

Housing crisis hits home for 20,000 residents of Rochdale Village co-operative in New York City

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The news that the 20,000 residents of the Rochdale Village co-operative housing development in New York City are facing monthly carrying charge increases of more than 22 percent is an indication of the depth of the housing crisis in the most populous city in the United States.

According to a report on the Gothamist website, Rochdale's board of directors, facing an \$11.4 million shortfall in next year's budget, voted for the increase a few months ago. The crisis has been precipitated by big increases in insurance costs, repair needs that are growing as the complex in southeastern Queens ages, maintenance costs stemming from projects that have been delayed and general increases due to inflation. The insurance cost increases are partly due the age of the buildings as well as to dangers of flooding due to climate change.

Rochdale's residents are angry and worried in the face of the projected hike in their monthly costs and they are not alone. Other occupants of working class and middle-income housing that was built in the heyday of the postwar boom, under New York State's Mitchell-Lama legislation, are facing similar threats.

Rochdale, dating from 1963, was among the first developments built under Mitchell-Lama, named for its cosponsors in the New York State legislature. Mitchell-Lama encouraged the building of Limited-Profit high-rise complexes by providing low-cost, long-term mortgages. The co-operative units were offered at very low prices, but were kept off the open market—when residents moved they were not allowed to sell their apartments privately, but only back to the co-operative at the original purchase price.

Nearly 150,000 apartments were built under these hybrid Mitchell-Lama guidelines in New York during the three decades following the enactment of the legislation in 1955. Many working-class families were able to obtain affordable, stable and good-quality housing. Over the decades, Rochdale and similar developments have been home to many thousands of transit workers, teachers, postal workers and other sections of the working class. The housing crisis in New York and elsewhere deepened during the 1970s and 80s, but the residents of Mitchell-Lama developments were somewhat insulated from

it.

No Mitchell-Lama developments have been built over the past 40 years, however. The Mitchell-Lama buildings were always subject to supervision of the state and, through that mechanism, controlled by the banks. The program, modest but effective for a time, fell victim to the financialization of the economy, spurred on by the near-bankruptcy of New York City in the mid-1970s. The end of the postwar boom essentially spelled the end of this reform.

The Mitchell-Lama law was amended to allow for the privatization of developments, and more than one-third of the rental and co-op apartments left the program, leading to a killing for real estate developers, astronomical rent increases for some and huge increases in the costs of co-ops for others. This was one factor that contributed to the fall in the city's stock of affordable housing.

The housing crisis, and that of the remaining Mitchell-Lama housing in New York in particular, is bound up with broader changes, including the privatization or semi-privatization of non-profit higher educational institutions and the healthcare sector. This was the byproduct of the deepening crisis of global capitalism.

Rochdale Village is only the latest and most extreme result of the problems facing Mitchell-Lama housing. Co-op City in the Bronx, with more than 2.5 times the number of apartments as Rochdale, is the largest co-operative complex in the world. Its 50,000 residents faced a hike in monthly costs of 8.5 percent in 2024, the largest such increase in many years.

Mitchell-Lama housing, as the product of state legislation, is regulated by New York State Homes and Community Renewal. The state, itself answerable through the two-party system to big business as a whole, has final say over increases in carrying charges and rents for these developments. If the agency is not satisfied with the management of the co-operatives, or decides that a projected increase in revenue is not sufficient, it can mandate a higher one. At Rochdale, for instance, the board of directors, fearing state intervention, considered an increase as high as a whopping 35 percent a month.

Genuinely affordable housing—apartments whose monthly

costs amount to no more than one-third of household income—is currently estimated at less than one percent of housing stock in New York City. Much of Manhattan and northern Brooklyn has become home to the very wealthy, along with sections of the upper middle class. On “Billionaires Row” on West 57th Street in Manhattan, multimillion-dollar units are left vacant and used as investment vehicles.

Meanwhile, older brownstone neighborhoods such as Clinton Hill in Brooklyn have become the most desirable areas for the very rich. A glaring example of this trend is the recently completed modernist townhouse on the corner of Classon and Greene Avenues, in the midst of a gentrifying neighborhood, but one that is still home to families without millions of dollars to spare. The new four-story building, 2,700 sq. feet and with a rooftop garden and a first floor patio, was listed on the market at \$5.25 million two months ago.

A report in the *New York Times* revealed that the contrast between this structure and the rest of the neighborhood, not to mention conditions facing millions of workers in the city as a whole, attracted a “museum-style plaque” a few weeks ago that described the building as follows:

New York City Housing Crisis, 2025

New apartments, full furnished, warmly lit, no inhabitants

This piece asks us to consider the tension between NYC's historically low apartment vacancy rate (1.6%) and the price of this vacant duplex (\$5.25m).

Not surprisingly, the mocking description of the new building was quickly removed.

Sixty-nine percent of the New York City population rent their homes, a figure that is vastly greater than the 32 percent of renters in the US overall. The median rent in the city has soared, especially in the last two decades, and now stands at more than \$4,000 monthly. Given the yardstick of one-third of income for housing costs as the measure of affordability, 50 percent of New York's population spends more, and is considered “rent-burdened.” A large number spends 50 percent or even more on housing.

The Coalition for the Homeless, the advocacy group founded in 1981, recently reported that an astounding record number of 114,791 men, women and children were utilizing the city's shelter system. This number, nearly double that prior to the COVID-19 pandemic, does not include thousands more sleeping on the streets or in public spaces, nor does it take account of the estimated 200,000 people who are doubled up with friends or family because they have been evicted or are unable to afford their own place to live.

Thus, the Coalition for the Homeless estimates the homeless

population of New York at approximately 350,000, a figure greater than such mid-size cities as Orlando, Florida; Newark, New Jersey; or Saint Paul, Minnesota. The shelter population includes 39,394 children, and an estimated 146,000 schoolchildren suffered homelessness at one point during the most recent school year.

The residents of Mitchell-Lama cooperatives are often told they have nothing in common with millions of other workers and the poor, in the massively neglected public housing projects, other rental housing, or the homeless shelters. The facts of the social crisis show otherwise.

The Democratic Party mayoral primary is less than a month away, but none of the capitalist politicians, including the many so-called progressives vying for the nomination, have anything to offer on the crisis of affordable housing besides platitudes and empty promises. All of them have been in state and city government over the past decade, as the housing crisis has deepened, yet they have done nothing, and in fact have presided over a deepening of the crisis of unaffordability and homelessness. This is not accidental. They will not lift a finger to challenge the wealthy who fund their campaigns. More fundamentally, they all represent the capitalist system, which is the source of the ever-expanding social inequality and the grotesque squandering of resources by the super-rich.

Far more than individual greed is involved. It is the organization of production for profit and not social need that is responsible. Claims that tinkering with the profit system, that anything short of replacing the outmoded and irrational relations of production will meet the need for affordable housing or any other vital social necessity, must be rejected. This is a political fight, a fight for socialism, in which social needs take precedence over the profit interests of the big landlords and developers.

The residents of Rochdale Village must reject the false promises of the big business candidates and politicians who claim that somehow or other the needs of the vast majority can coexist with the needs of the billionaires and their system.

What is needed is a committee of rank and file residents at Rochdale Village, independent of and in opposition to the Democrats as well as the Republicans, to reach out to residents of other Mitchell-Lama developments and other sections of the working class in common struggle for housing, health care, education and all basic rights, based on a socialist program.



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