 8 qualified candidates and those who wish to move to a larger unit.
Education/Training

The education of Nassau’s membership at the beginning of the co-op as well as in recent years has been rather scant. This is reflected in the feedback I got in my interviews. One third of the interviewed members thought that co-op housing is too complicated and wished for some training to help them understand it better. Most members interviewed thought they had never received training; what they remembered were more like informational meetings, or as one member put it: “There was no training, just exposure to the facts.” Half the members I spoke to were unsure of how their co-op is supposed to work, and a third to half of the members interviewed were unsure or did not know of the difference among the by-laws, the occupancy agreement, and the co-op’s rules and regulations. Several members feel that all the rules and regulations, and by-laws make them feel uncomfortable about getting involved in committee and board work. Members also spoke of the Blue Book as intimidating and think that there is too much “legalese” there.

Training could help with promoting more of a sense of community here. It would also open up the board to people. If I were trained and felt somewhat more comfortable with how a co-op is run, I would be a lot more likely to run for the board, not to promote myself, but to participate in the community again. I would make myself available for something like that.

The membership committee in the interview process tries to make sure prospective members have a sense of what a co-op is by explaining Nassau’s by-laws, rules and regulations, etc. and by giving them what most members refer to as the co-op’s Blue Book. However, one member I interviewed who had joined Nassau over five years ago was unaware of how the co-ops works, was unfamiliar with by-laws and with the fact that the appreciation of his shares is limited. He also indicated that in all those years the co-op and its leadership had never reached out to him. It seemed to him to be very much like he had just moved into a rental situation, the only difference being that the “security deposit” was very large and sort of like an investment in stock. The only time he can remember about being told about what a co-op is, was an in-take interview that lasted about one hour.

One of the board members’ insight was very telling here, and showed how much some
form of member education might help Nassau Gardens increase its level of member participation:

Training should be available to everyone in the co-op because there are some people in the co-op that are so much in awe of the fact that there are people up there on a board that they just can't imagine themselves having that kind of a role and taking on that kind of responsibility. There was one man that came on, who was just so absolutely thrilled the first time he made a motion. There is no reason why they should be in awe over people who are on the board, because those are just people who have little bit more guts.

Training for board members: The original board members, in order to learn about co-ops and how to run theirs, took part in different training workshops and met frequently with TechniCo-op's staff. Several members also got involved with other Boston-Area co-ops in organizing the now defunct Federation of New England Housing Cooperatives. Through membership in The National Association of Housing Cooperatives, Nassau's board members attended co-op conferences and learned all they could about how to run their co-op. This, however, was not something made available to the general membership, and focused mainly on the technical tasks of managing a co-op.

Enforcement of Expectations for Participation

There is nothing in Nassau's by-laws that requires members to participate. Beyond keeping the home clean and in good repair, the occupancy agreement does not require participation either. Nor is participation encouraged informally. Members consider memos from the co-op office inviting participation as perfunctory and generally see nothing that particularly encourages them to get more involved. All of the members interviewed work around their homes, and in some cases had done quite a lot. The property manager thought that at least ninety percent of members do work on their own homes and yards, painting, repairs, gardening, etc., but that there is a sizable group of members that need to be nudged and reminded of their responsibilities in the upkeep of their housing and yards as outlined in their occupancy agreement. Members' occupancy agreements do require that members maintain their homes and yards and keep them in good repair. There is an annual required
inspection and the co-op has a system for imposing fines on violations that are not corrected in terms of the occupancy agreement. Generally those non-compliant members, in terms of their home and yard upkeep, will take care of things if official notices and warnings about impending fines are sent by the co-op management.

Why Do Members Participate—or Not?

Members’ feelings about participation: The co-op’s “Blue Book” has the following introductory statement:

A housing cooperative is more than a place to live. It is participation in the cooperative ownership and operation of a housing development.
- The cooperative approach to housing instills a pride of ownership resulting in a deeper interest in maintaining the property and participating in civic affairs.
- It gives a greater insight and appreciation of the democratic process in general.
- Cooperative residents normally occupy the premises for longer terms than renters. The members thus become better acquainted with their fellow residents and learn to work together for the over-all betterment of the property and the community. This working together makes for better understanding between individuals of different backgrounds and income levels [Information Bulletin, p. 1].

My inquiries to management and the members on the reality of each of those three elements showed that indeed members as a whole tend to be rather proud to be homeowners. In many cases members have done substantial work in their apartments to turn them into their own version of home. I learned little about co-op life leading to participation in civic affairs or appreciation for the democratic process. On the third point of the introductory statement, my interviews showed that most members have stayed at Nassau for a long time, but their relationships tend to be focused on their individual blocks where there are people keeping an eye out for each other and building long-term relationships. However, especially on issues of parking, privacy, hallways upkeep, and noise, conflicts often escalate into long-term strained relationships, where, as one member told me: “some people tend to forget that they have neighbors.”
According to the property manager, the experience at Nassau has been that families headed by single parents tend to be far less likely to get involved because of time constraints. Members who have lived the longest at Nassau tend to be the ones who are more involved in the co-op than the members who have joined in recent years. The property manager speculated that this might be due to mainly the newer members’ low-income background, most of whom tend to be single mothers on AFDC.

In response to my question of how members who are active on Nassau’s board and otherwise feel about those that do not engage themselves in committee work and do not come to meetings, most said that it has no impact on their desire to stay involved.

**Why Members Do Participate:** The reasons members gave range from

Wanted to understand the concept better and once I got that I wanted to keep it going realizing how important it was to be involved. And I have talked with people who live in condominiums and sort of the general consensus is that if you live in a place like this that you really should be on the board because it gives you better visibility of what’s going on. You don’t have this feeling that you’re sitting here and everything else is happening, it gives you more reality to what’s going on by being on the board.

To:

I guess it is my personality, I am a professional businessman, I’m very bright, and I’m also the kind of person that if I join something I have to run it before very long. It’s just my nature.

Some board members have stayed actively involved because of the work that they have done in the past for the co-op and want to make sure that it doesn’t get destroyed. One board member decided to run for the board in order to find out what is going on with the co-op, to learn how to run the co-op, and very much to influence what happens with the co-op:

There were situation where such and such was voted in and I just disagreed with it. I thought it was the wrong way to go. Also there wasn’t enough representation from my block and so it’s almost like having a vote from your district in local politics.

I enjoy it. I think the co-op is a terrific concept, and I’ve met a lot of people and I enjoy that kind of involvement [serving on the board]. I like to know what’s going on, I suppose you could say I’m nosy to a certain extend. Also I wanted to make sure the place is run well. It’s been as much as an education as
anything to find out how things work, different legal questions we’ve had. And I feel I have a real hand in the day to day operation kind of thing, policy making, that kind of thing.

Why Members Do Not Participate:

A lot of people hesitate to run because they are unsure about what is expected of them, and whether or not they are capable. Also I see when people try, a lot of the ideas get blown away or pooh-pooh’d. People never get answers to questions and suggestions. They [the board and the office] tend to have their own little things they would like computers and business classes. Yes these are important but they need to also to listen to what the people are saying.

I’m not much of a joiner, I prefer to do things on my own, like when I see someone needing a hand with something, to try and help. But I don’t care for formalized things so much, I don’t have time for that. Part of that is my work, I never quite know when I’m free.

I just didn’t want to be challenged any longer, it was distracting from my work, and I had certainly given it several years of my time.

Lack of time because of work and family responsibilities was one of the most frequently raised reasons of why people feel they cannot participate:

I work about fifty hours a week, it’s not that I’m not interested I just don’t have the time.

Some members are simply scared of how much they might have to give of themselves, that it would almost have to be like serving as a politician and therefore being always subject to getting calls late at night or in the middle of dinner and never having time to one’s self or for one’s family and the family being adversely affected by that. For this reason several members said they would be willing to do specific tasks like helping clean up somewhere or help shovel someone’s walkway who cannot do it for herself.

For some of the members the reason why they are not participating has to do with the lack of control they feel:

I’m content with how things are, I don’t have any control over it anyhow.

Related to feelings of lack of control members complained about the lack of choice there is for the leadership positions at election time and that this is the reason why they do not
bother to attend the annual members’ meeting.

When election time comes up it’s the same people that run all the time. I myself don’t have the personality to run for something for an office, but there are a lot families in this complex, but the same people run over and over. Sometimes there isn’t even a choice, there is one person running and no one running against him. Of course anyone can nominate anyone else, but see my neighbor who did run for a little while...she had such a difficult time with the board, they fought her on everything and after a while she just said ‘I can’t take this aggravation anymore.’ She did run and nothing changed.

I learned that in a few instances when members have made the effort to get involved and even succeeded to get on the board, as the preceding quote shows, they found their positions to be extremely weak on the board. Unless they are part of what some members call the “in group” it seems that they end up fighting the rest of the board for everything without results and give up in disgust about the pettiness they perceive and the personal insults that on occasion they have had to put up with. Several members also spoke of problems with the election process itself. I heard from three members that they were aware of cases where either attempts had been made, or where in retrospect it appeared that the election and nominating process had been tampered with.

Several members also made note of the fact that there is no compelling reason to expose oneself to all the aggravation that seems to go with participating more on the board and committees because Nassau on the whole is well maintained and seems in good shape:

People like me feel that there isn’t anything drastically wrong here. We’re not talking about poor living conditions, we’re not talking about rent increases going crazy. The board hasn’t made any drastic changes, nothing that’s really hurt anyone. So that’s why people just go along and don’t make an effort to change anything. Basically I just live here, my rent’s great, I keep my place up, no one bothers me, I pay my rent on time and I have some great neighbors. So I just go on day after day.

The property manager’s assessment of why there is so little participation is that:

everything is run so well, and I guess members believe someone is doing a good job, or seems to be doing a good enough job that they can just continue doing it. Of course some of the people think that they wouldn’t be able to do it, they wouldn’t be qualified to do it. The fact of a board of directors intimidates them, like they’d have to get up and give a speech or something,
I don’t know. That whole board of directors thing really throws some people.

The last part of that quote was something that members referred to in the majority of the interviews. All of the non-participating members felt that the prospect of serving on the board or in some other official function of the co-op like on a committee was something that they and their neighbors felt uneasy about, especially when thinking about it in terms of responsibility and presenting oneself in public. Significant here is that two of the board members I interviewed thought that the board is intimidating to the co-op members:

The second most important reason why people do not become more actively involved, especially running for the board is intimidation. They’re intimidated by the process, by an imagined process I believe. I was a little bit intimidated and it took some coaxing on another member’s part to convince me to run for the board.

Several of Nassau’s board members simply dismiss the participation problem by telling themselves that members don’t care. Yet, members’ perceptions of their management shows that there is a pattern of action by the leadership that precipitated the current lackluster involvement of most members at Nassau Gardens. The recurring theme from the interviews was one of disconnectedness, of members not venturing much beyond their quads and of non-participating members and board members alike feeling the other party does not care. Yet, there is much potential out there. Several of the non-participating members had many ideas on how the co-op and interaction among members and participation could be improved but felt nobody ever bothers to find out what they think.
CHAPTER V
Analysis: What Do The Cases Tell About Participation in Limited Equity Cooperatives?

Introduction

In Chapter I I theorized that participation has two components: control and involvement. The case studies of Marksdale Gardens and Nassau Gardens confirmed that, as I outlined in Chapter I, these two components of participation manifest themselves in the following ways:

A) “formal participation”—which is participation such as attending meetings, serving on committees, or serving on the co-op board.

B) “informal participation”—participation such as neighboring, mutuality, or community interaction.

At the outset of this research I also posited that the predominant ideology about housing and property rights in the U.S.—driven by possessive individualism and manifested in the American Dream of homeownership—has a substantial impact on the expectations and desires of individuals and on their attitudes toward participation. I expected to find that co-ops are inadequately equipped in terms of member selection, training practices, and participation expectations to effectively counteract behavior induced by members’ individual desires to realize their version of the American Dream. The result I suggested, was low levels of participation in the kinds of collective action and community interaction so necessary to a co-op’s survival and success. While I cannot say conclusively that there is an undisputable link between low participation and possessive individualism, I found evidence of links between members’ beliefs in the American Dream and the way and degree to which members participate in their co-ops. This showed a need for co-ops to pay closer attention to member selection and training. In general (not just on the basis of counteracting negative effects of possessive individualism) the cases showed that emphasis on member selection and training has a positive impact on resident participation, formal as well as informal.
I also suggested in Chapter I that the building and maintaining of community in the lives of residents has a key role to play in fostering participation. I found in fact, that informal participation in co-ops is not only a means toward formal participation, but an end in itself in creating housing that works. Both cases support this argument: at Marksdale Gardens it is a high level of informal participation that has created a supportive community; at Nassau Gardens participation is forced to occur mainly in formal ways with the result that all forms of participation are low and members feel highly unsatisfied on an emotional level with their housing.

In researching the role of community involvement, other issues emerged as equally if not more important to resident participation: co-op leadership and empowerment of members. These community-related issues add a whole other layer to participation.

I have divided this analysis into three parts. In the first part, I review the cases within the original framework of participation laid out in Chapter I. In the second part, I continue with my original framework by looking at the cases in terms of the roles of possessive individualism, member selection, education, and expectations for participation that I laid out in Chapter II. In the third part, I analyze the role of community and two issues revealed by my community-related research to be essential to co-op success: leadership and empowerment.

Part I: Answering the Central Research Questions

In Chapter I, I defined participation for this research and analysis by basing my definition in part on Marcuse’s paper Tenant Participation—For What?, where he separates participation into two components: involvement and control. “Control” is the formal aspect of participation, as in exercising one’s right to vote during membership meetings on co-op issues, making and carrying out collective decisions over the affairs of one’s housing, and affecting co-op life through serving on a co-op’s various committees. “Involvement” is informal participation that facilitates, surrounds, and affects democratic decision-making and quality of life in a co-op. Both forms of participation are occurring, to varying degrees, at
Marksdale and Nassau Gardens. Both can be analyzed using the three research questions posed in Chapter I:

1) To What Extent do Co-op Residents Participate in their Co-ops?

2) Why do Co-op Residents Either Participate or Not Participate?

3) Do Some Co-op Residents Participate Only in Ways that Seek to Protect or Enhance their Individual Property Interests?

1) To What Extent do Co-op Residents Participate in their Co-ops?

At neither co-op is formal participation what most members are engaged in. Although Marksdale’s members participate in their annual meeting at two to three times the rate of Nassau’s members, close to half of Marksdale’s membership does not exercise its formal right to vote and determine their homes’ future. In terms of committee work, although again Marksdale is more active than Nassau, this type of formal participation in both co-ops is only engaged in by a minority of members of probably less than ten percent. Both cases show that a majority of members do try to keep themselves informed, however, either through reading the minutes of board meetings (at Nassau), reading memos by co-op management, and interacting informally with their neighbors (the latter though less so at Nassau).

There are problems in both co-ops with members being informed in a way that enables them to effectively exercise control over their housing and their leadership. At Nassau the process of informing and educating the membership is inadequate because of the leadership trying to concentrate power at the board level, while at Marksdale this is either oversight or that it is simply easier to run a co-op without making a large effort to bring in the whole membership on the details of decision making. Marksdale’s members do not receive minutes from their board’s meetings, nor are they aware when their board meets. They do not even know that members have a right to sit in on meetings of their board. (I will discuss this further in the sections below on leadership and empowerment.)

Informal participation at Nassau is confined largely within the quads in which Nassau’s housing units are arranged. It is limited mostly to neighboring among longer-tenured
residents. Although Marksdale, like Nassau, is spatially spread out and consists of several clusters of buildings, informal participation is taking place at a high rate throughout Marksdale and includes both long and short-tenured residents. As I will discuss in the section on community, this clearly has resulted in a higher quality of the housing environment for Marksdale’s membership.

In both co-ops practically all members work on their homes and yards. However, this form of participation is required through each co-op’s occupancy agreements. There are no other forms of required participation in either co-op.

2) Why do Co-op Residents Either Participate or Not Participate?

Through my research I have been able to identify three causal factors affecting the degree of member participation: the cost of participation, the influence of property-based housing ideology, and the co-op environment in which participation takes place.

Cost of participation This is the cost associated with participation to the individual member such as in terms of time and emotional investment, as well as in terms of value received or perceived from participation. Lack of time was one of the most frequently given reasons why Marksdale’s and Nassau Gardens’ members do not engage in formal participation. For others it is the “boredom threshold” Birchall speaks of [1987, p.50] such as one senior citizen member at Marksdale spoke of when asked why he does not participate:

I want to enjoy the evening of my life without a lot of needless chit-chat at meetings that never come to the point.

Several members in both co-ops echoed this member’s response. In comparison to other things going on in their lives, serving on committees, serving on the board, or attending meetings seems unimportant to them. The majority of members in both co-ops are very busy with their jobs and raising their families. Trying to fit official co-op business into their lives does not weigh in at the same level of importance as these other things. Marcuse articulates this aspect of participation cost well when he writes of people who order the same food all the time “just to avoid having to repeatedly pay attention to such trivia as what to eat for lunch.”
He asks the question:

Could not most decisions as to housing be seen as trivial from the lofty perspective of the fulfillment of the human being? Could people perhaps have better things to do with their time (or perhaps even more important crises to face) than to get involved in the management of their housing? [1970, p. 22].

In both co-ops, members spoke of having no patience for getting involved in what they see as the banalities of day-to-day management. They feel that the management staff in their co-op office should just handle this.

Related to many members' reluctance to be involved in the details of co-op management at Marksdale and Nassau Gardens is the fact that members want to be sure their participation is meaningful. One member put it this way:

There needs to be opportunity for meaningful participation. Don't give me make-work; make-work is crap [non-participating member].

In both co-ops, there is a high degree of free-ridership. Most members feel that things are going just fine with the people who are on the board. From the viewpoint of the free-riding members, their board members are putting are spending hours of their time on co-op business because they want to. This negates, in the minds of non-active members, the need to get involved. One member stated quite bluntly the benefits from such free-riding:

[Living here], it's a good deal. You're getting a thousand percent return on your money without having to do anything, like good surroundings and everything. There's the board and the office who take care of everything.

Cost of participation is only one side of the coin; on the other side is the value received from participation. The value of participation is highly subjective and highly personal. Individual members participate formally for a whole variety of reasons, including: the ability to control costs, learning what goes on at the co-op, and picking up experience in management. For some members a sense of duty and believing strongly in the importance of their co-op community and in sharing is the reason why they are active. In that sense formal participation is closely linked to the type of person a member perceives herself to be and the

44. At Marksdale this was much more the case than at Nassau.
value judgments that grow out of being say a charitable, socially responsible member.

Anthropologists Cooper and Rodman’s research findings in their case study of two Toronto cooperatives on this issue of costs and rewards from participation mirrors closely what I have discussed above, and shows that costs of participation is a crucial issue to consider in any attempt to motivate member participation (1992, pp. 199-202). Like Cooper and Rodman I learned through my interviews that rewards from co-op involvement are “various and often diffuse” for members and that:

cumulatively, they made some members feel that the co-op was home, in a way that multiple housing rarely is. For others, the benefits did not balance the time spent, frustrations, and other costs of involvement [C&R, p. 201].

Getting recognition for one’s efforts is important to members. I interviewed one member who used to be very active on his co-op’s board and committees. He has resigned from all activities because of an utter sense of frustration with always hearing only gripes about what is wrong in the co-op and how the board is not working hard enough to remedy things, while never receiving adequate recognition from members for his endless hours of time spent on dealing with the co-op’s problems.

Recognition is important for informal participation as well. One member told me how hurt he felt after helping a new member moving in with a heavy piece of furniture and in the following weeks and months this new member not even bothering to greet him whenever they saw each other outside. In another interview at Nassau I learned how a member rendered assistance during a neighbor’s illness. There had been no contact in years with this neighbor because of past clashes. The ill neighbor recovered and thanked this member apparently in a very touching way. As a result of this show of gratitude, the member became more community spirited in her interactions with other neighbors as well. This then actually contributed to a change of the general neighborhood spirit in her quad. Today there is a neighborly spirit in that quad (with members watching out for one another) like there had

45. These were a 101 unit and a 54 unit co-op for low to moderate income families, both newly constructed in 1986 near downtown Toronto in a redevelopment waterfront area [pp. 10-11].
never been before.

Influence of property-based ideology is shown by the case studies to be a factor in how and why members participate. While members did not actually come out and tell me that they do not participate because they believe in the American Dream, the fact that in both co-ops forms of participation predominate that focus on the individual, such as work on one’s own home, indicates that the predominant housing ideology influences members actions. In fact, one Nassau member who objects to the limitation on the build-up of her shares’ equity, justified her objection by stating that the equity limitation violates what she calls the “principle of ownership.” The issues related to participation within the American Dream context are discussed in detail in the second part of this analysis.

The co-op environment, the cases show, has a large impact on how members feel about their co-ops and whether or not they participate. This environment—external to an individual member’s household and control—is largely the combination of co-op leadership, community, and empowerment which determine the form and extent of participation in a co-op. For example, the Marksdale case shows how the caring and considerate example set by the co-op leadership sets the tone for member participation by creating and maintaining an environment that strongly nurtures informal participation. Marksdale’s environment, to some degree, also explains the substantially higher participation rate at Marksdale’s annual meeting (55-60%) in comparison to Nassau (20-30%). At Nassau a top-down, very formal leadership style creates an environment that intimidates members and has a decidedly negative effect on both informal and formal levels of participation. The reader will find the environmental issues of co-op leadership, community, and empowerment discussed in greater detail in the third part of this analysis.

The motivational factors for participation mentioned above are not exclusive of each other; in fact, a member may well adopt an attitude that participation is too costly for her emotionally because it does not result in a measurable return on equity, or a member maybe elected to the board because she is seen to be fair and democratically minded while also
espousing the notion that she will see to it that members will get more of a return when they sell their shares. I have simply arranged the motivational reasons related to participation into what appear to be the three most common sets of factors influencing participation.

3) **Do Some Co-op Residents Participate Only in Ways that Seek to Protect or Enhance their Individual Property Interests?**

While I did not find a conclusive link between the predominant ideology of property ownership in the U.S. and the way in which members participate, there is evidence of such a connection in both co-ops. There is participation that is clearly motivated by an overriding self-interest based on members' perceptions that because they own their units, they have an inherent right to act in ways that can be detrimental to their neighbors. This property-based behavior expressed in both formal and informal forms of participation, is discussed in the next part of this analysis.

**Part II: Property Expectations and Participation: Individualism versus the Community**

My analysis of the 1992 Fannie Mae National Housing Survey in Chapter II showed that the majority of U.S. residents have individualistic expectations and desires for what they consider the most desirable type of housing. One can assume that individual behavior is influenced and shaped by American Dream ideology on homeownership to the degree that individualistic action-taking far exceeds community-focused action.

The evidence of property-based behavior prompted by possessive individualism—that the rights and interests of the individual as well as private ownership of property are paramount in society, and that there should be no limits on the accumulation of, and returns from, individual ownership of private property—is observable in both co-ops. At Marksdale and Nassau Gardens members participate very little in formal ways, or they do so, in the words of Barton and Silverman, in “ways that emphasize the values of individual property ownership rather than those of community interdependence” [Barton and Silverman,
Nassau especially illustrates how property-based behavior negatively impacts on member participation. Despite intense concerns about affordability and fierce objections of a quarter of the membership, a condominium conversion was aggressively pursued. During this controversy, member participation soared to levels never seen before when it looked as though members could come into possession of valuable real estate. Over three quarters of the members suddenly started attending meetings, committees were started to study the conversion, and because the board was found by these members to be insufficiently enthusiastic, pro condo members got themselves elected to the board to make sure they got their way. One of the proponents for condos in fact equated politically-pursued individualism with democracy:

There was stagnation with the board of directors two or three people, not enough people really understood what was going on until this group, when this group took over, people really understood what power we really had as a democracy.

The minority’s concerns that if the conversion went through this would mean a loss of community control—community concerns like who could stop a neighbor selling his unit to someone who would be extremely noisy, not take care of the property, or just rent it to anyone—were barely considered and dismissed along with concerns about affordability. Within a year after it became clear that HUD would not give permission for the conversion, fifteen disappointed members moved out of the co-op—a fifth of all the members who have moved away from Nassau since it became a co-op almost fourteen years ago. After the condo war ended, formal participation dropped to the co-op’s lowest levels (around twenty percent at annual meeting for the last five years). Informal participation was damaged as well, since the condo war had forced everyone to take one of two fiercely combative sides. The membership’s wounds from this war have yet to heal. As one member put it: “There’s a nervousness—it’s quietly festering.”

Marksdale has problems with possessive individualism as well, but it tends to be in forms that are less severe and less destructive than at Nassau. For example, most members
fenced in what they considered “their” back yards. This resulted in a whole range of different types of fences that left one member unhappy with how this has ruined what she considered the nice open space that everyone could enjoy before. I found, though, that she was in the minority; for the most part people were proud to have their own backyards.

To learn how much the American Dream ideology affects members’ thinking at Marksdale and Nassau Gardens, I asked each interviewee the type of housing s/he would prefer the most. At Marksdale five out of nine, and at Nassau eight out of ten stated that the housing of their choice would be a single-family home with a yard on all sides. This does not differ much from what the Fannie Mae Survey found. Such findings reveal the “ideal” housing situation most members harbor in their minds, an ideal that is likely to impact on the way they participate.

One fact that illustrates how property-based thinking overshadows concern for the community is that at both Marksdale and Nassau the form of participation that predominates is the improvement and work on members’ own homes. When I asked one Marksdale member that does not participate formally in her co-op why that is so, she stated that with all the things she has to do to keep her home clean and in good repair it consumes all the time she has to spare. Yet this was an individual that is semi-retired and able-bodied.

At Nassau, members’ devotion of time, energy, and money to their own units has created a serious problem. Up until last October there were no restrictions on recapture of improvements members had made to their units, as long as prior approval from the board was obtained. As a result of this, Nassau’s board found itself confronted with the dilemma of many members having invested much effort and money, in some cases several thousands of dollars, in improvements in their homes. When these members moved, many of the new members were unwilling, and in recent years unable, to pay what the previous owners wanted for the improvements.\footnote{Marksdale has been able to control this problem through one of its by-laws which restricts the maximum amount that can be recaptured on home improvement to $500 when shares are transferred.} Much controversy has arisen among the membership because of this
What has angered many members at Nassau is the fact that the ability to recapture home improvement investments has become an issue only during the last five years. This is because since 1987 the only new members that have been admitted to Nassau are those who are Section 8 eligible. There is clearly a clash at Nassau between the propertied interests of long-tenured members and the low-cost housing needs of the newer Section 8 members. As a result, it was quite clear from the interviews that property-based attitudes toward housing have also had an impact on informal participation in the form of good neighborly relations. Many long-tenured members hold low opinions of fellow members on Section 8 support. In the eyes of longer-tenured members, those on Section 8 are not really owners, “do not behave like owners” and cannot understand what ownership means since the government pays for their housing. Because of these attitudes, longer tenured members are much less involved with less tenured members. The latter have been automatically stigmatized because of the HUD stipulation that only Section 8 eligible members may be admitted until the total membership percentage at Nassau reaches the required 26% target. Members told me of incidents when long-term cherished neighbors moved away, who knowing that only a Section 8 eligible family could move in, would remove all improvements that could be removed from the their apartment (and that would fit in another member’s apartment) and just give them to remaining members for installation in their apartments rather than leaving it for the new members. When the new neighbors on Section 8 arrived they would find themselves greeted with indifference. I interviewed one such short-tenured member and learned that this member’s experience at the co-op is one of being ignored. Interaction with neighbors is for this member limited to the absolute minimum. As far as I have been able to learn, no members on Section 8 support are involved in any forms of formal participation.

47. For more of the details see Chapter IV, under “Formal Participation,” the section on “Board/Resident Relations.”

48. Some may of course argue that the preceding account represents a class issue and not one of housing ideology. To this I say that some of the interviewed members at Nassau who have worked the hardest at making improvements in their homes, hold the strongest views on what they view as their rights in terms of ownership and have a low opinion of
At Marksdale about half of all residents receive Section 8 support. However, unlike the situation at Nassau, Marksdale’s members generally do not know who receives government assistance. Consequently there are no differences in the levels of formal and informal participation among members who do and do not receive Section 8s. The only times, I was told, when there are occasionally problems is when new members come directly from public housing projects and encounter demands made of them that they might never have had to comply with before as a condition for occupancy: keeping the home clean and in good repair, making sure the yard is kept up and the lawn mowed etc. About three out of every four new members admitted to Marksdale are Section 8 eligible.

To learn more on whether members’ behavior might be driven by the kind of individualism that focuses on the benefit of the individual rather than the collective needs of the larger community, I followed up on the question of housing preference by asking why members had those preferences. The most frequent reason members gave for wanting a single-family home above all else, was having full control and not having to put up with neighbors’ noises. Several members from both Marksdale and Nassau Gardens wanted a single family home over all other housing options because their present housing situation requires that they show concern for their neighbors. One member stated matter-of-factly about a single family home: “Nobody can tell me what to do.”

While at Marksdale there have been only a few neighbor-to-neighbor conflicts, Nassau Gardens appears to have substantial problems with individualistic behavior, at the expense of the larger community. Forty-nine Nassau’s property manager told me of members who think that

Section 8 recipients, were Section 8 recipients themselves in the early years of the co-op. But they were able to eventually get ahead economically because of the low carrying charges at Nassau. To me the roots for such attitudes must lie in what people absorb from the predominant ideology on housing and property ownership.

49. Partly this may be due to the fact that at Nassau the housing is less well constructed than at Marksdale, and that in Nassau’s garden style apartments members live on top of one another which is not the case at Marksdale. However, the problems I heard about at Nassau were far more severe than anything I have ever heard about regular apartment life. It could therefore be argued that precisely because members believe they are owners that certain property based attitudes are amplified, and when property-based expectations do not match with the reality of co-op life, minor problems become the major conflicts found at Nassau Gardens.
because they are owners that they have an absolute right to do as they please in their
apartments:

Some people have a tendency to think that just because that they
are homeowners here, that they don’t have to like think about
their neighbors. They’ll say: “This is mine why can’t I do with
it whatever I want to?”

In the most severe cases of neighbor-to-neighbor conflicts, some of Nassau’s members have
resorted to vandalism, fights, and in one case the threat to use a gun. Because of these
problems, the board has had to institute a grievance committee made up of board members to
handle these conflicts (there is no such committee at Marksdale). There have actually been
some cases where the committee decided to physically separate feuding neighbors by moving
one of them as soon as one of the co-op’s apartment in another section of the complex became
vacant.

Parking seems another of those property-based conflicts that shows individualistic
behavior at odds with the collective good that comes through good neighborly relations. It is
an ongoing problem at both co-ops. At Marksdale, where parking spaces are not assigned,
some members resort to using parking cones to block off spaces they consider theirs when
they drive away. Several members spoke about how unsightly these cones seem to them in
their neighborhood, but feel there is nothing they can do, that neighbors indeed seem quite
adamant in certain instances about what they perceive as their parking spot. At Nassau
Gardens members are assigned parking spaces within their quads that match in number the
size of the unit occupied. Members are extremely possessive about these parking spots even
though there is plenty of space for parking throughout the co-op’s grounds. In extreme cases
members have resorted to vandalism on cars to stake their claims to parking spaces.

The difference in the intensity of acquisitive individualism between Marksdale and
Nassau can be partially attributed to training at Marksdale (discussed in the next section) and
members’ expectations within the given economic settings of these two co-ops. This is borne
out by the responses to my question on whether members feel the restrictions on their shares’
equity are too severe or unfair. Whereas most interviewed members at Marksdale felt they
were fair and had no problems with them since most of them felt that this is probably the
closest they would ever get to being homeowners, the majority of interviewed members at
Nassau want the restrictions removed.50

At Marksdale, most members—a hundred percent African-American community in a
bad inner-city neighborhood—feel good about having succeeded in spite of the American
Dream. Several of Marksdale’s members clearly stated that because of the economic realities
they have to face as African-Americans, without Marksdale they would never have been able
to gain control over their housing. By contrast, most of Nassau’s members—almost an
all-white community in an almost all-white Boston suburb—feel they have had to settle for a
fraction of the American Dream. As the case shows, originally in 1979, many members did
not want to buy into Nassau when the option existed to buy their apartments from HUD as
condos. They saw Nassau’s housing as a temporary stop where one lives before fulfilling the
expectations of the American Dream—the single family home with a yard on all sides. It was
only later in the mid-1980s when it seemed that lots of money could be made in the tradition
of the acquisitive aspect of the American Dream (the right to unlimited accumulation of
wealth through ownership of property), that members tried to attain the American Dream at
Nassau Gardens.

Overcoming Individualism: Member Selection; Training; Expectation Enforcement

Considering the dominance of the belief in individualistic, single-family
homeownership, it follows that any cooperative needs effective tools to assure the basic
element of cooperative participation for its success. The tools I specified in Chapter II were
member selection, training, and enforcement of expectations for participation. In this section I
will look briefly at how these tools have been used at Marksdale and Nassau Gardens. The
fact that there is more participation and fewer member conflicts at Marksdale than at Nassau
can be attributed in part to differences in the way these tools have been applied to each

50. Nassau’s board is in fact now trying to get HUD’s approval for converting their co-op to a
market rate co-op.
Member Selection

The selection process of new members for Marksdale Gardens is primarily handled by the co-op’s president, who is also the co-op’s administrative property manager. She along with other members from the board form a membership committee that interviews every new member family at least twice. All family members are required to be at these interviews. These interviews serve to educate prospective members about the concept of co-op housing, while allowing board members to assess the family’s willingness to become part of a community. Family cohesion is an important consideration for Marksdale’s membership committee. The committee’s reasoning is as follows: if family members do not respect and care for one another, how can they be expected to be considerate and cooperative in dealing with their neighbors? Marksdale’s president told me that what they look for in a prospective member is a solid background, meaning positive character traits and a genuine interest and willingness to learn about co-ops in general and the Marksdale community in particular.

While this selection process does not specifically look into a prospective members’ background for an inclination to formally participate, it contributes substantially to the high level of informal participation and harmony at Marksdale. The membership committee’s approach sends a clear signal to prospective members that what is desired in new members is community mindedness in the neighborly, informal sense.

At Nassau, some members believe that part of their problem with a low community spirit lies in the fact that they are limited in their selection process by being required through HUD to admit only Section 8 eligible families. Yet as Marksdale shows that need not be the case, three out of every four new members it admits to membership are Section 8 eligible. While a member that serves on Nassau’s membership committee told me that they look for “a person’s willingness to become part of a co-op” and are concerned about a prospective member’s attitude, my sense was that this is more an idealistic intention rather than (as at

51. The other major contributing factors to Marksdale’s success are the participation variables of community, empowerment, and leadership discussed in Part III below.
Marksdale) what actually happens. My impression of this was confirmed by what I learned through my interview with a member who had joined the co-op more recently: the admitting process, while more involved than with renting an apartment, seemed very formal, did not give a sense of joining a community where one would be welcomed or expected to contribute, and made this member feel like entering a landlord-tenant relationship. This impression is reinforced once the member moves in. New members, because of their Section 8 stigma, find themselves greeted for the most part with indifference by longer-tenured members.

At neither co-op is a demonstration of past involvement in any civic or volunteering sort of activity a deciding factor for accepting or rejecting applications. While it is true that both co-ops will tell prospective members about the importance of formal participation, it remains just that: a lecture of what should be. In fact, one of Nassau’s board members involved in membership selection told me that if a prospective member states point blank that they will keep their own apartment in good repair and take care of their yard but are not interested in participating beyond that, such a member, if credit and other past record checks out, will be admitted. Considering this low-key emphasis on formal participation in the selection process, it is not surprising that this form of participation is low in both co-ops, though it is substantially higher at Marksdale because of the underlying higher level of informal participation.

Once new members have moved into Marksdale they generally find it easy to connect with the larger community and be included, to whatever degree they choose to be, in all levels of informal and formal participation. Notices will also be sent from the co-op office to all members letting them know of the new member that has joined.52 In contrast, Nassau’s new members find it nearly impossible to fit in with the community, in large part because of the above discussed Section 8 stigma. One member who had joined in recent years spoke of feeling ignored by his neighbors since he joined.

52. In my research at Marksdale I also saw a welcoming announcement in one of the co-op’s newsletter.
Education

One of the issues that really stands out in terms of the differences between these two co-ops is the fact that in their founding stages, education was more thorough and personalized at Marksdale than it was at Nassau. At Nassau several informational meetings were held for residents during the conversion process. At Marksdale, by contrast, the president and one fellow member went from one family to the next and convinced people to support the conversion by practically teaching their fellow residents what a co-op is, and why a co-op was important to the residents in terms of gaining control over their lives. At Nassau such individual attention only happened for residents known to object to the co-op conversion, or where the leadership was not sure where residents stood on supporting the conversion.

Another major difference was that within the first year after Marksdale converted to a co-op, all members were required to participate in a seminar for learning how a co-op works. The seminar was split into eight sessions held once a week over a two month period. The training sessions covered things like how co-op governance works, what is involved in being a board member, budgeting, by-laws, committees, property management, etc. Subsequently to this initial seminar, Marksdale has repeated it whenever enough new members have joined to make a reasonably sized group. Any member, would be invited to attend again if they chose to. After the Cooperative Housing Task Force, a non-profit organization that focuses on promoting and training people in resident controlled housing, got off the ground it held the subsequent training seminars. However, in the last few years there have not been any, which is partly due to Marksdale’s low rate of turnover. Nevertheless, this does not mean that there is no education. The co-op’s president takes education very seriously and tries to make sure that every new member has a thorough understanding of what it means to be a co-op member.

In addition to the above training, Marksdale even has a by-law that provides the opportunity for new board members to receive a training course on their responsibilities.

53. The seminar was taught by affordable housing consultants including Emily Achtenberg whose work focuses on community-based non-profit housing.
54. Now called ARCH, or Association for Resident Control of Housing.
within sixty days of election. Marksdale actually budgets $30,000 annually for ongoing training.

Marksdale’s president also deals with educational issues that come up with members by drawing on her own understanding, based on years of reading and learning about co-ops. Her way of reinforcing education is outstanding. I learned of a case where a member who decided to move out of the co-op was quite upset about the limited amount of money he was getting for selling his shares back to the co-op. This member had seen his brother sell his condominium and make a huge profit. When the president sat down with this member, she was able to show him how his brother had to work two jobs just to pay off the mortgage and how the member had not had to do that. Furthermore, because of the reasonableness of Marksdale’s carrying charges, he had even been able to send one of his children to college. This left the questioning member clear in his mind about the fairness of the limited equity provision in a way that he could understand.

Education like Marksdale’s never took place at Nassau. While individual board members would attend various training sessions offered through organizations like the National Association of Housing Cooperatives, for the majority of the membership there was no training other than the information in their “Blue Book” and the initial informational meeting prior to the conversion. As a consequence, the membership’s rather limited understanding of co-ops may well be what set the stage for the eventual condo conversion calamity. Several of the members at Nassau told me that they want education. In fact, one third of the members interviewed thought that co-op housing is too complicated. This prevented them from getting more involved in formal participation and left them wishing for more training to help them understand co-ops better. Half the members I spoke to were unsure of how their co-op is supposed to work, and a third to half of the members interviewed are either unsure or just do not know the difference among the by-laws, the occupancy agreement, and the co-op’s rules and regulations. One member I interviewed was totally unaware of how the co-op works, was unfamiliar with by-laws and with the fact that the
appreciation of his shares is limited.

While Marksdale’s educational methods are superior to Nassau’s and thus shows why they have more formal and informal participation than Nassau, its record is not without blemish. My interviews revealed that while most interviewed members felt they knew how their co-op works, two-thirds of them did not know, or were unsure of the difference between their by-laws and their occupancy agreement, an essential difference to know about, I think, for members to confidently exercise their right of control over their co-op’s affairs. These figures are in some ways worse than Nassau’s, suggesting a need for ongoing training.

Expectation Enforcement

Neither Marksdale nor Nassau have by-laws or clauses in their occupancy agreements that mandate participation beyond the upkeep of residents’ individual homes and yards. Both co-ops have annual inspections to make sure that members are taking care of their homes. In the absence of such requirements it may be explainable why formal levels of participation are low in both co-ops. However, the other side of enforcing a set of expectations for participation would be to create an organizational environment that promotes participation.

The fact that many members at Marksdale stated that they would participate if their president or board asked them to, shows a readiness to participate that is a valuable reservoir. Should Marksdale, for example, need to have a large turnout of support when lobbying the city or HUD to obtain needed resources it would probably find it easy to get a large number of its members to help. It also means that with little effort Marksdale’s leadership could probably recruit many of its members to help with short-term projects such as painting or common space clean up and maintenance if needed. This reservoir of goodwill could also be tapped for training some members for certain functions the co-op might need to fill. The case study revealed that several of Marksdale’s members are not sure what they could do for their co-op but would gladly help if they were only told how they could help.

Part III: Important Participation Variables: Community; Empowerment; Leadership

As I researched the aspects of participation that are more likely to take place on a social,
interpersonal, day-in day-out kind of level, I came to realize that community, empowerment, and the style of leadership within the co-op have a major impact on members’ participation in running and maintaining their co-op.\(^{55}\) Although I shall discuss each of these three elements separately, they tend to be interrelated and interdependent. For example, the style of leadership adopted by a co-op’s board, can empower or disempower a co-op membership, influencing the environment in which a sense of community is either nurtured or thwarted. Empowerment of those who lack control at one time can lead to a change in leadership that may alter the environment for community. A strong sense of community can in turn influence the type of leadership that is acceptable and tell us something about how members are empowered. I shall return to this question of the interrelationships among community, empowerment, and leadership after looking more closely at each.

**Community**

Just what is community? To attempt a definition for such a broadly used (and frequently abused) term is a task fraught with risk, considering the many different meanings that community may have. In fact, as Peck has argued, describing this multifaceted concept can be done only by taking individual facets of community and describing them in the hope that those with whom we communicate will be able to fathom what we are trying to say. In Peck’s words: “Community is something more than the sum of its parts, its individual members” [1988, pp. 59-61]. In part, community could be a particular group of people who share the same geographic space and / or who have some other interest in common. A group of shareholders in a corporation that provides housing for these shareholders would fit this narrow definition of “community.” However, I am reluctant to accept this particular definition. To me, a group of people living on the same property who are formally connected to each other through documents declaring them to be joint owners of the property does not by itself constitute a community. Rather, community must include the existence of a shared

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55. By running and maintaining their co-op, I am talking in broadest terms, where running includes a members’ ability to exercise her right of control in a meaningful way, and maintaining ranges from physical upkeep to informal relationships that in their totality enable a co-op to function either harmoniously or in fits and starts day in and day out.
purpose, a sense of solidarity. It is reciprocity, trust, mutual aid and caring that turns a group of people who live on the same property into what I would call a community. It is this definition of community, combining both objective and subjective characteristics, that I am using in this analysis.

In using this definition of community, it becomes clear how important informal participation can be. As I have used this term, informal participation means actions that enable members to connect with each other in neighborly, reciprocal, mutually beneficial ways. In Chapter I I argued that in order for co-op members to effectively exercise the control of their voting right they must at least in some way be involved in social interaction with each other. Unless members interact informally get to know one another and have opportunities to do so, how would they know who to vote for during their annual meeting? Therefore interpersonal connections help members to make the kinds of decisions and to take the kinds of actions that constitute more formal modes of participation like those that occur at members’ meetings and board meetings and on committees.

If co-op members do not interact with each other informally they may decide not to vote since they do not really know each other.

This argument is at least in part confirmed when looking at both Marksdale and Nassau's extent of social interaction and annual meeting attendance. At Marksdale where there is much more social interaction than at Nassau, I found that the rate of attendance at annual meeting is three times that of Nassau! This shows that there must be a link between formal and informal participation and the importance of fostering community building.

As members connect with each other through informal participation, the things that make one feel at home and feel connected in a community, such as neighborly care and concern are provided as well. Informal participation provides co-op residents with mutual support as a benefit of involvement, which on one level means "occasionally looking after each other’s children or lending the proverbial cup of sugar" as Cooper and Rodman found in their case study of two Toronto co-ops [1992, p. 202]. In fact, their research confirms much
of what I have come to realize about co-ops through my case studies. In answer to a survey Cooper and Rodman conducted in their co-ops, they found that more than seventy percent of the respondents agreed that community is something that co-op residents value highly. The Toronto co-op residents agreed that:

- Developing a genuine sense of community is one of the most important goals [their] coop[s] should have.
- The coop should strive to have almost everyone participating in co-op activities and community life.
- One of the co-op’s chief goals should be to support its members when they are in trouble or when emergencies arise [p. 86].

What I learned from co-op members in my interviews echo these survey results, especially at Marksdale, but also what I heard from non-active members at Nassau. The Marksdale case study showed that co-op members are concerned for one another, and look out for one another. The time when burglars were scared out of a member’s home, or the gentleman who enjoys cooking and baking for his neighbors, are good examples from the Marksdale case of community involvement that cause a co-op to not only provide housing, but a sense of community as well.

Within this context of understanding community, examining how Marksdale and Nassau Gardens came into existence tells us a lot about why the levels of participation differ in the two co-ops. As Leavitt and Saegert found in their research of New York limited equity co-ops, preexisting relationships among prospective members on which leaders could build to organize their co-ops were a key to continued success [1990]. Marksdale’s president knew her neighbors well, and in her door-to-door campaign she not only earned admiration from fellow members but drew on the preexisting relationships of residents with each other that enabled them to form strong bonds that withstood four years of repeated pressures from outside. The sense of trust and mutual caring forged in this process continues to this day.

At Nassau, in contrast, the community building process was short circuited. The focus was on rushing through with the plan of acquiring the property from HUD and turning it into a co-op. The community was never built. Renters moved on to something else that was
essentially like renting. The process never gave the residents the sense of the conversion being about more than merely assuring a roof over their head at prices they could afford. Despite becoming co-owners, many members felt that nothing had really changed.

The lack of community at Nassau Gardens, growing out of this rushed deal, cannot be blamed on its members alone. Nassau residents were ill served by those who oversaw and provided technical assistance during the conversion to a co-op, and who helped them in setting up their present management arrangements. The focus of these outside consultants was on issues surrounding the technicalities of the conversion, how to meet the target number of resident support for conversion, how to set up budgets and the many other administrative aspects of running a co-op. The building of community, unity, and consensus among residents was given short shrift. Residents were not given the opportunity to grow together as a community and to build mutual respect for one another. This also had the negative effect of not empowering the majority of the residents, an issue that continues to bedevil Nassau members (as I will discuss in the next section).

The then-president of TechniCo-op, the firm which provided the technical assistance to Nassau Gardens, clearly suggests in his handbook for conversions, “Conversion of HUD-Owned Multifamily Developments to Cooperatives—A Tenant’s Handbook” that all there is to creating a co-op is technical, managerial assistance. His idea for conversion is a sponsor representing the tenants and securing support for conversion until the co-op has title instead of making sure that the larger community is involving beyond merely giving its approval.\footnote{56}

\footnote{56. The development stages Willcox outlines in the appendices of his book do not include community organizing/empowerment or education [Appendix 6]. While he seems to think that education does play a role in organizing a co-op, he limits it to those members who are directly involved in running the co-op. Furthermore, the temporary board that oversees and pursues the conversion through the sponsor with government, etc., is elected by those residents who want a conversion, clearly shoving those to the side in input who may hesitate or not support it, but probably feel pressured to eventually support conversion in their hope of not being totally marginalized. Willcox’s emphasis in his handbook is clearly on technical process. It includes boiler plate by-laws, occupancy agreements, and other relevant documents into which prospective co-ops can just paste their names, address, etc. He never encourages tenants to think through for themselves why a particular form of governance structure is adopted or what residents’ ideals and feelings are about how they want to be governed in their co-op. The process of organization of a co-op starts}
Marksdale had a lot of outside technical assistance as well. But in contrast to Nassau, Marksdale residents were living in Boston’s worst neighborhood. Their life-time experience probably told them that if they did not take charge as a community, stick together, and fight for their right to control their future destiny, they would suffer the same fate as the neighborhood around them—a neighborhood which has the shoddiest of housing and highest numbers of shootings and drug-related crimes anywhere around Boston. Therefore a process of resident education and consensus building did take place. Marksdale’s community’s solidarity was in fact tested. The conversion application process with HUD had to be repeated four times because the HUD bureaucracy had (supposedly) lost the relevant paperwork three times. Despite generous overtures from potential buyers and the constant undermining of the management company (who wanted to purchase the property for themselves) the community held together for four years in their struggle to become owners of their homes. This challenging history may well be one major contributing factor to why there is more formal and informal participation at Marksdale than there is at Nassau.

Nassau’s residents never faced the kinds of challenges during the conversion of their co-op that confronted Marksdale’s residents had to overcome. That was a missing ingredient in Nassau’s history, sort of like the story of killing the chicks with kindness. I once heard of a farmer who was visited by some vacationing city folks. When they observed that some chicks in a chicken’s nest were pecking inside their shells in their struggle to break out, the city folks, in their naivety, decided to help the chicks by opening their shells for them. However, a few days later all the chicks had died. Totally distraught over this they later learned from the farmer that in order for chicks to survive outside of their shells they must build up their stamina and strength through the thousands of pecks it takes to free themselves from their shells.

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for Willcox with “the preparing of signatures on petitions,” not consensus of the existing resident community [p. 12]. Residents play only a minimal role in his planning process for a co-op, as is evidenced by the optimal timeframe he envisions for conversion:

In terms of time, when there is a strong Tenant Committee, a good cooperative consultant and a cooperatively minded HUD Area Office, the whole process can be completed in less than six months. If there are difficulties, of course, things can take a great deal longer [p. 6].
shells.

Perhaps no co-op community can ever functionally or viably exist as a community unless it has struggled through a birthing process. What facilitated the successful conversion at Marksdale was the conviction of its leadership, especially the president, about the innate right of people to control their own lives, and the key role that housing plays in this. It was the convergence of the early struggles for survival at Marksdale and the leadership’s conviction that produced the organization that has done well since it officially became a co-op in 1984.

In looking at the way both co-ops are operating now, it becomes clear how certain practices can either promote or hinder community. These practices either discourage or encourage informal participation which in turn affects how people will participate in formal ways. The predominant form of participation at Marksdale consists of members striving for and actively promoting community. This is illustrated by Marksdale’s newsletter, which is really more of a way for members to hear about fellow members, like weddings, birthdays, or fellow members’ interests (like sharing favorite recipes). When Nassau had a newsletter, on the other hand, it was strictly co-op business. There are no ways for informal information sharing at Nassau beyond the personal contact members might chose to make within their quads. Although members have tried to find more informal ways to come together as a community, their board of directors seems disinclined to support informal activities that could draw the community together. As one members ventured to say, the board feels uncomfortable with activities that go beyond board, committee, and annual meetings. Nassau members have no way to positively identify with their co-op, to regard where they live as something more than just a bunch of townhouses. It is probably safe to say that they see their housing mainly from a utilitarian point of view, where one does not bother to get actively involved because it probably would not make any difference. In contrast, Marksdale’s membership actually holds an annual anniversary dinner to celebrate the date when the conversion to a co-op became official. Again, this positive identification with their housing is
an important contributing factor to community building, along with other social informal activities.\textsuperscript{57}

What is especially significant is the fact that several members at Marksdale equate informal community-focused participation with control over their environment. This is illustrated by these members' habit of looking out of their windows from time to time to make sure no one with criminal intent would feel that they are not being watched—an important factor in maintaining community, given the neighborhood that surrounds Marksdale.

**Empowerment**

Perhaps the most resounding and recurring theme at Nassau Gardens was the sense of frustration and disempowerment members feel. More than anything else this powerlessness was what non-participating members at Nassau gave as the reason why they do not participate formally. Members were particularly upset about their board apparently violating standards of fairness, e.g., the situation of a member who no longer lives in the co-op continuing to serve on the board for several years.

One of the reasons why Nassau members feel disempowered is the co-op's founding history. From among the residents who early on wanted to convert Nassau to a co-op, people essentially self-selected themselves to become the board of directors. While these board members where confirmed by a majority of those who wanted a co-op, the board members were not truly representative of all of Nassau's residents since a community consensus of all residents was never sought on the question of the conversion. Early on in the co-op's history, the board became a tool for certain strong members to push their own agendas. For example, one early board member prided himself with having gotten policemen onto the board because he felt they would be most likely to make decisions in the way that he and his friends would benefit.

At Marksdale, in contrast, members feel very much like they are in control, that their board will call on them (and actually has) if big decisions have to be made that affect

\textsuperscript{57} Cooper and Rodman found this to be the case as well in their three-year research of two Toronto co-ops [pp. 216-218].
everyone. Even those at Marksdale who are non-active feel very much empowered and in control over their environment and, while letting their president run their co-op, feel that they are ultimately in charge. Lest I mislead the reader though, I should add that the empowerment situation at Marksdale has a considerable downside. Marksdale is extremely fortunate to have a president who is very committed and dedicated to the welfare of all the residents. However, the formal oversight of members over their co-op seems less than it is at Nassau (which at least sends a copy of its board meetings minutes to every member). In fact, several Marksdale members I interviewed were not aware that they, as members, are entitled to sit in on their co-op’s board meetings. Members are not notified of when their board meets, nor hear about what has been decided at these meetings. Without a regular process that permits and encourages member involvement and member oversight in the ongoing decision making process, should for whatever reason Marksdale’s current president leave her position, there exists the potential for a new president to deprive that membership of control over their homes’ management.

As the case study of Nassau Gardens illustrates, open board meetings and the sending of board minutes to all members alone do not prevent a situation where the membership feels disempowered. Nassau’s board felt free to decide on something as major as scrapping the allowance for improvements, which affects the transfer value of every member’s shares, without seeking approval or consensus on this from a majority of the membership in an all-members’ meeting.

What is troubling about both co-ops is that power is not more widely distributed. While at Nassau centralization of power, because it seems to be abused by its board, has left members frustrated to the point of where they do not bother to participate, at Marksdale members allow themselves to be lulled into an attitude that assumes that everything is rosy saying to themselves “they are doing a good job and so I don’t need to bother.” Such a laid-back attitude sets the members up for a rude awakening if someone should decide to use a convenient opportunity and grab power. Under present circumstances at Marksdale an
ambitious individual could possibly disempower the whole community quite easily. Clearly in both co-ops, members are not empowered since they seem totally outside of any decision-making process. At Marksdale with its current president, of course, members do have a very responsive leadership. And while members find that they always get prompt response when contacting their board and president, as I stated earlier, it is a rather tenuous situation to simply rely on the president’s good will and adopt the attitude that the president will let you know when your help is needed.

Leadership

...the more democratic the structure and participants, and better their perception of the situation the greater will be the individual involvement of occupants in the organization [Marcuse, p. 42].

Nassau Gardens’ board seems to be an entity unto itself. Members who are not on the board feel disconnected from their leadership in a way that mirrors the way the general population in the U.S. feels disconnected from politicians who supposedly act on their behalf at all levels of government. Just as citizens feel intimidated by the layers and layers of government bureaucracies, members at Nassau feel intimidated by their board and management. And just as sizable numbers of citizens never bother to vote, so at Nassau most members seem to have given up on formal participation.

Formality and rules and regulations dominate Nassau’s co-op governance. Instead of the board communicating on a human community level with its fellow members, Nassau’s board tries to legislate member behavior, as evidenced by Nassau’s overly large set of rules and regulations. The collection of rules and regulations enacted by the board over the past thirteen years and affecting all members (twenty-one pages in the co-op’s membership booklet58) exceed the total number of pages of its by-laws by eleven, and the total number of pages of its Articles of Organization by six. In fact, my interviews revealed that the board’s process of enacting new rules and regulations has gotten out of hand, so much so that the board felt it necessary to enact a rule titled: “Policy for Enforcement of Rules & Regulations.” This rule

58. Both co-ops have such a booklet, containing, besides rules and regulations, all of the co-op’s by-laws, occupancy agreement, articles of organization, as well as descriptions of the properties and their history.
specifies the number of notices and fines that will impact members if they do not comply with one of the co-op’s many rules and regulations, warning members that disregard of these notices can lead to evictions from the co-op.

Marksdale, by contrast, has only four pages of rules and regulations that have not been changed since it became a co-op. When issues arise that could affect everyone, as a new rule and regulation would, the board is likely to call for an all-members’ meeting to talk things through and to get a sense of what the whole co-op would want to do. The board changing something as fundamental, for example, as the amount of improvements one is allowed to recapture on sale of shares—as was done at Nassau recently—without trying to obtain a consensus of the whole membership, would be extremely unlikely at Marksdale. The way Marksdale’s current board acts has a lot to do with the strong sense of community there. The board’s modus operandi clearly seems to be that of nurturing community, which makes the membership feel very comfortable with its board.

When one talks about leadership, style of leadership, and how it affects those “led” takes on importance. Nassau’s board seems rather intimidating in its leadership style to members. The general sense by non-participating members seems to be that the board is not approachable. This may have to do with several board members’ attitude that in order to be on the board people must have management skills and maybe even, as one former board member put it, when asked what he thinks is needed to run a co-op successfully, a college degree:

If you got the right people, and many of these places don’t. The places like Framingham, they’re all Section 8s, they just don’t have any people with college degrees. You’ve got to have people with professional management skills. Not hundred percent of the membership, but you’ve got to have somebody who understands the business, and that we do. There’s a lot of talent from point of view of people understand business, finances and everything. I think you need that, and I think if you have a bunch of people who have always been scraping by and who are a hundred percent on Section 8 with no education I

59. He is referring to Cochituate Homes Cooperative in Framingham, a 160 unit co-op for which TechniCo-op is the property management agent. This co-op was developed for low and moderate income families in 1970 by the Interfaith Housing Corp. under HUD’s section 236, with most of its residents receiving Section 8 support [Wessling, 1982, p.62].
don’t think they can do it. You’ve got to have somebody that
knows how these things work.

Nothing has been done to provide Nassau’s members with training or to dispel in some
other way the general feeling in the membership that one has to be very knowledgeable in
order to join the board and be involved in co-op decision-making. In contrast to this
sentiment, I was quite struck by the fact that while some members on Marksdale’s board have
had some college training, no one has actually a college degree. What the board members
seem to rely on in running their co-op, and which probably explains their rapport with the
membership, is their life experience and the experience picked up during the four years of
fighting the system to buy their own co-op. At Nassau, the myth of being a member on the
co-op’s board as something magisterial for the special few is enforced by the setting in the
board meetings, where members who decide to come to a meeting are forced to observe their
board like spectators. Although members are encouraged to come to these board meetings,
experience shows that if members present ideas, suggestions, and requests, these are seldom
acted on by the board, discouraging any further participation.60

Interconnectedness of Community, Empowerment, and Leadership

The case studies provide us with two examples of the role that community in a co-op
plays in the empowerment of its members. At Nassau, community seems rather dysfunctional
and all of the non-participating members feel rather powerless. At Marksdale, where there is a
strong sense of community, members who are not on the board or otherwise active in co-op
wide activities feel strongly that they have power if they choose to exercise it. In fact, that is
the striking difference between the two co-ops. At Marksdale, the majority of members are
actively engaged in maintaining their community through neighborliness; there is cohesion of
the membership as a whole. Nassau’s members are neighborly as well, but it tends to be
mainly within individual quads and more among neighbors who have known each other for
several years. There is no overall sense of belongingness, and the feel is more what one

60. In fact, my interviews revealed that even in cases where members were skilled (in one case
ran a successful business of their own) and had useful ideas, they would find themselves
ignored by board members who were more concerned about the preservation of their
power.
would expect to find in a traditional rental complex. Newer members, in particular, tend to feel more like renters and disconnected from their neighbors at Nassau, whereas at Marksdale recent members feel very included by the community into which they moved.

In terms of leadership, formal participation by members, as the cases show, is not so much linked to talents or skills as is a commitment by individuals to do the best they can for their community. The efforts by Marksdale’s leadership to maintain a caring, neighborly environment in their co-op, and the example they set for their fellow members in doing so, is the key to its members taking a genuine interest in their co-op. It is also the key to Marksdale’s levels of informal and formal participation being higher than Nassau’s. However, even at Nassau, there is a reservoir of member resources, both in the form of talents as well as in ideas. I found members who had many ideas on how to create a better sense of community which so many of Nassau’s members are yearning for. If Nassau’s leadership would reach out to its members in less formal, empowering ways many of its members would participate both formally and informally.
CHAPTER VI

Conclusion

Apart from my strong belief that the ownership of housing needs to be balanced by an owner’s responsibility to his or her neighborhood and to society as a whole\textsuperscript{61}, my motivation for pursuing this inquiry into co-op participation was my belief that limited equity cooperatives are one among several good solutions for meeting the affordable housing needs of low and moderate-income families.\textsuperscript{62} While I still believe that the co-op housing model is a viable option for addressing the housing needs of low and moderate-income families, I do so with certain reservations. I do not believe that co-ops are a universally applicable solution for all housing needs. For co-op housing to succeed, certain conditions are requisite:

Specifically, because the central features of a co-op are that residents are collectively the owners of their housing and are jointly responsible for maintaining it, residents must be functioning as a group, demonstrating the ability for collective action. The Marksdale Gardens case demonstrates, in part, that the existence of a functioning organization of the residents—on both an informal and formal level—is necessary for creating a cohesive membership that is capable and willing to work as a group in maintaining and managing its housing after becoming a co-op. In fact, during the conversion process Marksdale had to sustain itself as a viable organization despite major set-backs in their four year struggle of buying their housing. The conversion process involved the building of community as much as it involved the legal and financial details of creating the co-op.

Nassau Gardens’ residents, on the other hand, never became a cohesive group, either before or after the conversion. Unlike Marksdale’s residents, for whom control over their

\textsuperscript{61} Fundamentally, I believe that the right to own property is to a degree essential in motivating productive human behavior.

\textsuperscript{62} I actually live in a limited equity co-op myself (one that is less than a tenth in size of Marksdale) which served as a constant reminder of the relevancy of my research.
housing through co-op ownership was probably the closest they could get to homeownership, the residents of Nassau thought of their housing as a transitional option on their way to the American Dream ideal: the single-family home with a yard on all sides. Nassau, as a resident organization, did not build the capacity to function as a group in its rapid process of becoming a co-op. The focus in creating Nassau’s co-op was preventing for-profit developers from taking over the rental complex and raising rents. During the conversion process, an indigenous organizational capacity was not created since the emphasis of the outside consultants helping with the conversion was on the technical details of meeting the financing and legal requirements of the conversion as quickly as possible. Had the option of a non-profit landlord acquiring and managing Nassau’s as rental housing been available to the residents, it is conceivable that this would have been their preferred choice instead of co-op ownership, as long as their rents would not go up.

Given these two scenarios of co-op creation, I believe a co-op is only a viable housing option in cases where:

- the desire to gain joint control over housing originates within an existing resident community or where a group of people is involved in creating the housing they will control when it is completed, such as in a sweat-equity scheme; and
- there is a demonstrated ability by residents or a group of people to act collectively over an extended period of time during the process of creating a co-op.

Saegert (1989), in an evaluation of city sponsored limited equity co-ops in New York City, confirmed the importance of placing at least equal emphasis on the social development of a residents’ organization in creating co-ops. She concluded that “the major lesson of our evaluation concerns the necessity of viewing the development of co-ops as a process of social organization, not just the physical rehabilitation and legal sale of the building” [Saegert et al, 1989, p.13].

Significant to the longevity of co-ops is the role and importance of technical assistance by governmental agencies and non-profits to co-ops not only during the creation phase, but on
an ongoing basis. Even when a co-op starts with a socially sound and functioning community, Saegert found in her evaluation that over time “non-productive social/managerial patterns develop in many co-ops...as frustration mounts over building conditions, finances and leadership. These patterns can cripple the ability of co-ops to solve the problems they face” [ibid]. These problems are not necessarily an inability of residents to work together in managing their buildings, but “a logical consequence of policy and technical assistance decisions...Our research indicates that negative outcomes follow predictable patterns that are traceable directly to a lack of an appropriate policy commitment giving resident owners a reasonable chance at success” [ibid].

While neither of the co-ops in my research has failed, Nassau Gardens would benefit greatly if there was a mechanism in place ensuring that technical assistance was available not only in the form of balancing the books and doing budgets, but also in improving and maintaining a social organization. Several of its members, in fact, wish that there was some sort of mediator that would help the co-op sort out its organizational problems. I believe there is a serious policy issue here: co-ops must receive ongoing support services to assure their longevity, support services which are not limited to the balance-the-books creating-budgets-issues but also include community building and co-op educational support. Even Marksdale Gardens with its well-functioning community could benefit from an ongoing support system to improve formal participation, to develop new leadership, and to alleviate the members’ over-reliance on Marksdale’s current president.

One of the major concerns in providing additional support services to co-ops is costs. While many co-ops’ mortgage lenders (and investors in case of syndicated co-ops) insist that co-ops budget for technical assistance on administrative issues, it is rare for allowances to be made for building the social organization. Most co-ops would probably be hard pressed to pay for facilitators or organizational educators with expertise in co-ops to come in and provide services, whether just once to deal with a crisis, or on an ongoing basis. Although such services do not in themselves create the social relations that make up a functioning
community, they provide special opportunities where such relationship building can occur. They signal to all members the importance of working together cooperatively.

Support services are also needed to help existing co-ops with the selection and education of new members. Both of the co-ops I studied maintain waiting lists of members who wish to join, but when the decision is made on who is to be admitted, they focus on issues other than participation. At neither co-op is a member’s proclivity toward formal participation a deciding factor. This is partly economic reality, as well as the absence of a centralized co-op resource. It would be a tremendous service for co-ops if some sort of central co-op resource were created that would act on a regional basis, like the Boston area. Instead of each co-op maintaining its own individual waiting list and being solely responsible for finding new members, a co-op’s membership committee could call this centralized co-op resource which could, in part, act as clearing house that promotes cooperative housing and, through screening and training, put together a pool of prospective co-op members. Each co-op’s membership committee would, of course, still have full control over who is admitted as member, but would be able to choose from candidates who are more likely to know what it means to live in a co-op and be more willing to participate in a co-op once selected to become a member.

A centralized co-op resource could in its promotion of a local area’s co-ops not only create a pool of people who would want to live in a co-op, but also serve as an educator to the general public of what exactly cooperative housing is. It could teach some introductory sessions to those interested in joining a co-op on how co-ops work and how member participation in co-ops is essential. Along with requiring attendance at the training sessions, a centralized co-op resource could also require—as a precondition for recommending a would-be co-op resident to a co-op with a vacancy—that those wishing to join a co-op come to regular meetings once a month to reinforce what they have learned and become thoroughly steeped in what one might call a “co-op culture.” This combination of required training and regular meetings would also serve as a screening mechanism; people who are not serious about being involved and making commitments regarding their housing would probably
withdraw from the process. Perhaps the already existing resources of non-profit organizations working on co-op related issues, such as Boston’s Association for Resident Control of Housing (ARCH), could be enhanced to provide such services. One of the key issues of creating a centralized co-op resource would be, naturally, finding funding. Clearly, research on how to provide co-ops with better means of organizational support such as member selection and training is one of the most pressing needs.

Implicit in the discussion above on the need for supporting organizational capacity, selection, and education of co-op members is the importance ascribed to resident participation. I argued in Chapter I that participation is of central importance to the limited equity cooperative housing model; but is it? In looking at co-ops that have no equity limitations and that, for the sake of argument, presumably have residents who have the financial resources to pay for every conceivable service the co-op could want, what would be left for co-op members to participate in? Perhaps only the election of a board. So, looked at from a purely functional point of view, resident participation beyond a board of directors could arguably be unnecessary to the functioning of the co-op.

In a limited equity co-op, however, which is designed to serve residents on low and moderate incomes, such resources are absent and for that reason require more participation to cooperatively hold housing costs down. The obvious argument that then emerges is that limited equity co-ops condemn the poor to endless meetings, while the rich just pay someone to get their housing related business done.

The argument takes on special significance in light of the 1992 Fannie Mae survey, which found that the lower the level of income the higher the desire to own a home [Fannie Mae, 1992, p. 6]. The counter argument to those who criticize co-ops for forcing the poor to participate is: what are the housing alternatives to co-ops for low and moderate-income families in a housing market where ownership of the single-family home is not within reach? For those families who want control over their housing while also being able to afford it, a co-op would be a good choice provided they are willing to pay the cost of their participation.
Of course, while everyone would naturally prefer control over their housing, not everyone is willing to give of themselves for it. This is important to realize for those who might think of co-op-tenure as the solution to making homeowners of all the poor: co-ops are not for everyone. Consequently, there must be alternatives to co-ops for housing low and moderate-income families, such as non-profit rentals.

Missing from the preceding discussion on whether participation is essential to a co-op, is the quality of housing issue I raised in the previous chapter—that to the degree there is a high level of informal participation that contributes to a sense of community the quality of housing is raised. The quality of housing being the measurement in terms of safety and emotional fulfillment—i.e., people enjoy where they are living, are content, and feel like they want to and/or have put down roots, as well as things like neighbors watching out for each others’ children.

The findings from my research surrounding informal participation lead to another important conclusion; while formal participation is low at Marksdale, one cannot conclude from this that the co-op is dysfunctional. Quite the contrary. Because of a firm commitment by the co-op’s leadership toward building and maintaining a caring community, informal participation at Marksdale is very high. Residents are generally concerned for each other’s welfare and security, have high levels of social interaction and as a consequence the quality of their housing is quite high. This cannot be said of Nassau. While its members certainly have a high level of safety and have worked hard to turn their apartments into their own version of home, residents have major problems with almost every other aspect that surrounds their housing: management, relations with neighbors, and lack of social integration (when one considers the problems between long-tenured and Section 8 supported households). Yet, in other aspects Nassau is a great success: its monthly carrying charges are very low, $510 for a three-bedroom townhouse per month ($599 at Marksdale), and it has $500,000 in cash reserves. However, because its board places a high emphasis on formal participation and through its style of leadership ends up stunting the development of genuine community
building, not only are its levels of formal participation very low (having been unable to make a needed change in two of its by-laws in over five years because not enough members participate in its annual meeting), but a sense of dissatisfaction with their housing seemed to permeate all of the interviews I conducted with the residents.

Another key issues that my research on participation has revealed as important is the need for meaningful participation. Ideally, one would like every co-op member to be actively engaged in some form of participation. However, creating a number of committees to try and get every member to participate is not desirable. The activity engaged in by the member must be meaningful, must have value in terms of the contribution it makes to the co-op and the practical and emotional benefit the participant can derive from it. As one non-participating member stated: “Don’t give me make-work; make-work is crap.” This poses a dilemma; by necessity any co-op will have just a certain number of slots, such as on the board, where participation is directly related to an essential function without which the co-op could not function. While committees such as a social activities committee can add to the overall quality of life at a co-op, members generally are aware that such work is of minor significance, and when compared to other things, such as meeting with one’s friends, or spending time with one’s family, have a high opportunity cost.

To deal with the issue of meaningful participation the emphasis needs to be on organizational development. Cooper’s and Rodman’s (1992) recommendation is to develop ways for involving a continually changing core of members in running their co-ops, a recommendation with which I agree fully:

Our view is that given the impossibility of achieving anything close to 100 per cent participation, especially in urban co-ops, efforts would be better spent developing ways of involving smaller numbers of members in an ever-changing core of active residents. We conclude that participation might be organized with a view to frequent transfers of power and skills. Rather than trying to involve everyone at one time or relying on the same small group of committed members, a shifting core of active co-op members could be encouraged to emerge and continually replenish itself. This requires organizational development. At least as important, the atmosphere on committees should be such that those who agree to participate
once will be willing to do so again [1992, pp. 194-195].

This issue on how to motivate and keep members motivated, I believe, is one of the most important questions that needs to be researched further. How can Cooper’s and Rodman’s recommendation be put into practice? How does one prevent burn-out by dedicated members on one hand, and free-riding by the rest of the membership on the other hand? Answers to these questions would be extremely useful in dealing with the ubiquitous problem of participation.

In terms of expectation enforcement, mandating participation is probably difficult to enforce, as Cooper and Rodman show in their case study of two Toronto, Canada co-ops where despite participation requirements in occupancy agreements a quarter to half of the members do not participate [ibid, p. 194]. Also important to consider before participation is made mandatory is that it must be thought through in terms of basic human needs, such as Maslow’s hierarchy.63 If we think about the components of one’s home in terms of hierarchical needs it might look like this:

1) The immediate roof over one’s head
2) Outside factors that affect the quality of one’s home, e.g., heat, hot water etc.
3) One’s neighbors and their impact on home, good or bad
4) That which gives control over the overall factors of one’s housing, cost, policies on admissions of others, transfer of ownership etc.

Once the basic human need of shelter as embodied in 1) and 2) are met, there may well be practical and emotional needs, that surpass the effort needed to overcome a threshold (which is probably different for everyone) beyond which people are not ready to participate. For example, the mother with a dysfunctional household, or difficult relations with family members and work relations may have belongingness needs that exceed her reservoir of will and ability. Co-ops, in order to be truly inclusive, must reach out to her and offer support rather than mandate her participation.

Before ending this last chapter and thesis with the following section on co-op principles, there are some issues about this research I must address:

First, there are inherent limitations for generalization with this research since it involved co-ops with backgrounds and characteristics that are somewhat unique. Marksdale has a very devoted president who is directly involved in the day-to-day management of her co-op and is universally beloved and completely trusted by the co-op’s membership. At Nassau, there was a condo/co-op war which traumatized and alienated much of the membership. Both co-ops are also unusual in their homogeneity: one has a 98 percent white membership, and the other a 100 percent African-American membership. Because of my limits of time and resources I could not investigate additional co-ops, nor do quantitative analyses on the co-ops I did study.

Second, both of the co-ops are managed by the residents themselves. In many limited equity co-ops (perhaps the majority) this is not case. Banks frequently insist on a property management company managing the co-op’s property for the residents. I have learned that this can effectively reduce most of the membership to playing the role of the traditional tenant. Research is needed to see what impact property management companies have on participation. Related to this is the issue of syndication, where limited partners who through investment in a low to moderate-income co-op obtain income-tax benefits—while gaining a measure of control over the co-op commensurate with their investment. This arrangement obviously changes the nature of the co-op; co-op residents are not the sole owners of their housing and do not fully control it. Syndication investors generally insist on a property management company maintaining a co-op’s property and reserve certain veto powers over co-op decisions that might affect their investment. Clearly this is bound to impact on how residents are likely to feel about their co-op and the way they participate. I purposely excluded management and syndication as variables from my research so I could study the co-op in its pure form, where residents have the maximum level of control.

Third, conceptually, this research could have been approached differently. Because I focused on property interests as a factor affecting participation, certain effects from class,
race, ethnicity, age of residents, and location as well as physical design were underemphasized or overlooked. For a more comprehensive body of knowledge on co-ops in general, and resident participation in general, these issues need to be investigated.

Cooperative Principles

Considering society’s bias in extolling the virtues of the single-family home, it seems odd that co-ops do not have a list of principles or standards of expectations of all co-op members. While some of the theoretical literature on co-ops lists co-op principles (Birchall, 1988, pp. 175-176) and the International Co-operative Alliance has sought to standardize a set of these, neither in the co-ops I researched was there a list of co-op principles in use, nor at most other co-ops of which I am personally aware. This is unfortunate. Such a list of principles could serve both as an initial tool to educate the general inquirer into co-ops, and it could serve as a tool for uniting co-op members around a more explicitly stated set of purposes and obligations. New members could be required to sign a set of principles when joining a co-op, and longer-tenured could be regularly reminded of what it takes to have a successful cooperative. I offer here such a set of co-op principles in the hope that they will spark discussion among co-op members and affordable housing advocates. These principles grew out of (1) the forms of participation I defined at the end of Chapter I, (2) my co-op interviews, (3) my personal experience as a member of my own co-op, and (4) my reading and thinking over the nine months in which I pursued the research for this thesis:

Democratic Control by All
Housing co-ops are democratic organizations. Every member has an equal right to vote. To exercise their informed right of control through voting on co-op affairs and election of representative board members, all members participate in meetings of the membership as much as possible.

Informing Members
It is the responsibility of a co-op’s board to make sure that members can adequately inform themselves and learn how their co-op management works. Except for individual members’ highly personal information, members are never excluded from any co-op information or meetings of the board of directors.

The Central Purpose: Providing Affordable Housing
The purpose of housing co-ops is to provide members with housing at the lowest cost while at the same time assuring the best possible housing quality for all members. A housing co-op is not a means of investment for increasing one’s wealth through focusing on increasing
members’ equity or a co-op’s real estate value. Nor is it for generating income: long-term subletting violates the co-op’s purpose to provide housing to members. Members’ charges and refunds are in proportion to their use of co-op services, not the amount of money invested in co-op shares.

**Involvement and Caring by All**

Each member is involved in some fashion in the affairs of the co-op to assure the co-op’s long-term success. At a minimum this means that members keep themselves informed about what goes on in their co-op and what the co-op’s needs and problems are in order to make informed decisions at co-op meetings and elections.

**Non-discrimination: Maintaining Diversity and Membership Open to All**

All members work diligently in concert to create and maintain an atmosphere in their co-op that makes it a desirable place to live for all current and future members, regardless of family size/composition, source of legal income, race, color, sex, creed, etc. This means that members interact with each other on a personal level as well as in meetings and in other co-op activities without allowing prejudices to get in the way of building a community of all members.

**Mutuality**

Members focus in their activities on the mutual good of the entire co-op and do not become involved to merely protect or enhance their own interests. Mutuality means to actively pursue the principle of all for one, and one for all. To the degree that each member is actively involved and concerned for the good of the entire co-op, the co-op’s business will get done more easily and less costly.

**Building and Maintaining Community**

Co-op members build and strengthen their own community and the communities around them by being involved with each other and non-co-op neighbors in ways that create and preserve neighborliness and community spirit while contributing to an improved community/neighborhood in and around the co-op.

**Cooperation with other Cooperatives**

To assure the success of co-ops everywhere and to promote the idea of cooperative housing, all co-ops should be ready to help each other through sharing information and providing active support to each other.
APPENDICES

Appendix A

Research Methodology

This thesis emerged out of my desire to deal with social justice and equity issues in my thesis, as well as out of my belief that all ownership of property must be accompanied by a responsibility to one’s neighbors and the needs of society as a whole. My hope is that this research will be used to strengthen the limited equity cooperative (LEC) housing model, a model that I view as one effective method to meet the housing needs of low and moderate income households in a way that provides these households with security of tenure and control over their housing while also being in balance with the needs of society as a whole.

Research Focus and Central Research Questions:

My research was based on the premise that participation is the major organizational issue in the long-term success of LECs. Therefore, cooperative action taking for a common good by residents, defined as participation, was the research focus. The following questions were the key questions this research sought to answer:

1) to what extend do LEC residents participate in their co-ops?
2) why do LEC residents either participate or not participate?
3) do some LEC residents participate only in ways that seek to protect or enhance their individual property interests?

Methodology:

On a theoretical basis in Chapters I and II I tried to show that lack of participation or problematic participation in LECs is likely to be socially and culturally based behavior propelled by attitudes that are rooted in individual households’ unchallenged attitude about fulfilling the expectations derived from the American Dream myth rooted in possessive individualism. In order to test whether or not participation is linked to possessive individualism and to answer the central research questions I compiled through interviews with co-op members two case studies of Boston area LECs.

Selection of Case Studies

From a list provided by ARCH, of all LECs in Massachusetts that ARCH knew to be in existence as of July 1991, I chose seven Boston Area LECs for closer consideration as case studies. The criteria by which the seven finalists were selected were

1) size, all of them had more than 50 units,
2) mixed income, all of the co-ops included Section 8 subsidized members
3) age of co-op, all of the co-ops had been legally a co-op for at least five years
4) style of housing, the only styles of housing offered in all co-ops was townhouses and or garden-style apartments.

The final selection of the two cases for this thesis came as a result making sure that in my selection from the seven finalists, the two cases to be researched were comparable in terms of size, management, and origination (both are former rental properties converted to LECs) as well as through a process of elimination. Two co-ops declined my request for conducting my research, which left Marksdale Gardens Cooperative Corporation and Nassau Gardens Cooperative Housing Association as the only comparable LECs in terms of size, management, and origination. Both co-ops are formerly HUD owned properties and converted to co-ops by the tenants when the properties were rentals. Both are also self

64. Association for Resident Control of Housing, formerly the Cooperative Housing Task Force.
Conducting the Case Studies:

In order to get the needed information for answering the central research questions, I did the following:

1) Content analysis of LEC documentation:
   Reviewed each LECs’ articles of incorporation, covenants, subscription agreements, by-laws, and occupancy agreements. Also reviewed documentation to the extend available to me (memos, minutes from meetings regarding the development/conversion of housing to LEC, news paper clippings) that providing history of these two LECs. Analysis of this documentation was useful in showing how through the organizational structure of each LEC participation is either en- or discouraged.

2) Observed Co-op Governance in Action:
   I attended one board meeting in each co-op. This direct observation was useful for understanding just how the governance in each LEC tends to work, and to some degree helped with the analysis of the interviews by putting them into more of a context.

3) Interviewed LEC Members:
   Interview questions are listed in Appendix B. Since the major part of what I tried to accomplish was to find out why people are not participating in their LECs, I interviewed both active and non-participating members in each LEC.

   At Marksdale Gardens I conducted a total of nine interviews, one with the president who is also property manager, three with other board members, one interview with a member who is active on a committee but not on the board, and four with members that beyond their own home are not involved in any activities for the whole co-op. The names of the “non-participating” members came from a list, pulled together at random of co-op members who do not engage themselves in co-op activities beyond taking care of their own homes.

   At Nassau Gardens I conducted a total of ten interviews. On advise of the co-op’s attorney, the board distributed memos to all members letting them know of my desire to interview members. Members who did not wish to be interviewed were told that they could let the office know and therefore would not be contacted by me, there were about a dozen who did so, which included the co-op’s president. I conducted one interview with the property manager who is also a member of the co-op, three with board members, and one with the assistant treasurer who was a founding board member. I also interviewed five non-participating members. The property manager provided me with a list of all co-op members from which I chose randomly 36 names (using street and apartment numbers). After excluding from this list those known to the property manager as being active in the co-op or not wanting to be interviewed (total of 3) I contacted five members from the remaining list for my interviews.
Appendix B

Interview Question Used in Case Studies

Thesis Research Questions for all co-op members

Resident selection/marketing

1) How long have you lived in this neighborhood?
   - How long have you lived here at ________ Gardens?
   - How long do you expect to stay here?

2) Were you living at ________ when it was converted from rental to co-op housing?
   if no, How did you find out about ________?
      - Would you have learned about it if it hadn’t been for...(Answer to preceding question)?

3) Why did you support the co-op conversion and join ________? or decide to join and move into ________?
   - Did it have to do with a sense of community and or neighborliness here?
   - Did it have something to do with becoming a homeowner?
   - Did it have to do with you wanting control over your home?
     - What does control over your home mean to you?
     - How important to you is control over rent increases and potential eviction for whatever reason?

4) If you decided to move, are you aware of the fact that you cannot sell your home like someone who owns a condominium or a house, that in fact you own shares of the whole co-op rather than the townhouse you live in?
   - Do you know that the amount of how much you can sell your shares for is limited? do you know how your shares would be transferred?
   - who is responsible to find a new shareholder/occupant for your home?
   - do you know that anyone moving into your home, when you decide to sell your shares, must have your ________ board approval, that in fact ________ Gardens has the first right to buy your shares?
   - How do you feel about these restrictions that are different from the way most people own and the way they can sell their home, do you think they are too severe, or do you think that they are fair, WHY?

Questions on housing ideology

5) If you could have the housing type of your choice, which would you prefer?
   - exactly what you have now
• what you have now but own it outright, no co-op involved?
• single-family home with a yard on all sides — own outright or as part of co-op?
• single-family attached townhouse (duplex) — own outright or as part of co-op?
• luxury apartment in a building with many amenities—own outright as a condo or as part of co-op?
• a condo in a traditional apartment in building with > 10 units?

Why that particular one, and (if different) how does that square with you having joined this co-op?

If “owning outright” is chosen, why that rather than co-op?

Is education about Co-op living important, both before joining and ongoing?

6) Did you receive training—that is—were there classes you had to attend or were there other things done to show you how co-ops work and how they are different from other forms of housing?

• Did you receive such training about how you could and should be involved and participate in co-op work as a member of the “team.”

If you did have training, how much and what type of training was there?
Did you feel is was enough, not enough
How prepared do/did you feel as a co-op member for your unique housing?

7) Since you became a member of ________ Gardens has any training been done from time to time?
• Do you think there should such ongoing training, would it be helpful to you?
• If yes, why?
• If not, why not?

6) Considering everything, do you think that in comparison to “traditional homeownership” co-op housing is too complicated for people to fully understand (do you think training would make any difference)?

9) Do you understand how your co-op is set up, and how it is supposed to work?
• Are you familiar with ________ Gardens’s by-laws, do you understand them?
• Are you familiar with your occupancy agreement (or the lease)?
• Are you familiar with the rules and regulations passed by the ________ BoD?
• Do you understand what the difference among the by-laws, the occupancy agreement, and the rules and regulations are?

• Do all these rules and regulations etc. seem so complicated to you that you feel uneasy about getting or being involved in running of ________ Gardens, like serving on the board?

• Do you know or do you think that your co-op neighbors feel the same way as you do about this?

Member attitudes questions
10) What good or positive experiences can you think of about living at ________ Gardens?
• Has anything of this to do with other co-op members’ attitudes and the things they do or don’t do?

• How much does this contribute to your desire to stay part of ________, or made you join it in the first place?

11) What is you feeling about the community here at ________, do people watch out for each other in a neighborly way? E.g., If you or your neighbors see something that needs attention and that doesn’t affect you directly, what happens——E.g., someone in your co-op neighborhood block has left their car lights on in their parked car, or some children are not careful in their playing and are trampling and ruining a neighbor’s flowers or perhaps damaging something else, or you notice that a heavy rain storm is about to hit and a neighbor’s windows are all wide open?

12) What do find most annoying, troublesome, or unsettling about life in a co-op?

13) What does the word participation mean to you when you think of ________?

14) What are the ways in which you participate in the ________ co-op?:
• Do you make the effort to stay informed about what goes on at your co-op and what the needs of the co-op are
• Do you participate in general meetings that are open to entire membership, elections, major decisions
• Do you participate in committees like the entertainment, newsletter or the beautification committees
• Do you participate in voluntary work for the co-op outside of board and committees
• Do you participate in social events of the co-op attending them but also helping in organizing them
• Do you engage in work on your own home—painting, gardening, and, or, repairs
• Do you spend time on co-op business not reflected in the above, what?

Why do you participate in any of those ways?
If you don’t participate, why not?

Would you rather do something other than what is listed here?

What would you rather do?

15) Is the amount of time needed to be involved of concern to you and if so why, and what can you suggest to make it easier, less time-consuming?

16) Are there people who participate less than you do here at ________?
• How do you feel about that, does that have an effect on how much you get involved in the co-op?
• What do you think the reasons are why there are people who don’t participate and are not involved in the co-op?
• From what you know and have seen, do you think that there is a difference in how much people are involved in ________ based on
  • whether they receive subsidies or not? If so which way?
  • whether they have higher or lower incomes? If so which way?
• whether they are living alone or with one or more family members? If so which way?

17) To make it possible to participate for everyone, do you think that special needs that some members, like yourself, might have are considered? E.g., are meetings held at hours and days that are suitable to you and your neighbors? Do the meeting hours change from meeting to meeting? Are arrangements made for parents with children to come to meetings? Are translation services available for non-English speaking members (are notices and co-op documents translated)?

18) Do you think that there are
• too many meetings?
• too few meetings?
• just the right number of meetings?
   Why?

19) Do you work as a volunteer for other organizations like a church, a non-profit group of some sort, school?

20) What do you think of how the _______co-op board of directors is running things?
   • How does it make you feel, what do or don't you like about it?
     What could/should happen to improve it
   • Do you think your board members are skilled enough to be on the board?
   • Do you feel that your board of directors is like an exclusive club and discourages you from being more actively involved in ________?
   • Is there regular change of who is on the board or does it seem like the same people all the time?
   • How do you feel about that? Does it encourage or discourage you to get involved?
   • Do other members share this feeling?
   • Do you feel that your co-op board doesn’t understand your situation, and asks too much of you for getting involved?
   • Do you think that there are members on your co-op’s board or otherwise actively involved just for their own interests? How do you feel about that?

21) Are board meetings open to entire membership?
   Do you attend these, never, sometimes, usually?
   If never why?
   If sometimes why?
   If usually why?

   • Do you fully read the minutes from the board meetings distribute to all members every month?

22) How free do you (and your neighbors) feel to call for special membership meetings to deal with stuff that you and your neighbors are concerned about?

23) Do you feel more like a tenant of a landlord or like a Co-owner or business partner in this Co-op?
   if like tenant—how come?
     —what specifically makes you feel that way?
   if like Co-owner—how come?
     —what specifically makes you feel that way?
24) When decisions are considered/made that affect all of ________ residents, do you think that the board gives you and the entire membership enough of a chance to really have a say in things like changing:
- change of rules and regulations affecting all members
- amount of monthly carrying charges
- incurring the costs or debts for things for the co-op and that could affect your carrying charges: e.g., utilities, maintenance, breakage or damage, laundry facilities, exterior facilities—is there a threshold of costs to be incurred beyond which membership input is sought
- How new co-op members are selected and admitted
- Policies on Evictions
- regulations having to do with pets etc.
- who gets hired and what people are paid at the office
- Security issues and practices

26) Is there some regular newsletter or other means of keeping all residents informed about the Co-op on a regular basis? If yes, do you read it? If no, do you think it would be good to have one, why?

Questions directed at board members specifically
27) How do you perceive your fellow members in their interaction with the Board—as co-owners or as tenants? How come?

On internal structure as well as on areas of decision making, Control and information
28) Are co-op members informed and encouraged about co-op areas where they can participate?
- such as repairs
- social activities
- finance/budgeting
- management
- new membership/admittance
Are there committees for these?
If so, how active are they (meeting how often)?
How many attend?
If not, why not?
• How much participation is there in any of these areas?

29) When decisions are considered/made that affect the entire membership, is the whole membership made aware of the decisions considered before they are made? How?
At what point:
• the defining of the need for the decision
• the suggestion of alternatives
• the evaluation of the alternatives—is the entire membership made aware of them, and is input on the final selection of alternatives sought
• to what extent is complete information on the alternatives available to members, and to what extent can members verify independently the nature of such alternatives?
• If any of the above is done, how much participation is there in this process?

Specific examples: How much consulting (as outlined above) between _________co-op board and members is there before changing:
amount of monthly carrying charges
incuring the cost of services (incuring of debt for other services) that impact on
carrying charges: e.g., utilities, maintenance, breakage or damage, laundry facilities,
exterior facilities—is there a threshold of costs to be incurred beyond which membership
input is sought
Extent of expenditure on special services including recreation, community facilities,
laundry, exterior storage, etc.
How new co-op members are selected and admitted
Policies on Evictions
regulations having to do with pets etc.
Allocation of funds between maintenance and repairs and improvements

who gets hired and what people are paid at the office
Security issues and practices

29) Are there conflicts of interest among ________ Gardens’ members that tend to divide
them into long-term camps?

What are your reflections of how the condo conversion controversy of the late 80s
affected ________ members and participation/involvement of people in the co-op?

30) What forms of regular communication is there between the board and active members and
passive members?
   • Would you judge it good or poor? Why?

31) How frequently does the whole ________ membership meet, with what attendance?

32) are there any sanctions for members who don’t participate
   • in any membership meetings?
   • in other co-op areas, e.g., not maintaining their yards?

33) Is there any regular (organized) interaction between board members and the rest of the
membership outside of regular board meetings?
   • Do board members ever visit from door to door
   • visit new members to welcome them, arrange special gatherings to introduce new
   members to co-op?

34) Why do you serve as a board member for your co-op?
   • How much of your reason has to do that you feel without you things for your co-op and
or your investment of time and money could be lost?
   • Do you think and trust that the rest of membership could handle things well enough
without you?

Membership selection/marketing/training
35) How do you find new members as members move away from________co-op.
   • does the responsibility for finding a new member ever or usually lie with the individual
moving out?
   • how much, if at all, is a leaving member involved in finding a new member?
   • Do you maintain a waiting list
     • how long is it, how long a wait is there

36) How is __________co-op promoted?
as a homeownership opportunity?
• as affordable and well-kept housing for the long-term?

37) What do you look for in new members?
• Do you look for some sort of volunteer involvement in social or community action in the past?
• What is involved, has to happen, before people are selected and put on the waiting list (if any)?
• Do prospective members have to undergo some form of training, before or after selection?

How is training done, what does training focus on, and who does it?
Is there on-going training for members once they have moved in, how frequently (at what intervals)

Administrative/organizational mechanisms facilitating participation
38) Are meetings of the board open to members and held at times that members may attend, is attendance encouraged or discouraged?
• How easy is it for any member to see and read minutes of board and membership meetings?
• How free do people feel to call special meetings of either the board or the entire membership? Are there administrative prerequisites before either membership or board meetings can take place, i.e., collection of signatures on petitions, minimum number of member requests for special meetings, etc.?
• How free do people feel to call such special meetings?
Appendix C

Nassau Gardens Newsletter Analysis: June 1981 to April 1988

The newsletter was written and edited from 1981 to August 1987, with a few exceptions, by just one member. This member was also one of the founding board members and has remained very involved in Nassau Gardens. While his intentions were to be supportive of the co-op, the fact that the newsletter did not reach out and involve more of the members, the tone and type of the newsletter’s coverage all probably increased the distance many members feel between themselves and their leadership. It may even have contributed to the unneighborly attitudes that my research revealed.

The coverage of the newsletter, which ceased to exist after 1988, was for the most part co-op business. There were no sections on community things like who got married, or who was sick and could use some cheering up, etc. Below are brief excerpts showing the content and tone of some newsletter items published from 1982 to 1987:

Jan 1982 “Snowmobiles are not permitted to be ridden on co-op property...violators will be dealt with by management”

May 82, “park in your own spaces, and KEEP YOUR GUESTS OUT OF OTHER MEMBERS SPOTS. This is becoming a real problem, and violence will soon ensue.”

Jan 83, A member’s letter was published on excessive noise due to fights, verbal and otherwise. The letter concludes “it would be a pity to have to start calling the Norwood police department just to enjoy your own apartment.

Feb 83, Complaints on hallways: “If you will not help, then you are a burden on your neighbors. If you don’t want to be part of the co-op, then leave it. If you like it here, then do your part.”

April 83, regarding the upcoming annual meeting: “Many of you have an intense sense apathy. All of us who serve on the board do so with no monetary reimbursement...All we ask is that you come to the Annual Meeting to hear what we have done, where we are, and where we are going. Please come and let us fill you in!” About rumors of some increases and the board not allowing cable TV at Nassau: “We do not know who the Morons are who spread these tales, but we would would love to tell you the truth. Come and let us do so!”

Nov 20, 85. on Disabled and unregistered cars: “For the fiftieth time, get them the HELL out of here. If one of your neighbors is an offender, try harassment (within the law please). We will keep the pressure on from this end.”

Nov, 25 86—on pets: “The complaints of new dogs and cats are common and are being dealt with. Don’t make us come after you. We will!” Again on abandoned cars: “Our get tough policy remains, and they will go, pleasantly or otherwise. Don’t be on the list.”

Aug 29, 1987, Newsletter encourages confrontation instead of solving things through neighborliness: “Pets are still a problem, but it is being handled. Keep sending in your complaint letters. The office is writing to and dealing with violators.”
Appendix D

Nassau’s Condo/Co-op War Chronology

The condo controversy raged from spring of 1986 to late summer of 1987. Here is a brief chronology of what I was able to piece together from my interviews and copies of the co-op’s newsletters:

March 20, 1986, Nassau’s newsletter mentions a “a group of members and their outside friends” sending notices to members about a meeting on converting Nassau to condominiums.

April 9, 1986, Newsletter reports four committees having formed to research and present to members on various aspects of a conversion.

For April 17, 1986 the newsletter reports that over 100 members attended annual meeting: “the largest crowd ever in our 7 year history.” Condo research committees make their reports. No decisions on condos were voted on.

June 24, 1986 newsletter informs members of four housing options to choose for an eventual final vote on Nassau’s future: 1) existing co-op, 2) higher equity co-op, 3) market rate co-op, 4) condo. Newsletter includes seventeen pages of information from the condo research committees on these options.

July 1, 1986, general meeting for members to hear from and ask questions of committees and “experts” on housing options to be voted on.

July 16, 1986, newsletter informs membership that 63% of membership voted in favor of condos to be placed on the final ballot for determining the co-op’s future later in the summer. Only 26% voted for some form of co-op, 11% of membership did not vote.

August 28 to September 4, 1986, on three different nights (to give all members a chance to vote) a total of 91% of the membership participates in the final vote for or against condo conversion. 70% of membership votes in favor of converting to condominiums. In subsequent weeks services of attorneys are retained to move forward on conversion.

March 9, 1987, newsletter includes a copy of a February 24, 1987 letter from HUD accusing Nassau board of mishandling Section 8 program and HUD’s insistence of Nassau to bring up occupation to 53 Section 8 units, or have HUD rescind the 1979 sale of the property under the HAP contract.

April 26, 1987, Annual meeting attended by 118 members and 35 proxies, or total of 75% of membership.

June 16, 1987, HUD denies conversion request. Board tries to appeal HUD’s decision over the next few months, feeling that the decision was hasty and inequitable since HUD officials never met personally with any board members before making the final decision.

August 11, 1987, HUD letter (included in August 1987 newsletter) which reiterates its final decision of denying the conversion states: “Assistant Secretary Demery has recently received many letters from residents of Nassau Gardens in reference to our denial...Most of these letters were from residents expressing thanks and appreciation. However, certain letters indicated that the Board of Directors is still intent on the conversion...we would like to reiterate...Your request for conversion has been denied. The conversion of the project from cooperative to condominiums is not compatible with the purpose for which the project was sold to the Cooperative, that is, to provide affordable low-and moderate-income housing in Norwood, Massachusetts. Many residents also indicated that Cooperative funds were being used to retain a lawyer and hire both a lobbyist and an architect...use of Cooperative funds for such practices is prohibited in the Cooperative Regulatory Agreement. We will be directing our Boston Field Office to carefully review the financial reports required to ensure that no project funds or tenant subsidy funds were used for expenses which are not project related.”
Appendix E
Layout of Marksdale Gardens
References


Fannie Mae National Housing Survey (June 1992). Published by Fannie Mae, 3900 Wisconsin Avenue, NW, Washington, DC 20016-2899.


