



## WHAT IS WORKFORCE HOUSING? COOPERATIVES ARE ONE ANSWER

ALEXANDER KOLOKOTRONIS, DIRECTOR, NAUGATUCK VALLEY PROJECT & NAUGATUCK VALLEY HOUSING DEVELOPMENT CORPORATION

### INTRODUCTION

Connecticut residents of all ages are living through a housing crisis. In a 2024 *CT Mirror* [article](#), journalist Ginny Monk drew on research estimating that Connecticut was short 92,500 affordable housing units. The crisis is only escalating, with more than 5,000 affordable units [expected](#) to be lost in the next five years in Connecticut. As a result, Governor Ned Lamont in November 2023 [stated](#) that “housing is going to be the most important thing we do for the next three years” and [further stated](#) in December 2023 at a Middlesex Chamber of Commerce event that “Every business I talk to says, ‘I’m ready to grow. I’m ready to expand. You know, I believe, as long as I can get the workforce and a place for them to live,’ The only thing that’s going to slow us down is if we don’t have enough housing for those folks to live in. And that’s why we’re making the biggest commitment to housing.”

Governor Ned Lamont’s answer to all of this is what he refers to as “workforce housing.” Parsing through the generalized phrasing, Governor Lamont has [referred](#) to “workforce housing” as “studios and one-bedroom—often in downtown areas, hopefully, next to major transit areas.” And this workforce housing is “not just affordable housing,” [implying](#) that it also consists of market-rate development. Limited to studios and one bedroom, such a definition of workforce housing excludes working *families*. This is within a current context of “the market” in rental housing being increasingly [dominated](#) by private equity and hedge funds, with industry analysts suggesting that “institutional investors may control 40% of U.S. single-family rental homes by 2030.” Corporate landlords with increasing dominating market share enable such actors to engage in hyperinflationary markups—with rent now identified as the [main driver of overall inflation](#). Between 2019 and 2022, median rent increases in numerous Connecticut towns exceeded 20%. Stories of [rent doubling](#) abound, and the issue of rent only appears to be [getting worse](#).

There is another form of housing that has served the “workforce” and working families: limited equity housing

cooperatives (LEHCs). Unlike rentals, this form of affordable housing offers a form of control over housing that builds community and equity and enables residents to weather periods of speculation in the housing market that would otherwise force them into housing instability and insecurity. At its peak, 376,000 units of affordable housing cooperative stock could be counted in the United States<sup>1</sup>. Housing cooperatives are [common in other countries](#). For example, housing cooperatives are nearly a quarter of Sweden’s housing stock and 41% of the country’s multi-family homes. Given existing promising local and regional examples and a demonstrated ability to be scaled to the level of a sector, affordable cooperative housing must be looked at once again as a core tool for addressing the housing crisis.

### WHAT IS A HOUSING COOPERATIVE? BASIC STRUCTURE AND ORIGINS

In a housing cooperative, residents buy a membership “share” (as opposed to a given residential unit) in a cooperative corporation, with the corporation holding title to the building and units. The cooperative corporation is governed based on one household/one vote. Rather than residents being homeowners through outright holding title to their respective units, cooperative members are homeowners who hold an ownership interest in a cooperative corporation. Through that ownership interest, cooperative members can occupy their units. This is typically further enshrined through a signed “proprietary lease.” Cooperative members typically provide a down payment—not a security deposit—and pay monthly “carrying charges” rather than rent. Cooperative membership also endows individuals with the right to hold elected leadership positions on an executive board, such as president, vice president, secretary, treasurer, or whatever other positions the cooperative may create through their bylaws or in some permissible ad hoc fashion.

Many elements of this form of United States cooperative housing were pioneered in New York City in the early 1880s.<sup>2</sup> Yet, workforce housing cooperatives—typically limited equity

housing cooperatives to be discussed in the next section—are not market-rate housing cooperatives like the Gramercy, which started in the early 1880s in New York City.<sup>3</sup> Nonetheless, cooperative housing was increasingly popularized from this period onwards, and even these market-rate housing cooperatives for the upper class derived from prior experiments in cooperatively-owned workforce housing.<sup>4</sup> In 1903, the first artists' housing cooperative was formed, featuring units that included a residential living space and an art studio for its occupants.<sup>5</sup>

With soaring rent increases, in the late 1910s and early 1920s, middle-income households organized to convert approximately 1,000 buildings into housing cooperatives.<sup>6</sup> Still, in the 1920s, the largest concentration of housing cooperatives was on Park Avenue, replicated in other metropolitan centers in the United States.<sup>7</sup> During this period, reformers increasingly understood that upper-income and upper-class residents benefited by living without a profiteering landlord. If bankers, high-income lawyers, doctors, and socialite artists could benefit from shared equity ownership and self-governance, so could middle-income and working-class people. Like today, vacancy rates dropped, and working-class families crammed into “substandard housing.”<sup>8</sup> If Park Avenue and Wall Street could access and reap the benefits of cooperative housing, then why not Main Street? By 1930, the United States possessed approximately 40,000 housing cooperatives, with a trickling of cooperatives comprised of middle-income professionals as the majority clientele, as indicated above.<sup>9</sup>

## COOPERATIVE HOUSING AS WORKFORCE HOUSING

In the 1910s and 1920s, cooperative housing began to be developed as a source of workforce housing provision. At the time, cooperative housing as workforce housing was developed independently by rank-and-file workers, at other times by labor unions, and even by philanthropists. The housing crisis was so acute that in the mid-1920s, four garment worker labor unions and John D. Rockefeller jointly developed a housing cooperative in the Bronx.<sup>10</sup>

These were limited equity housing cooperatives (LEHCs), which possess a cap on how much a share in a cooperative can be resold for, thereby ensuring permanent affordability. Early on, LEHCs also proved to build and nurture feelings and activities of community<sup>11</sup>, and examples of this continue to abound today.<sup>12</sup> The principles of equal participation and equal rights apply, as each household possesses an indivisible vote, regardless of income or carrying charge rate.

It was not just the International Ladies' Garments Workers Union (ILGWU) and the Amalgamated Clothing Workers of America (ACWA) that developed cooperative housing for their

members.<sup>13</sup> ACWA itself developed over 3,000 units of cooperative housing. Other labor unions followed suit: Local 3 of the International Brotherhood of Electrical Workers (IBEW) developed “[Electchester](#),” the 2,400+ unit LEHC in Queens, NY<sup>14</sup>; from 1949 to 1962, [Amalgamated Meat Cutters Union \(AMC\)](#) developed six LEHCs, that were built in Brooklyn, the Bronx and Utica, NY and together comprised approximately 3,000 units<sup>15</sup>; the building trades combined to develop a 2,400 unit LEHC in the Bronx<sup>16</sup>; the Typographical Union developed over 1,000 units, largely in Queens, NY<sup>17</sup>; in Manhattan, 1199 developed a LEHC that is approximately 1,600 units; the sanitation workers affiliate union of the Teamsters developed a 360 unit LEHC in Queens<sup>18</sup>.

Labor unions outside of New York also sponsored and developed LEHCs: the [Omaha Education Association](#) in Omaha, Nebraska, in [1952](#); a 314-unit housing cooperative from SEIU Local 254 in [Roxbury, Massachusetts](#) in the 1960s; Communication Workers of America (CWA) Local 3808 with both a 76 unit and 178 housing cooperative in Nashville, Tennessee; the [United Autoworkers \(UAW\)](#) in Richmond, California; The [United Farmworkers \(UFW\)](#) were involved in the formation of a housing cooperative in Salinas, California starting in the late-1970s<sup>19</sup>, among other municipalities; the [International Longshoremen's and Warehousemen's Union \(ILWU\)](#)<sup>20</sup> developed a 299-unit LEHC in San Francisco in the early 1960s.

The above was all workforce housing, providing union members and the wider general working public with permanently affordable housing with a collective voice and power over their residence. Such workforce housing was also developed in Connecticut.

## PAST AND PRESENT OF COOPERATIVE HOUSING AS WORKFORCE HOUSING IN CONNECTICUT

In Connecticut, the Greater New Haven Central Labor Council developed “Trade Union Plaza” as a LEHC. Trade Union Plaza was a 77-unit LEHC that was a case of workforce housing, with its initial occupants including [teachers, food service workers, and hospital staff](#), and their families in 2-, 3-, and 4-bedroom units. This union workforce was even included in reviewing the blueprints of their cooperative home.

A 2024 *CT Mirror* [article](#) tells the story of the Brookside Housing Cooperatives, founded in 1991 by the Naugatuck Valley Project (NVP) and stewarded through its community land trust arm, the Naugatuck Valley Housing Development Corporation (NVHDC)<sup>21</sup>. In the late 1980s, NVP organized a tenants union to fight exorbitant rent increases. Eventually, the combined deployed power of NVP, its affiliate organizations—labor unions, churches, and other community organizations—and the tenants union resulted in the

acquisition of land and financing to construct the Brookside Housing Cooperatives.

More specifically, NVP and its affiliate organizations utilized tactics such as a Valley-wide letter-writing campaign, phone banking, delegating public agencies, and door-knocking to ensure that public bonding for an affordable housing cooperative was secured. The sustained multi-year campaign worked.<sup>22</sup> Since then, for over three decades, Brookside has hosted countless stories of workers transitioning careers into public service and finding footing for themselves and their families through access to permanent affordable housing and an interconnected multi-racial community. The maximum for a 4-bedroom apartment at Brookside is \$730 per month.

In different moments in the 1960s and 1970s, as well as the late 1990s and early 2000s, multiple—largely standalone—limited equity housing cooperatives were developed. The question, therefore, becomes, is there room for growth of LEHCs? The answer is yes.

#### CAN HOUSING COOPERATIVES GROW? YES, AND THEY ARE SCALABLE AS WORKFORCE HOUSING

When the federal government failed to support cooperative housing, states stepped in.<sup>23</sup> This moment of a global, nationwide, and state-level affordable housing crisis calls for the same. Cooperative housing is, in fact, scalable. Cooperatives can constitute a sector in its own right: [housing cooperatives are nearly a quarter of Sweden’s entire housing stock](#) and 41% of the country’s multi-family homes. Even as federal U.S. government officials toured and acknowledged the success of Swedish cooperative housing, congress failed to pass supportive legislation in the 1940s.<sup>24</sup> Such legislation would have created a Cooperative Housing Administration (CHA) at the federal level providing below-market rate sixty-year loans.<sup>25</sup>

In the aftermath of the U.S. federal government failure, New York State stepped in and supported the growth of a limited equity housing cooperative (LEHC) sector. More specifically, over two-and-a-half decades, New York State supported the development of 69,000 LEHC units. Though the program ceased in 1981, 90 percent of these units remain online today as LEHCs. Again, much of this housing was built for working families. Today, many of these units contain New York’s retired workforce, with longstanding ownership translating into housing stability for working families that have devoted their lives to public and community service. Beyond urban settings, housing cooperatives can also be built in suburban settings<sup>26</sup>, demonstrating a potential for replication outside of their typical association with cities or as drab superblocks.

Scaling up LEHCs goes beyond simply the building of a cooperative housing sector. For example, the largest housing cooperative in the world is in New York City. Co-op City is a LEHC in the Bronx with over 15,300 units.<sup>27</sup> Another one of the world’s largest housing cooperatives—and a LEHC—is Rochdale Village in Queens, NY, which has over 5,800 units.<sup>28</sup> These two cooperatives were labor union-backed projects, with United Housing Foundation (UHF) as the developer. UHF comprised nineteen labor unions. State financing was central to these projects, showcasing that when the public purse is deployed for building affordable cooperative housing, the positive effect can extend to generations of working families. Such housing cooperatives have weathered financial and political storms that, according to Annemarie H. Sammartino, make them ongoing islands of social democracy within “dangerous, neoliberal waters.” This track record puts forward a possible and desirable definition of cooperative housing as workforce housing in present-day and future Connecticut.

#### POSSIBILITIES

Connecticut’s workforce may be rent- and cost-burdened, but deeper solutions already exist among Connecticut’s housing stock: limited equity housing cooperatives. Limited equity housing cooperatives answer, “What exactly is workforce housing?”. Rather than a version of workforce housing that consists of an even wider commodification of land and housing that isolates people into purely studio and 1-bedroom apartments, there’s another way: cooperative housing supported by community land trusts that offer permanent affordability to working families and communities.

Numerous policies can be crafted to supercharge the construction of affordable cooperative housing, such as below-market loans, tenants’ right of first refusal with matching financing, and the support of second-tier structures that provide ongoing technical assistance to cooperatives. An example of this type of second-tier structure is found with the Naugatuck Valley Project (NVP) and its [community land trust](#) arm, the Naugatuck Valley Housing Development Corporation (NVHDC). Through this second tier, NVP/NVHDC supports self-managed workforce housing as a limited equity housing cooperative.

Cooperative housing is not abstract but a residential form with a strong global, national, and local history. We should draw on this history to build and co-create healthy, dignified housing for all in Connecticut.

## NOTES

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- <sup>3</sup> Ibid. 40-48.
- <sup>4</sup> John T. Masterson. (2023). "‘A very exclusive experiment in communism’: the radical origins of the Manhattan co-op." *Urban History* 50, 115–133. <https://doi.org/10.1017/S0963926821000699>
- <sup>5</sup> Matthew Lasner. (2012) *High Life: Condo Living in the Suburban Century*. Yale University Press. 48-50.
- <sup>6</sup> Ibid. 63.
- <sup>7</sup> Ibid. 63-66.
- <sup>8</sup> Robert M. Fogelson. (2022). *Working-Class Utopias: A History of Cooperative Housing in New York City*. Princeton University Press. 41.
- <sup>9</sup> Ibid. 59.
- <sup>10</sup> 99-101
- <sup>11</sup> Lasner, M. (2012). *High Life: Condo Living in the Suburban Century* (pp. 102-106). Yale University Press.
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- <sup>15</sup> Ibid. 65-67.
- <sup>16</sup> Ibid 67
- <sup>17</sup> Ibid. 65.
- <sup>18</sup> Ibid. 67.
- <sup>19</sup> Heskin, A., & Leavitt, J. (1995). *The Hidden History of Housing Cooperatives*. Center for Cooperatives, University of California.
- <sup>20</sup> Botein, H. (2016). Labor Unions and Race-conscious Housing in the Postwar Bay Area: Housing Projects of the International Longshoremen’s and Warehousemen’s Union and the United Automobile Workers. *Journal of Planning History*, 15(3), 210-229. <https://doi.org/10.1177/1538513215608096>
- <sup>21</sup> The author is the Director of both NVP and NVHDC.
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- <sup>25</sup> Fogelson, R.M. (2022). *Working-Class Utopias: A History of Cooperative Housing in New York City* (p. 46). Princeton University Press.
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907 Wethersfield Ave, 2nd Floor, Hartford, CT 06114

[info@abetterct.org](mailto:info@abetterct.org)