On May 1, 1984, the Lower East Side Catholic Area Conference adopted this position paper prepared by Howard Brandstein. It sets forth the conception upon which the area Church bases its work of assisting the development of housing and the community, thus helping to foster the empowerment and self determination of its people.

TOWARDS A SHELTERING COMMUNITY: DEVELOPING A LAND TRUST FOR THE LOWER EAST SIDE

> Private property does not constitute for anyone an absolute and unconditional right. No one is justified in keeping for his exclusive use what he does not need, when others lack necessities. In a word, according to the traditional doctrine, as found in the Fathers of the Church, and the great theologians, "the right to property must never be excerised to the detriment of the common good".
>
> -Popularum Progressio

I. Introduction

The involuntary displacement of neighborhood residents on the Lower East Side is a tragedy of mounting proportions. The great majority of those displaced are low and moderate income people including single-parent families, minorities, and the elderly and disabled on fixed incomes. Since 1970, those neighborhoods in the Lower East Side designated as federal poverty areas (including Loisaida and the neighborhood south of Houston Street) have suffered a loss of over 40,000 people and today almost 500 abandoned buildings and vacant lots serve as a stark reminder of this displacement.

The pain caused by this up-rooting of people from their homes and community cannot be measured in statistics or dollars alone. Its victims have been wrenched from social support networks, family and friends, and must contend with a market that

almost totally lacks affordable and decent housing alternatives. Many have had no choice but to double-up in apartments with relatives and friends. Others have been forced to separate shattering the integrity of their family life.

The causes of residential as well as commercial displacement stem from the complex interaction of economic disinvestment and speculative revitalization. For over two decades New York City has been characterized as a center of decay as its middle class and businesses, induced by tax advantages and vast public expenditures on highways, streamed to the suburbs leaving behind an aging housing stock and depleted job market.

On the Lower East Side, as in other inner-city neighborhoods, housing deterioration and abandonment became epidemic as property owners withdrew rental income from the community rather than reinvest it through improvements or rehabilitation. Along with the prospect of greater profits elsewhere, low-income rental housing became especially unprofitable to landlords in the early 1970's with the dramatic increase in energy costs. "Arson-for-profit" or torching buildings for insurance monies, became a final act of enterprise for many owners. For the City government, the end of this process of disinvestment and destruction meant the foreclosure of large numbers of tax delinquent properties in the neighborhood.

Beginning about 1978 the phenomena of "gentrification" began

to appear on the Lower East Side as a new form of displacement. Upper income persons seeking favorable property values and a share in the new "urban renaissance" rediscovered the Lower East Side or (as real estate developers prefer) the "East Village". Encouraged by the City's generous tax abatements for rehabilitating old structures and the increasing housing demands of the new gentry or professional class in Manhattan, landlords and speculators once again considered the Lower East Side a land of opportunity.

By 1980, these forces of disinvestment and revitalization, set in motion and sustained by public policy, began to challenge the community's very right to exist as a home for low and moderate income people. Indeed, the struggle for decent housing, jobs, better schools, and adequate social services is today being submerged and swallowed up by the brute fact that tens of thousands of individuals and families are threatened with removal.

A community strategy to address the issue of neighborhood survival is now essential. Any such strategy must begin with the premise that the participation and political enfranchisement of neighborhood residents can never be separated from the community's physical development. The consequences of such a separation are clear: In spite of 20 years of community effort to develop low-income public and Section 8 housing, the Lower

East Side remains a community of diminishing population and political power. In face of hundreds of abandoned buildings and vacant lots the community has almost no resources or collateral to initiate development. In ceding control and ownership of most of the community's newer housing to a remote City bureaucracy or, in Section 8 construction, to wealthy developers, neighborhood organizations and tenant groups have participated in creating a state of dependancy for themselves and other residents. In developmental terms we have built a train with no engine; our track record is primarily in consuming housing rather than producing it.

The history of struggle for affordable housing on the Lower East Side has not been one without necessary compromises. The absolute and pressing need for such housing cannot simply be overlooked nor can the political realities of our society be ignored. Nevertheless, a deeper grasp of these realities and their political and economic consequences for the poor and working class compel us to envision a future in which community empowerment is the basis, rather than an afterthought, of community development.

II. Toward A Cooperative Future

The goal of community empowerment suggests a cooperative model for future development. This model is defined by shared

ownership of property and equal voice in decisionmaking for residents. A cooperative model could apply equally to the organization of buildings, community gardens and open spaces, and even economic ventures. Its aim is to foster a productive relationship between community residents and the land they inhabit by empowering those residents to initiate, manage, and assume responsibility for development.

In contrast to the cooperative, the rental model implies a passive role for neighborhood residents. The organization of rental development is external to these residents in as much as it relies on the marketplace or public and quasi-public authorities to initiate and manage development. Rentals, by establishing "alienated" spaces, define the relationship between the land and its inhabitants (or between shelter and occupant in a housing context) as a consumptive one. In this milieu the problem of poverty is understood solely as a problem of insufficient income to purchase or pay the cost of decent housing and other desired commodities. Cooperative development, by restoring a political foundation to the lives of the poor, profoundly challenges this one-dimensional understanding. At the same time it offers an alternative to the conventional definition of community as an alliance of property interests joined to maintain real estate values.

In creating this alternative through cooperative ownership we first of all recognize that problems that do not exist in a rental environment now require collective attention. The most important of these problems is represented in education and planning.

Schooled in the theory and everyday reality of "competition", neighborhood residents (as all members of society) have been educated, for the most part, in the basics of "getting" and "having". An education in cooperation, on the other hand, will emphasize the basics of "doing" and "sharing". Education in this new sense is both political and practical; political in that we learn the true meaning of self-government while becoming conscious of the larger forces affecting our community, and practical in the everyday practice of the "techniques" of cooperative living in a not-for-profit setting.

A new conception of planning as theory and action arises directly from the redefinition of education as a cooperative rather than competitive venture. Planning as theory is now located in a common set of social principles held by community residents rather than in the application of technology or bureaucratic strictures to the creation of a physical plan. Planning as action is represented in the development of community projects (eg., community centers, gardens, housing cooperatives) rather than in the purchase of technical expertise. The role of

the planner as theorist, then, is to identify and analyze possibilities for collective action; as activist it is to organize and participate in community development.

A fundamental issue that all low and moderate income cooperatives face in planning is the problem of "succession". That is, in a society of "haves " and "have-nots" how is a cooperative movement sustained in accordance with its first principles of serving the poor and working class. Is it possible, we might ask as planners, that given sufficient resources and political power, a new "ownership class" will arise in our community and recreate, over time, the identical conditions that once excluded these same residents from society's "mainstream"? Will a new community of have-nots even less fortunate than those before them be confronted with a future even more stratified and exclusionary?

These questions suggest that whenever we plan for ownership the problem of succession must be considered with great care. In a not-for-profit cooperative setting this problem may be understood by examining the question of equity. Equity arises through the contributions that individuals provide in building or upgrading their homes. These contributions are generally in the form of labor (as in sweat equity homesteading) and that part of one's carrying costs in a cooperative that goes toward repaying loans for rehabilitation costs. As original owners or

shareholders depart from their cooperative (for whatever reason), a dilemma presents itself in how the cooperative will return their equity (which tends to increase every year) without penalizing each new generation of members with higher and higher entry fees, to pay the members departing, until the cost of housing becomes once more prohibitive for low and moderate income people. This dilemma between the individual's right to equity and the community's right to affordable housing must be resolved if the cooperative movement is to endure and avoid the prospect of "self-gentrification".

In conclusion, the goal of the cooperative movement must not be to transform itself to reflect society-at-large by recreating income-based divisions, but rather to create a new community in which these divisions are no longer the central and defining feature of social, political, and economic life.

III. The Message From The Church

The Church has a vital message to communicate on behalf of the cooperative movement. Indeed, the fact of its historical presence alone compels us to consider other than marketplace or utilitarian explanations for human social organization. Nevertheless, the political challenge of the marketplace in our society cannot be underestimated both as a theory of human relationships as they are and an implicit vision of how they should be.

In understanding the theory of the marketplace, or economics, we must first of all recognize that in assuming the existence of society _a priori_ it claims not to address the question of how society's wealth should be distributed among its members. Explicitly, economics recognizes no problems in ethics; that is whether society's economic or political arrangements are good or bad is of no concern. It seeks merely to explain how human needs or desires can be met through exchange in a world of competition for scarce resources. In this world it is the "free hand" or economic imperative of the marketplace (the collection of consumers and producers) that drives the aggregate demand for and supply of commodities to "equilibrium" levels. These levels, in turn, fix the exchange value or price of particular goods. Some people can afford the price of these goods, others cannot.

In Christian theology, unlike economics, ethical principles are essential to any understanding of social order. The free hand of the market without ethical guidance stands in direct contrast, for example, to the hand of Jesus in the miracle of the fish and loaves. In this story from the Gospel, Jesus confronted with a starving crowd of 5,000 people, divides two fish and five loaves of bread until all are fed. In this miracle it is the abundance, indeed the boundlessness of God's love that creates a new vision of a just society that all people can "afford".

Sharing is the simplist of acts. We appreciate it most in its spontaneity as when children share with each other in play. Guided by principles beyond exchange value and rationality, sharing represents the boundlessness of the human spirit. It is in this act that we understand what it means to say that humans are created in the image of God.

If sharing with our friends and those we know is understood as an act of generosity, then sharing with those we do not know and may never meet may be characterized as an act of faith; faith that our gift will be received with humility and passed on. Sharing in this most profound sense reaches out, like the hand of Jesus, to the future and to those generations who come after us.

So we return to the earlier question of equity recognizing that a just resolution of this issue is needed to clarify the Christian message for the cooperative movement and the future of the movement itself. For today the movement is figuratively a sandcastle: each time we add to its structure the tide of rising values sweeps away a part of its foundation. Each time a cooperative is organized, without consideration to sharing as an act of faith, the prospect of self-gentrification arises and the housing we help build may no longer be affordable to those who need it most.

In the equity issue, the cooperative movement is confronted by the self righteousness of possession. Our goal of ownership and our rededication to the "work ethic" to save the Lower East

Side is a blessing but also a challenge lest we take our work and ourselves too seriously and march down the path of self righteousness. In conclusion, let us, by considering this prayer, remember that before we were workers and owners we too were once children:

> Please God, give us strength to rebuild our
> homes and community,
> But please, give us time to be playful too!
> For in our playfulness we are as children
> Whose simple faith in sharing is your
> message of love.

IV. A Definition of the Land Trust Model

The land trust, as proposed in this paper, is defined as a federation of cooperatives that will govern the use and ownership of land in the interest of low and moderate income people. The need for such a federation arises from the collective nature of problems that individual cooperatives encounter including the issues in education, planning, and equity discussed in the preceding. Most importantly, the land trust is a means for neighborhood residents to withstand the challenge of market forces entering the Lower East Side by bridging the separation between ownership as an expression of self-interest, on the one hand, and community empowerment on the other.

The land trust may be further defined by its two functions: First, it is an organizing tool or process of community

development; second, it is an organizational entity or structure of community ownership that defines legal and political relationships in a not-for-profit context. As both a process and structure of development, the land trust points neighborhood residents toward the creation of a physical plan. In the Lower East Side where hundreds of abandoned buildings and vacant lots comprise the landscape, a plan to develop them will become an expression of the land trust's cooperative principles.

If the goal of the land trust is empowerment, participatory or cooperative themes should be suggested in both its functions above. This goal should arise, for example, in asking the following questions: First, does the land trust as an organizing tool suggest to community residents an organizational entity that would grow and be sustained for low and moderate income people; and second, does the land trust as an organizational entity imply a need and suggest a way to organize that community?

Finally, in defining the land trust, it is important to keep in mind that its "engine" or "pulse" is not located in its structure, but in the process of community participation. A "logic of action" is therefore suggested in which informal collective activity would come before the development of formal organization by community residents.

V. The Structure of the Proposed Land Trust Model

A land trust, for the purpose of this paper, has been defined as a federative structure. That is, individual housing, open space, or economic parcels within this structure would be owned by groups with deed restrictions related to servicing low and moderate income people. A Board of Directors, with responsibility for articulating policy and overseeing staff, would be elected by all those living or working in the federated cooperatives. In addition, representatives to the Board would be elected by a mutual housing association (consisting of those individuals who seek to become members of new cooperatives) as well as representatives from tenant groups, Housing Authority, Section 8, and privately-owned buildings organizing for cooperative ownership or management. The land trust would seek to hold all unoccupied or unused land in collective ownership until satisfactory cooperatives were organized for each parcel.

Major planning and policy decisions for the land trust would be decided by a two-thirds vote of all member cooperatives and tenant associations and its mutual housing association. Decisions would be binding on all members with a codicil to this effect contained in all ownership titles or by-laws.

A staff serving under the Board of Directors would be responsible for implementing policy and carrying out daily operations relating to housing, open space, economic development

and land acquisition and serve as a "watchdog" to monitor individual cooperatives. The staff itself would be organized cooperatively and would elect a representative to the Board of Directors.

Politically, and as an organizing tool, structuring the land trust as a federation insures greater success in persuading groups that are already organized (and even in City programs) to join since ownership need not be surrendered to a larger "superstructural" community entity. Indeed, the land trust simply provides a means for existing groups to affirm what should be their own principles. (The next section describes other functions to be organized by the land trust, including a credit union and equity pool, that will offer further reasons for groups to join). With existing groups endorsing and joining the land trust it is politically stronger and has a better chance of attaining its goals.

The fact that the land trust as a federation would not itself own land, at least in its initial form, allows its organization to proceed immediately with only minimal opposition from and perhaps even the support of the City.

Once the federation is sufficiently strong, it could then seek to own land (if is so desired) in a collective fashion more characteristic of the conventional definition of "land trust". The land trust in this definition becomes similar to the

proposal for "housing in the public domain" with the exception that the political organization and ownership of the public domain becomes the responsibility of community rather than government as now constituted. (The role of government in this conception, if indeed any such role can be supplied, is to "nurture" its own transformation from the centralized corporate state towards a federation or community of communities.)

A plan of action to implement the land trust would look first at the "land resources" or City-owned parcels including abandoned and partly occupied buildings and vacant lots available for development. In the next section a plan for community action is explored.

VI. Building The Movement

A strategy to inaugurate a cooperative movement or land trust on the Lower East Side must consider both the community's needs for affordable housing, jobs and recreational open space as well as the politics of the City's disposition policy for its tax foreclosed or _in rem_ properties. The City's threat to auction these properties, if carried forward aggressively, would soon spell the end of cooperative possibilities for the poor and working class. Therefore, the land trust must be initiated in those public properties most vulnerable to auction provided, of course, that these properties are suitable for development by community residents.

In hastening this effort, three considerations should receive serious attention: First, open and widespread drug dealing in the Lower East Side continues to pose a grave danger to community residents. This issue, having received wide media coverage, provides the community with a forceful rationale to demand the rehabilitation of abandoned buildings and if necessary even "claim" them to prevent the further spread of drug activity. Second, the presence of thousands of people homeless on New York City's streets with thousands more doubled-up in Housing Authority Projects is a social tragedy. Every abandoned or partly-occupied building is a housing resource that can alleviate this crisis. Finally, any number of progressive foundations, religious communities and other organizations are now vitally interested in cooperative ownership as a vehicle for both affordable housing and community empowerment. Rehabilitation efforts such as the 66 Avenue C Homesteading Project, sponsored by the Lower East Side Catholic Area Conference, have drawn broad support from these sources even before receiving official recognition from the City. The Project has without question encouraged a far more positive response from funding sources because of its "in progress" status wherein homesteaders (i.e., the building's future residents) participate in the rehabilitation of their future home.

In reviewing the considerations above, it should be clear

that a developmental process that provides for visible community participation in addressing the relationship between affordable housing and homelessness as well as the issue of community safety will be a powerful planning tool for neighborhood residents. Homesteading is one such developmental process that has yet to be fully utilized in this sense.

Homesteading may be defined as a process in which community residents participate in the rehabilitation of abandoned or partly-occupied City-owned buildings which, once completed, are owned and managed cooperatively by them. More broadly, homesteading may be understood as a logic of action that connects community residents to buildings and land establishing a physical space or "infrastructure" for community social and political life. The principles of homesteading may therefore be applied as well to the construction of community parks and planting of gardens on vacant lots, the development of community centers, and the organization of cooperative businesses.

Even as a process to rehabilitate abandoned buildings alone, homesteading as envisioned here, stands in marked contrast to the City's conception defined in its Department of Housing Preservation and Development Homesteading Program. With excessive and unrealistic labor demands on its homesteaders and only partially funded, the City's Program, like the sound of one hand clapping, is an incomplete idea both as a social conception

and as a physical plan to rehabilitate abandoned buildings. In the face of damning evidence that its Program does not serve the poor or working class, the City, rather than reconsider its homesteading model, has instead located its failure in the people themselves. And now, the poor and working class must be moved aside by those who can better serve their idea! Indeed, in the City's latest round of competitive funding, their criteria for acceptance has been turned completely on its head with those most in need now the least eligible to join.

With the City's Program having collapsed into a mindless work ethic no longer serving the community, a new approach has become essential. This new approach, if it is to succeed, must reassert a community social and political context by building a relationship between individual homesteads and the cooperative movement as a whole. At the same time it must declare without hesitation that all those who participate in that relationship are homesteaders.

At 66 Avenue C a new homesteading approach has been created that includes the participation of the elderly, handicapped and homeless along with those who have traditionally participated in such efforts. In this effort those who are physically able provide a minimum of eight hours labor each week towards the building's physical rehabilitation. In addition, labor provided by Board of Education student construction trainees, church

and community volunteers and contractors is utilized. Those homesteaders who are not physically able undertake lighter tasks or non-construction assignments such as secretarial or bookkeeping work. Training in all tasks, physical and non-physical, is provided by the Project's sponsor.

The significance of the 66 Avenue C Project lies in the recognition that a social movement cannot be created by "the able-bodied," "the youth," "the elderly," or any other category of community residents. While any one group may be an inspiration for social action, a movement as a force for social change can only be founded in those ideals and actions that all oppressed people share in common.

The community's strength on the Lower East Side is everywhere, but today the organizations that represent it are sleepwalking. The forces of the marketplace hold a strange, dreamlike spell. Gentrification and displacement go fundamentally unchallenged so long as we believe that "this land is ours" but refrain from taking it.

The land trust must be initiated not tomorrow but now. Community residents with the assistance of neighborhood organizations and churches must begin organizing new homesteading groups, community parks and gardens, businesses, and other cooperative ventures. At the same time the community must begin a dialogue with existing cooperatives to explore avenues for coalition.

In developing the land trust on the Lower East Side we must always keep in mind its goal of building cooperative relationships. By planting the seeds of community in each cooperative organized, the land trust, in essence, becomes a cooperative of cooperatives. Some of the activities that can build these relationships are described below:

1. Homesteader Fund: A Homesteader Fund consisting of fixed contributions from participating buildings that would leverage matching contributions from private sources would be developed to pay the cost of sweat equity supervisors who would provide construction training and guidance to homesteaders. At a later stage the Homesteader Fund could be broadened into a Community Fund to assist in financing alternative energy development and other projects in the neighborhood.

2. Equity and Reserve Replacement Pools: Pooling of funds is based on the insurance principle that the whole is greater than the sum of its parts. The pool, in this sense, represents a collective solution to cash-flow problems that all low and moderate income buildings confront individually around equity and reserve replacement needs. Since these needs generally do not arise in all or even most buildings at the same time, the pool, in effect, covers or insures against these needs in all buildings that participate. Specifically, an Equity Pool would insure tenant-owned buildings against the equity costs of departing tenant-members. This pool would operate through the contributions of member buildings who would pay a fee each year based on how much equity coverage they would wish to have. The goal would be to build a pool of funds large enough so that the interest alone could cover the probable amounts to be paid out in a given year. The Equity Pool could be broadened to include the participation of tenant-owned buildings in other communities around the City. Most significantly, the Equity Pool would preserve each building's ability to adhere to its original purpose of serving low and moderate income people. The Reserve Replacement Pool would collect fees from member buildings that would go towards replacement or major repairs of heating, plumbing, and electrical systems, roofs and other elements. Funds would be made available for members in accordance with a rotating schedule of projected replacement and repair needs.

3. Credit Union: A Community Development Credit Union would be organized by the land trust to provide seed loans for new cooperative development. The Credit Union would be capitalized through the accounts of individuals, buildings and businesses participating in the land trust as well as other sources and could even assume financial management of the Homesteader Fund and Equity and Reserve Replacement Pools.

4. Labor Exchange: A systematic effort to make individuals with needed skills available to other members of the land trust would be undertaken by the Labor Exchange. A more regular exchange of labor, for example, among homesteaders from different buildings under construction, would also be promoted. The importance of "face-to-face" interactions that such exchanges occasion can never be overestimated in building social unity.

5. Social Services: The land trust would coordinate the efforts of members providing social services to those in need. In a homesteading effort, this would include the provision of cooperative day-care services for mothers homesteading on weekends.

6. Apartment Vacancy Information: The land trust would maintain a listing of apartment vacancies in member buildings for participating individuals and families.

VII. The Role of the Church and Community Organizations

The role of the Church and community organizations in building the land trust is to empower community residents to initiate and manage its development by providing needed technical assistance. This technical assistance may be administrative, legal, architectural or financial and may include "hands-on" guidance in rehabilitation or construction efforts. In playing

this vital role the Church and community organizations must be careful not to substitute for the community's effort by assigning themselves an ownership function. This temptation to become new landlords is always a powerful one particularly in the difficult early stages of organizing.

The concept of cooperative is not new to the Church. In fact, after World War II the Church played a seminal role in organizing what is now the largest cooperative federation in the world in Mondragon, Spain. The Mondragon cooperatives employ almost 20,000 workers in 85 enterprises. A cooperative technical college and medical clinic and cooperative housing have also been developed. Finally, a workers bank or credit union has been organized with the assistance of the Church as a superstructural cooperative to seed new enterprises. The United States Conference of Bishops in its Campaign for Human Development has recognized the Mondragon cooperatives as a valuable model for poor and working class communities in this country.

In the Lower East Side the Church and the many community organizations have represented neighborhood concerns on numerous occasions before the local Community Board and the Board of Estimate and before other political and administrative bodies. The Church, in particular the Lower East Side Catholic Area Conference, has already provided its own workers and volunteers to begin community empowerment projects including voter

registration and the homesteading effort at 66 Avenue C. This effort has demonstrated the Catholic Area Conference' ability to raise funds locally as well as from religious communities, foundations, and the government. The Catholic Area Conference together with community groups must now begin the more difficult task of persuading the private and public sector to contribute the necessary loans and grants needed to move forward on the land trust.

Catholic Charities of the Archdiocese of New York with the support of the Campaign for Human Development has already committed itself to assist in this effort by initiating a social investment fund that will, beginning in the next year, leverage public and private monies to provide below market rate interest loans for cooperative development in the Lower East Side and in other poor and working class communities in Manhattan and the Bronx.

VIII. Conclusion

The land trust as a path to community empowerment can be an effective anchor for a plan to save the Lower East Side. Such a plan has become necessary in order to deter speculation and at the same time demonstrate a comprehensive approach that can "reassure" municipal and private sector interests. While other community ownership plans have sought to integrate rich and poor

in an effort to appear politically attractive to the City or more "realistic" to participation by developers, in actuality such plans leave the community in the position of a chicken coop with a welcome mat for the foxes. After all, the rich can organize too. While the land trust proposed in this paper may, of necessity, be somewhat smaller in magnitude than that constructed through a developer oriented scheme, in the long run the coop, so to speak, will be sturdier and the chickens far more hardy.

A strategy to advance a plan for the Lower East Side will inevitably require a compromise with the City. Rather than attempt to serve a higher income population as the basis of that compromise, the community would fare better to consent to the release of certain city-owned parcels that it would not have the resources to develop in a first or second phase of a development effort. In doing this the community must demand more resources from government to develop the land trust by pressing its position that the poor, the homeless, and those living in substandard conditions be housed adequately. Lastly, a zoning proposal to set aside 25 percent of all new units developed on private land for low and moderate income residents should be pushed forward vigorously.

It is now open season for buildings and land on the Lower East Side. The City's war of attrition signaled by any number

of disposition gimmicks such as "Artist Housing" or "Dollar Sales" could quickly escalate into wholesale removal. The community, therefore, must move quickly to identify and claim those properties it will seek to develop. Recently, the federal government has expressed an interest in providing grants towards the development of 200 units of housing through a homesteading effort following the 66 Avenue C model. This possibility, modest as it is, may provide the community a useful opportunity to initiate the land trust in a way that can assure its integrity.

In closing, the development of a land trust for the Lower East Side would redefine the community as a federation of cooperatives in which the activities of education and planning are guided by the ethic of sharing. A sheltering community would then be realized when that ethic of sharing becomes a collective act of faith.