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Photo obtained from the Museum of Reclaimed Urban Space (www.moruznyc.org)
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ABSTRACT

This thesis serves as a historical case study of the squatter movement of New York City’s East Village and Lower East Side from the 1970s-2000s. Informal squats form in Western cities experiencing blight and abandonment, with a plethora of vacant buildings reclaimed by a population unaccounted for by the “for-profit” housing market. The civic action taken in East Village and Lower East Side resulted in 11 buildings previously owned by the city to be converted into low-income cooperatives through an urban homesteading program. By examining the squatter movement as it relates to gentrification, this thesis aims to pull key demographic patterns to indicate how the neighborhood changed during its transition from disinvestment to reinvestment, as well as investigate the feasibility of urban homesteading as an alternative solution to housing crisis.
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I. INTRODUCTION

In the United States, patterns of neighborhood disinvestment and reinvestment occur in many major cities across the country. Urban areas experiencing blight and abandonment lay dormant for a number of years, leaving neighborhoods depopulated and buildings as decaying shells. During this period of disinvestment also comes a decrease in property value, decrease in rents, and an increase in abandoned building stock. Many low-income residents then make these neighborhoods their home, through both formal and informal means.

The phenomenon of squatting is included in this quest for low-income housing, but is oftentimes disregarded in housing and urban economic discourse due to its illegality. Nonetheless, it is an activity that can be found within most cases of abandonment in Western cities and plays a role in the nexus between disinvestment and reinvestment. Squatting is defined as the illegal occupation of an uninhabited building, usually done by people who have insufficient housing aid from their government and cannot afford proper housing accommodations elsewhere.

While disinvestment attracts low-income residents to these neighborhoods in the pursuit of affordable housing, reinvestment is the inevitable next step in this cycle. Market forces push higher-income residents to move into these areas and gentrification occurs. This change may bring improvements to the once decayed neighborhood, but also subsequently prices out and displaces the low-income residents who call this place home.

A perfect example of this cycle can be seen in Manhattan from the 1970s-2000s. The city was met with striking depopulation, creating large pockets of abandoned and desolate neighborhoods. Reinvestment reinvigorated the island, creating one of the most thriving and popular US cities today. However, a massive, well organized, and strongly united squatter movement in the Manhattan neighborhoods of the East Village and Lower East Side (LES) interrupted the pattern of disinvestment and reinvestment experienced in Manhattan. This movement was comprised of former rent-paying tenants, young adults, homeless, working professionals, and activists all aligned to seize public space for the immediate provision of affordable housing. The outcome was historic: 11 squats in the East Village and Lower East Side were sold to the squatters by the city for $1 each under an urban homesteading agreement. The squatter movement of the East Village and Lower East Side stands as a significant accomplishment for those concerned with housing rights in the United States, and widens the discourse on feasible, alternative housing solutions.

This conversation is as timely as ever today, as the same beginnings of disinvestment are exhibited across the US in cities experiencing a drastic loss of population and an increase in abandoned building stock. Cities like Detroit and Baltimore currently have block after block of abandoned buildings, while almost every American city has been hit heavily with home foreclosure. A total of 1,622,076 homes have been lost to foreclosure by June 2011, leaving many people without a house and houses without people. American cities hit with these problems certainly hold a new generation of squatters in their vacant buildings, and while these squatters may not be as defined and organized as those in the East Village and Lower East Side during the 1970s-2000s, they can still play a role in helping planners and city government save their neighborhoods from blight without sacrificing the provision of affordable housing.

This thesis serves as a historical case study of the East Village and Lower East Side’s squatter movement and subsequent urban homesteading program. What lessons can be drawn from this history to inform cities today undergoing similar disinvestment and demographic trends?
II. HISTORY OF THE SQUATTER MOVEMENT

DISINVESTMENT

The history of New York City’s Lower East Side over the last 50 years has been one of bust and then boom. It is a neighborhood that went from major disinvestment in the 1970s to major reinvestment in the opening years of the 21st century. It has been generally noticed in the United States that decline in a neighborhood’s real estate market provokes further decline, since it is irrational for real estate investors to commit large amounts of money to maintain buildings that are among a neighborhood of deterioration. What follows is the process of graduated disinvestment, where building owners milk their properties of its rent while landlords increasingly reduce services, stop paying taxes, and performing maintenance. The eventual fate of many buildings in these neighborhoods are physical and economic abandonment and arson-for-insurance.

This was the situation in New York City in the 1970s, when the city experienced a massive wave of residential disinvestment associated with the 1974-5 recession and increased tax delinquency rates. In 1978, the City responded to abandonment with a law that made buildings eligible for in rem proceedings after only 4 quarters in tax arrears (instead of the 12 quarters or more of arrears in the past).

Delinquency levels in New York City peaked in 1976 when over 7% of the city’s residential buildings were in arrears. Steady decline in arrears followed, resulting from the receding of the fiscal crisis of the 1970s and the anticipation of the tighter 1978 law. The results of these economic situations were highly visible: abandoned buildings peppering the streets of Manhattan.

While fewer property owners abandoned their buildings in the late 1980s than in the ’60s and ’70s, disinvestment still destroyed much of the city’s rental stock. In 1980, 3.5% of the city’s residential properties were in arrears, consisting of 330,000 rental apartments, which comprised 26% of the city’s entire rental stock. The poorest neighborhoods were the hit the hardest by this disinvestment, including the Lower East Side and East Village.

By 1980, the East Village had declined in population by 3.2% from 1970. Within that same decade, median rents had increased much higher than city-wide rents, and a fourth of all households had incomes below the poverty line. Unsurprisingly, 1980 brought a new wave of delinquency to the neighborhood.

While decline transpired in the early 1970s and throughout the 1980s, reinvestment did come to the Lower East Side and East Village in two distinct periods: the first between 1977-1979 and the second between 1981-1987. Gentrification ensued, provoking a housing crisis that put a significant population of homeless people onto streets and parks. Many city residents and community members rose to address this housing crisis, forming a determined squatter movement advocating for public space, involving demonstrations, police riots, and evictions. This movement, as detailed later, changed the historical pattern of gentrification, shedding light into the cracks of the Western formal housing market.

GENTRIFICATION

In order to understand the birth of the East Village and Lower East Side’s squatter movement, more detail must be given to the city powers and economic forces that caused gentrification. A 1984 New York City Planning Department study of private reinvestment during this time concludes that gentrification had improved housing conditions, stemmed deterioration, strengthened neighborhood commercial areas, and increased assessed values. However, this study did not measure displacement due to gentrification. Gentrification as it relates to this thesis is defined as the displacement of low-income residents due to increases in housing rents and land values.

Uncontrolled private reinvestment caused gentrification to replace low-income residents with upper income occupants, making displacement inevitable for many long-standing neighborhood residents.

2 A proceeding that takes no notice of the owner or property but determines rights of that property. In this case, it meant that the City could assume ownership of abandoned buildings if they did not receive taxes from its owner after 4 quarters.
3 City of New York, Department of City Planning, Private Reinvestment and Neighborhood Change, issued March 1984.

2.
Young white gentrifiers were drawn to the Lower East Side for its relatively low rents and thriving countercultural art scene; moving in while driving up housing prices and land values. Housing conflicts continued in the neighborhood, with the clashing interests of investors, neighborhood groups, new residents, and city government all colliding over the issue of those city-owned properties resulting from the wave of abandonment during the previous decade.

While facing public protests against gentrification, New York City government argued that like the market itself, gentrification is beyond the reach of public policy. “What I hear being implied is that public action is pushing people out. Public action is not – the city has no control over the private market,” said one city planning commission official in 1983.

Mayor Koch’s administration (1978-89) have since then been accused of pursuing a development strategy that favored large corporations and developers, as well as their own political interests. They fueled market-driven development that directly and indirectly contributed to gentrification in the LES. The administration used tax incentives to promote direly needed housing, but much of it being luxury housing. The effect in the LES was seen by a 1984 study that found “substantial pressures for displacement in the form of excessive rent burden, overcrowding, building deterioration, and tenant harassment by landlords”.

Congruently, an estimated 500 buildings and lots in the LES were in the administrations hands in 1987, with competing stakeholders vying for their redevelopment. Real estate developers seeking profits wanted these properties to rehabilitate market-rate housing. Tenant and neighborhood groups saw this building-stock as an invaluable resource for creating tenant-controlled affordable housing. These city-owned properties became a complex political problem for the administration, caught between fiscal priorities to larger developers and pressures from the community to retain the properties for low-income housing – resulting in a stalemate challenging for political action in the late 1980’s.

**THE SQUATTER MOVEMENT**

With a substantial amount of people priced out of their homes, increasing housing prices, and a plethora of abandoned buildings, the Lower East Side gave birth to public action that took place in the form of a squatter movement. Government neglect of city-owned buildings, land clearance for urban renewal and capital disinvestment in the LES throughout the 1970s increased the amount of abandoned units available for the squatter movement’s strategy. 500 people who refused to wait for government handouts or legislation illegally moved into approximately 20 vacant buildings in the East Village and Lower East Side. United as squatters, they provided alternative voices in local debates surrounding gentrification, the closing of Tompkins Square Park, police brutality, and city demolition of buildings for land sale on the open market.

The squatters seized empty buildings without permission, providing immediate shelter unreliant on government bureaucracy. New York City owned over 6,000 vacant structures at the time, and found it impossible to monitor them all. Because there was a plethora of buildings under minimal surveillance, and because regulation made it more difficult to be evicted by a public owner than a private building owner, squatters tended to only squat in city-owned buildings. This movement attracted media attention, raising public support and urging other actors to take notice of the larger housing problem brought to light by the squatters.

In regards to physical status of these buildings, most were in poor condition with missing walls, ceilings, electricity, or water. The squatters dedicated years into renovating the buildings while living in them. Squatters were comprised of a wide variety of races, ages, family types, class backgrounds, and places of origins. They were homeless people liv-
The creation of low-income housing was most definitely an immediate result. Eric Rassi, who lived in a cramped Chinatown basement before moving into his squat, describes the differences in price between formal and informal renovations:

“The JPC spend $100,000 a unit. Our building would cost them at least $1.2 million to renovate. Now, this is a tenement building. It’s 25 foot wide. There are 12 apartments. And I don’t think it should require more than a million dollars to renovate, especially when we are doing it for about $75,000 total. And we’re removing it from the commodity system.”

Most squatters renovated their buildings much quicker and cheaper than it would have taken the city, disrupting the streak of abandonment from dragging neighborhood into further decay.1

While public good arose from the informal transformation of these buildings, the City’s initial response was far from encouraging. The City increased its force against the squatters after losing a court battle against the eviction of Avenue D squats. Eviction threats and police brutality created disdain between the authorities and the squatters, which was only enhanced by the squatters general distrust of the government actually lasting affordable housing units in their neighborhood.1

The squatters saw themselves as the physical and political impediments to state-management strategies of gentrification. They claim they have taken the fight for affordable housing directly into the community residents’ hands, empowering them to create their own homes.

While the city’s response for decades has been eviction and forceful opposition, a homesteading program existed in New York City, granting legal title and financial assistance to prospective owner-occupiers in exchange for their labor in rehabilitating abandoned city-owned buildings.1 This tool proposed a middle ground in the battle over urban space, and effectively formed cooperation between

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2 Joint Planning Council, comprised of 30 New York City organizations working to preserve and develop low-income housing in the Lower East Side.

3 Squatters living in an abandoned building for longer than 10 days could no longer be evicted by officials, any eviction had to go through civil court.
the City and 11 East Village + LES squats.

**URBAN HOMESTEADING**

While an Urban Homesteading\(^1\) program existed in New York City since just as early as the squatter movement, the squatters insisted that the program was too slow and only renovated a small percentage of city-owned buildings\(^2\). While squatters initially opposed urban homesteading, a specially crafted homesteading program turned out to be the final agreement between the city and many of the squatters.

This solution sprung from a particular series of events. A 1995 newspaper article entitled “City to Evict Squatters” lead the 13th Street house squatters to argue in court for adverse possession over their building. They had sent HPD a letter of intent in 1986, and were approaching the ten-year mark condition\(^2\). Since city argued that their evictions were based on concern for safety, the squatters let the city inside their buildings to do an evaluation while also gathering second opinion reports from their own architects and contractors\(^2\). Despite the city’s claim of unsafe building conditions, the squatters won the adverse possession claim – a rarity and miracle. Nevertheless, the Appellate Court inexplicably lifted the ruling on May 27th, allowing Mayor Giuliani to order the eviction\(^2\). It was after this that the squatters came to realize this battle was not a legal issue, but an enforcement issue. More squat evictions followed.

7 years later, only 15 squats remained in the neighborhood, losing others to fire, police evictions, or their own self-destruction\(^2\). In 2002, the city made a historic negotiation with the remaining squatters. The City would sell 12 of the squatted buildings for $1 each to the Urban Homesteading Assistance Board (UHAB), who in turn would pass title to the squatters of those buildings as low-income co-ops in exchange for bringing the buildings up to code through sweat equity\(^2\).

Majority of the squatters had no issue taking this deal, since UHAB would create a buffer between them and the police, ensuring their long-term residency\(^2\). Only 1 of the 12 buildings rejected the proposal entirely, because UHAB encouraged the squatters to apply for rehabilitation loans, which those squatters saw as a portal into long-lasting debt.

The 11 buildings that accepted the urban homesteading agreement adopted operational framework much like that of other homestead properties managed by non-profits\(^2\). The squats would be turned into cooperatives with monthly maintenance fees as low as $500 per unit, and the apartments could never be sold at a profit.

Debates ensured within the newly formed co-ops around what level of resale cap was appropriate. Some squatters growing in age wanted financial security and a larger return on their years of work. Others saw the potential of reselling these units at market rate as counterproductive to the years of work they had put in to fighting what they consider America’s exploitative economic system\(^2\).

Today, the 11 squats turned into cooperatives still stand in the East Village and Lower East Side. They are filled with a diverse population, making their way through repairs and the UHAB program. The Museum of Reclaimed Urban Space (MoRUS) has recently opened in the bottom storefront of C-Squat, a squat located on Avenue C, and works on documenting the squatter movement’s past, hosting events and giving tours of the squats themselves as well as community gardens and public areas that were pivotal to the squatter movement.

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1 Urban Homesteading as defined by New York City’s Urban Homesteading Assistance Board (UHAB): the transformation of renters into homeowners who collectively own and democratically govern true housing co-operatives that will remain affordable in perpetuity to people of modest means.

III. LITERATURE REVIEW

The squatter movement in the East Village and Lower East Side illustrates not only a fight for housing and right to the city, but demonstrates a clash of ethical and political ideals in this country. The movement’s inherent anti-capitalism, anti-government sentiment point to fundamental disagreements many groups have with for-profit housing in the Western world. Likewise, the literature analyzing Western squatter movements ranges in this narrative and ethical opinion.

In order to establish a comprehensive understanding of the ideology involved with squats, it is important to define squatter identity and condition, and city responses to these movements.

SQUATTER IDENTITY AND CONDITION

Pruijt defines the “basic condition for squatting in Western, urban cities as a housing shortage combined with abundant empty property." This scenario can be observed throughout the histories of almost all cities in the global north, especially between the 1960s and today. Marcuse explains the abandonment of both private and public buildings in New York City in the 1970s – when landlords allowed their properties to become vacant after the fiscal crisis of New York City in 1975, along with permitting the city to foreclose on their title to these properties for non-payment of real property taxes. In the United States, the city may take over properties if taxes are not paid. As described in the previous section, the acceleration of such procedures from 39 months to just 18 months of non-payment resulted in a wave of abandonment in NYC through the 1970s and into the 1980s. Landlords saw the unprofitability of their buildings as a permanent issue, which lead them to forfeit ownership to the city. Marcuse sheds light on changes in NYC’s economy that lead to this wave of abandonment. Since the 1920s, there has been a shift from manufacturing to services in NYC, which results in a large reduction in the demand for unskilled labor. This hurt large parts of the workforce, as they either lost their jobs or took considerable cuts in pay. Instead of renting buildings without a profit to this public, landlords cut services and abandoned their properties.

Furthermore, in the fiscal crisis of 1975, NYC government “reduced wages, cut redistributed social benefits, withdrew public investments from undersides areas, and focused public investment in central business districts and activities servicing it." Upper-class whites benefited while low-paid minorities suffered.

In the case of New York City, the transformation of the urban economy lead to decreases in payment for the working class – causing landlords to abandon property. The fiscal crisis of 1975 lead city government to turn its back on those most in need, focusing mostly on the powerful elite. These two factors left the city with the conditions most conducive for squatting – a plethora of abandoned structures with plenty of people needing low-cost homes.

Pruijt compares the squatter movements of Amsterdam and NYC, which both share a housing shortage coupled with an abundance of vacant buildings. Early squatting in NYC tended to be a transient occurrence, appearing and disappearing in waves in 1970, which were all met with repression by the city. After 1983, organized squatting in the city re-emerged in the Lower East side, in which “squatting and the defense of squats were central and developed.” While the first wave of squatting was silenced by the city, this second term was met with institutionalization – by 2002 there were 11 squatted buildings in the LES that were legalized, given by the city to UHAD, a third party housing organization, who turned over title to the squatters.

The identity of squatters ranges from city to city, but most movements share similar demographics. Kearns discusses London’s squatter movement, describing the participants as “groups most excluded from the rental sector.” Most often they are young in age, about 90% are between 20-35 years old. Two thirds are single and 60% are male. Almost 75% are native to the UK, noting that new immigrants rarely squat fearing deportation. Approximately half the population is fully employed and a fifth receive some type of unemployment benefits. The remaining one-third is comprised of students and part-time or self-employed people. While participants tend not to be wealthy, Pruijt claims that some of the squat-
squad welfare systems, has birthed squatter move-
ments throughout the United States and Europe.

SYSTEMATIC RESPONSES TO SQUATTING

Responses to these movements have varied. Prui-
jt classifies city response to squatting as either in-
tegration or repression. Integration includes two
forms: institutionalism and cooptation. Repression
is clearly a refusal for legitimization and in most
cases, signifies forceful removal. Institutionalization
is defined as “the movement is channeled into a
stable pattern based on formalized rules and laws.”
It often takes the form of legalization, and example
of which is when squatters in London receive am-
nesty that entitles most of them to rehousing before
a crackdown.¹ Institutionalization doesn’t always
imply the end of the urban movement; Pruijt argues
that there can be terminal and flexible types.¹

He then defines cooptation as when “the coopt-
ing organization embraces certain ideas from the

Long-time property abandonment, mixed with dis-
content from the public on the failures of market-ori-
ters are “rich in social and cultural capital” – such as
artists and students.¹

The motivation behind squatter movements tends
to be a reaction from problems in the housing sys-
tem that allows some populations to fall through the
cracks. Kearns explains that in London, most squat-
ters come from the privately rented sector, as “cau-
salities of rising rates, deteriorating conditions, con-
gestion, and landlord harassment.”² An anonymous
author of the Tips 4 Squatting manual declares that
“a group of people, of varying ages and skills decide
that they have had enough of the shelter system,
enough of the humiliation, injustice and dehuman-
ization of being homeless, or simply can no longer
afford the rip off rents that eat up most of the money
they have.... decide to take manners into their own
hands.”³


movement, while redefining problems in such a way that solving them does not threaten its own stability.' He says that squatters must sooner or later be prepared to negotiate with the state and accept cooptation, as a way to consolidate what they have fought for. An example of cooptation in London was called "licensed" squatting, when squatter’s organizations transformed into management offices and rented out short-life public sector accommodations.1 Kerns writes about licensing in London as a form of legitimization that grants security from sudden eviction – citing licensing as an example of authorization.2 Prijt argues that licensing caused divides in the squatter movement, and gave councils leverage for repressing unlicensed parts.1 In London, 750 of 1,700 council-owned properties have been licensed and about 40% of all squats in the city are now authorized.2

Prijt claims that response to squatter movement has depended on urban regime, and that "a market-oriented urban regime is conducive to cooptation.1" In the case of Amsterdam, the welfare regime has "social democratic" traits, meaning the state promotes "equality of the highest standards, not an equality of minimal needs." In Amsterdam, about 9,000 squatters have been housed, and integration has been the type of response.1 Squatters participated in city planning, and legalization involved many squatters in construction planning and negotiations with municipal officials. Neighborhood centers and church groups showed support for squatter views.1 The US has a "liberal welfare state regime," which provides minimal welfare and social programs but nonetheless encourages the market and minimizes de-commodification effects3, effectively constraining the realm of social rights.1 In Manhattan’s Lower East Side, 500 squatters were housing in 20 buildings at the movements peak, and cooptation was a popular remedy. Squatters were living in city-owned buildings, and the city sought to place these properties with private companies but was prompted by the urban movement to practice "alternative management programs."1

An example is the Tenant Interim Lease (TIL) program, which gives tenants the opportunity to manage their own buildings, with the opportunity of eventually obtaining ownership. However, this self-help method is seen as an excuse for allocating less money as compared to normal social service provision – forcing squatters to focus on their own survival rather than political influence.1

Furthermore, homesteading programs offer citizens organized in groups the opportunity to fix-up abandoned, city-owned buildings with the promise of eventually obtaining ownership of them without the rights to sell at a profit. Clark and Rivin explain the administrative models of urban homesteading, claiming that such programs can "reverse the trend of growing abandonment and blight...(by attempting) to recycle vacant, deteriorated, and abandoned houses."4 The administrative structure of these programs varies in three types: Model A, B, and C. Model A shares resources and each house acquired is placed in the most appropriate program, with extensive social services for large programs.4 In Model B, the program is located within the tax department and operates as a real estate business for city-acquired property. Here, social services are minimal. In Model C, the program is independent, directly under mayoral/city manager supervision. This model tends to emphasize social services. It is emphasized that each city is a special case, and adopts these Models in a unique way to work with their own situation.4

At the request of squatters in the LES, UHAB (Urban Homesteading Assistance Board) is a non-profit organization that negotiated with NYC’s HPD for over three years to win the right to buy 11 vacant buildings from the city.5 After closing the deal, UHAB gave these properties to the squatters already living in the building – a deal called the "2002 Grant." Under the 2002 Grant, 167 apartments in the LES were turned over for $1 per building to UHAB by the city, which in turn were handed to the squatters. Now these squatters own their individual

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3 A reduction in an individual’s reliance on the market for their wellbeing.
while a dollar of income will raise the utility of some individuals more than others (the poor more than the rich), and that redistributing income from rich to poor will tend to increase social welfare, some of the squatters in the LES who might appear to fall into the category of those who need housing are actually only those who “merely” want it.  

He quotes Leslie Steven, a squatter in the LES since 1985, who says there isn’t a typical squatter, many are professionals who work – and that there is a socio-economic difference between squatters. Mirvis argues that it’s not uncommon for squatters to be from a more privileged socioeconomic background than those who own or rent in the neighborhood. He continues to say that squatters in the past have frustrated “more efficient and systematic attempts” by “better-organized and more knowledgeable community groups” to determine who might receive the most intense and continuous gains from a grant of property rights; and the 2002 Grants exacerbates this problem.  

Mirvis adds that this Grant sets a bad precedent that illegal squatters who stay put will receive property, regardless of their socioeconomic position relative to other potential tenants.  

These arguments are problematic. He disregards an entire movement’s “need” for housing based on a few members of the movement who may not share as much socioeconomic need as others. There is a sense of political protest involved in the squatter movement – it is not only a simple protest for housing. Further, Mirvis points to “better qualified” organizations that could do a “better job” placing these properties with people who “need it more.” This gets into the question of who the “worthy poor” are, who needs housing the most? He suggests that housing stock should go to people more poor and more in need than the ones working towards their reinvestment – a counterproductive rationale limiting for progressive and alternative housing solutions.  

In his second point, Mirvis argues that it is uneconomical when “informals are forced to reverse the procedure followed by formals” when it comes to buying land legally, developing and building on it then finally moving in – an order reversed by squat-
not necessarily "uneconomical" as Kearns and many others argue that oftentimes, squatters renovate these vacant structure at a fraction of the cost it would take the city, and that squatting can be a very economically feasible solution to the housing problem. In response to his complaint of shoddy construction work, perhaps the answer there is cooperation between the city and squatters to ensure better quality construction and standards (as found in homestead programs), versus the termination of all such possibilities and a continued reliance on the private sector development market, which thus far has not done its part to solve the larger housing crisis that the squatter movement aim to tackle.

Mirvis's third and final complaint against the 2002 Grant is surrounding externality reduction. Based on James Q. Wilson's "broken widows" theory, which suggests that minor disorder not only disturbs a neighborhood, but "signifies that social controls are annenuated in that locale" and that "passerby's sensing this diminished control, become prone to committing additional, perhaps more serious, criminal acts," Mirvis argues that squatters who must live under secret disguises keep their unoccupied homes seemingly desolate in order to not be evicted by the city and therefore adds to the "broken windows" effect. He argues that this negative externality of squatting is only encouraged by the 2002 Grant, because it creates incentives that reward those who have squatted illegally and secretly for a long period of time, rather than those who live in the "most public way possible." Further, he states that "illegal squatters are often aggressive creators and facilitators of negative externalities" indirectly by opportunity costs, or even directly as substance-abusing squatters may bring harm to street life, or free-riding squatters who steal their neighbor's electricity and raise their bills. 1

While negative externalities may affect both parties (the neighbors as well as the squatters), Mirvis may...
be missing essential characteristics of the squatter movement when stating his case. When discussing the “broken windows” effect, he does not consider the strong sense of community and togetherness that squatter movements breed: often times breathing life into buildings located in desolate and abandoned streets, as well as networks of neighborhood and religious group supporters. And while it is true that squatters must oftentimes keep their presence in these buildings secret from the public and therefore continuing the buildings blighted appearance, the city was not keeping them any different. These buildings, after all, were abandoned, taken in control by the city and left to ruin. Blaming the squatter for blighted appearance of the building instead of their city owners is inaccurate. Other externalities listed are issues of drugs and freeriders, but those problems are not exclusive to squatters. Even so, formalizing squats and providing homestead options could be a method to not only supervise construction safety, but also mitigate illegal, dangerous behavior.

The arguments posed by Mirvis against the 2002 Grants showcases a perspective in the United States that advocates against the authorization of squats, based on a capitalist, free-market economic standpoint. However, just like this very system, Mirvis offers no other solution to the inevitable case of people squatting in unused properties.

**ECONOMIC FEASIBILITY OF SQUATS**

There are significant economic benefits to having squatters renovate decaying buildings with informal construction, as previously mentioned. Kearns argues that squats are potentially quite habitable, but authorities contend it is “not economically feasible to rehabilitate such properties for short-term occupancy.” He estimates that the price to formally restore these buildings ranges between $4,000-$5,000, but that squatters make the same repairs for a fraction of the cost and in far less time. With voluntary labor, mutual aid, shared tools and expertise, and unorthodox/second-hand materials and innovation, squatters have been uninhibited and creative in renovating and changing their physical environment.

The anonymous author of Tips 4 Squatters advises dumpster diving in construction sites and lumbar yards to obtain slightly bruised materials, which are often left for free. The determination and innovation expressed by Kearns regarding squatters in London is exhibited in this handbook: “One of the biggest lies is that people can’t renovate the homes they need. That’s BS…there’s nothing that you can’t learn to do when it comes to making a home.”

Squatting has been proven to be a more profitable proposition than rent-paying tenants in Inner London, where the local housing authority sector fails to cover even half of total costs, requiring large government subsidies. Squatters take full responsibility for repairs, maintenance, and management for no cost to authorities – making squats a very economically viable solution to shortages in government housing funds. Reciprocally, Kearns notes that squatters are actually “better housed in absolute terms” than people in government housing, because of their rights to autonomy and a measure of dweller control and self-management usually denied to most tenants.

Most squatters at the communities I visited exhibited a strong sense of accomplishment and pride in home possession, preferring the retention of dweller control over their squat to acceptance of rehousing in council tenant estates.

**ADVERSE POSSESSION STATUTES**

Granting legal title to a person or group of persons who have informally tended to an abandoned property is not a foreign concept in the United States. The federal legal system has developed Adverse Possession Statutes in response to vacant and abandoned buildings in the country. Under these statutes, a trespasser in all 50 states can “acquire title to a piece of land by occupying it for a statutorily set period of time, as long as the possession is adverse to the owner’s interests and the latter does not protest the possession.”

There are two benefits to these statutes: it clears title to land and therefore increases its marketability, and prevents valuable land from being left idle or vacant.
subject to blight. Each state holds a different length of time as qualification for these statutes, which vary based on whether the land is developed or underdeveloped.¹

While squatters in the Lower East Side have filed claims for adverse possession in the past and lost², merit is still found in the moral of these statutes – that trespassers could and should be granted rights to such properties under specific guidelines. The greater public good lies in preventing buildings and neighborhoods from blight and abandonment, recycling ownership in order to save not just the profitability of these areas, but also the livelihood.

IV. METHODOLOGY

The legalization of the Lower East Side squats brought forth many questions regarding capitalism, equitable housing, and legitimacy of the movement as discussed earlier. While many capitalists abhor the idea of squatters "earning" rights to real estate otherwise considered solid potential for-profit investments, many squatters abhor the idea of collaborating with the government and other institutions with agendas inherently against their cause. Despite these opposing perspectives, the 2002 UHAB agreement gave way to 11 units of affordable housing in the neighborhood that would have not otherwise been there had it not been for this unique collaboration.

This section provides a strategy for extracting demographic characteristics of the Lower East Side from 1970-2000, and will introduce a panel of academics and professionals discussing contemporary urban homesteading. Analyzing this information will lead to conclusive potentials and problems derived from the East Village and Lower East Side’s historic squatter movement. The East Village is defined with boundaries of 14th Street to the north, Bowery Street to the East, E Houston Street to the south, and the East River to the east. The Lower East Side is defined with boundaries of E Houston Street to the north, Allen and Essex Streets to the west, and the East River to the south and east. These two neighborhoods combined is the area of study.
DATA

In order to explore changes in the Lower East Side and East Village from the 1970s-2000s, census tract data from each decade will be analyzed. This analysis will help derive the context for the housing crisis and squatter movement, which can inform cities of today experiencing similar data trends on potential indicators for the necessity housing reform.

Historic data from census tract level was gathered through the National Historical Geographic Information System (www.nhgis.org). First, the boundaries of this study were decided to include both Manhattan’s East Village and Lower East Side. Using Lion boundary shapefiles with census tracts from each the 1970s, 1980s, 1990s, and 2000s, the cluster of tracts that correspond with this neighborhood boundary for each decade were clipped in ArcGIS – creating a list of census tracts from each decade that correlate to the same boundary outline. While it was found that census tract boundaries for this area did not in fact change over the decades, each dataset was used with its respective census tract shapefile nonetheless. Below are the census tracts within the boundary for each decade.

Census tract data from each decade was then gathered for the following topics: population, education attainment, house occupancy and vacancy, population weighted median income (yearly), and median rent.

Data was sorted by section, with calculated totals and medians for the East Village/Lower East Side combined, and the totals for all Manhattan combined to serve as comparison. The trends procured from this analysis are reported in the next section.
**URBAN HOMESTEADING PANEL**

Furthermore, retrospective lessons on urban homesteading in New York City were derived from key actors and professionals in the field of urban homesteading and housing rights, all convened on a panel to discuss problems with the historic urban homestead models and to give recommendations for amendments.

The New School’s Graduate Program in Design & Urban Ecologies hosted this event titled “From Urban Homesteading to a New Ecology of Housing.” Panelists included: Tom Angotti, professor of Urban Affairs and Planning at Hunter College; Brent Sharman, Urban Homesteading Assistance Board and Tenant and Community Organizer; Brenda Stokely, AFSCME Local 215 NYC, Labor Party New York State/National Council; Hannah Dobbz, writer, filmmaker, former squatter, and author of “Nine-Tenths of the Law”; and Dan DeSloover, Tenant Organizer at the Urban Homesteading Assistance Board (UHAB).

Frank Morales, housing organizer and activist, moderated the panel. Each panelist spoke for 8 minutes on his or her individual views, concerns, and interpretations of urban homesteading. Following each lecture was a conversation amongst them all, with questions taken from the audience. Key opinions and interpretations, as well as information directed specifically to the squatter resolution in 2002 will be outlined in the following section.

By analyzing both the data and panel surrounding the Lower East Side and East Village’s historic squatter movement and its official resolution, lessons applicable to cities today will be drawn.
V. ANALYSIS

This section analyzes data and opinions from an urban homestead panel, providing key indicators for the need of housing reform in this era can be extracted, and problems and potentials with the urban homesteading of the 11 East Village and Lower East Side squats can be identified.

DATA

Examining census tract data across the 1970s, 1980s, 1990s, and 2000s will portray changes in the social and economic scene in the East Village and Lower East Side during its squatter movement.

The total population across decades in the East Village + LES as compared to Manhattan shows an interesting difference in patterns. The neighborhood experienced almost a steady decline of population from the 1970s through the 2000s, with a slight peak between 1980-1990 (the most gentrifying years, according to history). Manhattan also sees a steep decline in population between 1970-1980, but experiences a steady increase in residents from that point onward. It is apparent that the East Village and LES particularly were more affected by a loss in population than was Manhattan in total, which would corroborate what the literature describes as a huge wave of abandonment in the neighborhood from the 1970s-1990s. It is important to note population trends because as the squatter movement has shown us, a steady decline in population can attribute to building neglect by owners and subsequently, blight and abandonment.

This chart represents the percentage of vacant housing out of all available housing during the 1970s-2000s, in both our neighborhood and its borough. While the two datasets diverge after the 1980s – with Manhattan’s vacant housing stock increasing more rapidly than the small decrease in that of the East Village + Lower East Side, it is important to note how close together the two lines are from the 1970-1980. As mentioned in previous sections, disinvestment leads to further disinvestment, and we can see that both areas experienced an extreme increase in vacant housing units in the same time. This shows a direct relationship to population loss, signaling blight in the city.
Another topic for examination across decades during the squatter movement is educational attainment. Gentrification was the main problem for the low-income and homeless populations in the neighborhood, with panic over the provision of affordable housing growing as white middle-upper income residents started moving in. In the East Village + LES, we can see a higher percentage of population 18 and over with 4+ years of high school versus those with 4+ years of college from the 1970s- mid-1980s, with a sudden switch in leading levels of educational attainment from that point onward. The same switch happens in Manhattan’s data, but much earlier on in the early 1970s. If educational attainment is an indicator of gentrification, it will show that Manhattan as a whole started to gentrify well before the East Village + LES. The neighborhood was described as one of the less desirable in the city until the 1980s, putting reason to its slower start of gentrification.

This signifies that the population living in the neighborhood before its gentrification was there and not located in other parts of the city for a reason – financial affordability due to the absence of gentrification. These were people described as low-income, immigrants, working families, and homeless. While many were educated, the rise in college-educated newcomers brings problems of displacement to long-standing residents.

Lastly, both the population weighted median income and population weighted median contract rent are studied\(^1\). These two factors experience a steady increase throughout the decades in both the East Village + LES and Manhattan. It is important to note

\(^1\) Available census tract data provides median numbers for each individual census tract within the neighborhood and borough, therefore the population weighted median must be calculated in order to obtain a total median number for each collection of tracts.
that while the two areas follow the same general trend, the East Village + LES had substantially lower median income rates than Manhattan throughout all periods. In order to depict this comparison explicitly, below is a table indicating the ratios of the LES + EV’s figures to those of Manhattan. These percentages were found by computing the neighborhood percentage of the Manhattan average for each factor across decades.

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDIAN CONTRACT RENT</td>
<td>61%</td>
<td>68%</td>
<td>70%</td>
</tr>
<tr>
<td>MEDIAN INCOME</td>
<td>58%</td>
<td>58%</td>
<td>64%</td>
</tr>
</tbody>
</table>

As can be seen, both median contract rents and weighted median income experience steady increases over each decade. However, rents in the East Village + LES have climbed closer to the Manhattan averages than income levels have. This suggests that gentrification has had steady effects on the neighborhood, but the rise in rents and income has been disproportionate, with rent prices increasing more than income levels have. Low-income residents struggled to remain in the East Village + LES during its gentrification, challenged to meet the increases in rent without corresponding increasing in income levels. When discussing a housing crisis and a people’s protest against their state, this is a key factor.

**URBAN HOMESTEADING PANEL**

Approximately 10 years after the squatter movement’s UHAB co-opt agreement, the feasibility of urban homesteading is debated along with how it should be adapted to better serve cities today. As defined earlier, urban homesteading is the tool New York City used to satisfy the squatters by offering title to these buildings under a cooperative status – with a payment of $1 per building and under condition that the building will be brought up to city structural code. In general, homesteading programs are designed to give ownership of abandoned/unused properties to designated residents in exchange for sweat equity – their labor in fixing the buildings to city code. Most have been transformed into cooperatives or HDFCs (Housing Development Fund Corporations), allowing the control and destiny of each building to remain in the hands of its community. Each building will then decide its own policy on resale and profit making.

At a panel of five housing specialists/advocates at the New School in March 2013, the effectiveness of urban homesteading as an alternative solution to the housing crisis was discussed, as well as suggestions for program structure in the future. The most pertinent themes to the squatter movement covered by this dialog are: the obtaining of abandoned & foreclosed homes, maintaining house affordability, and the illegality aspect of squatting.

Brent Shawman, Urban Homesteading Assistance Board and Tenant and Community Organizer, notes that most all buildings housing advocates obtain for these programs are “lemons.” “They are distressed, and many today are foreclosed by banks – no longer by the city like the old days. Hundreds of them are 1-3 story single family houses in areas like Jamaica, Queens, East New York, Brownsville, and Staten Island”, he says. While abandoned buildings in the LES’s squatter movement were city-owned, the same phenomenon today involves buildings owned by banks.

Shawman describes the cycle these homes go through today: “These banks do not want to foreclose and own these properties, they have no interest in being owners themselves. What they do – sell their mortgages, sell their debt. To who? To private equity capital. These private companies come in with cash and buy a whole bulk of mortgages of small buildings. And we are frozen out of those transactions.”

Shawman’s main concern with this cycle is that the properties are destined for resale at market prices, and will not become affordable housing. He considers these foreclosed homes to be the best opportunity for New York City to add affordable housing units. “It’s far more cost effective to get ahold of an existing building that hasn’t fallen apart yet... and what the city of New York should do if they had any serious inclination of providing affordable housing, is buying (these foreclosed homes) up. The city should have first refusal for all these buildings being sold to private equity people. These buildings should be put into community land trusts, im-
mediately turned over to them with neighborhood groups,” says Shawman. Dan Desolver of UHAB agrees with this sentiment, advocating for pressure to be put on banks and leading institutions to not let these buildings go into city foreclosure.

In this conversation, it seems as though public hands should obtain these properties before they are left to rot or become “lemons,” in order for them to be easier to repair under urban homesteading programs. Also, unlike the city-owned status of many buildings during the squatter movement, empty buildings today are held by banks and are purchased by private developers. This is a large obstacle when attempting to increase the amount of affordable units today in cities that have rows of abandoned and foreclosed homes. Therefore, the most effective housing and abandonment solution lies in the proactivity of cities to gain title to these homes instead of letting them remain in the private market.

The panel also discussed ways of maintaining the affordability of properties that undergo urban homesteading agreements for future generations, combating the inevitable gentrification in the neighborhood and rise in land market value. Sweat equity is also considered; the question of whether or not it is fair for a generation who worked hard manual labor on their buildings to get “paid for the full value of their labor,” or even worse, get priced out of the very home and block they worked so hard to rehabilitate.

Howard Brandstein, member of the audience, former homesteader and housing activist, steps in with remarkably valuable insight to this question. He criticizes UHAB’s historic position on low-income people for allowing profit-making options in these buildings. He says to the panel: “I was working with local churches at the time, our position was ‘Are we going to put in all this effort (to creating affordable housing) and simply create the same problems 20 years from now? The same kind of ownership and non-owner mentality for the future?’ Our idea was to promote the idea of community land trust – we did the first one in the Lower East Side. I’m happy to hear that you are doing it now, but what took you so long?”

Brandstein is responding to the UHAB model where tenants get to decide what the policies are for re-sell and profit making. He argues that many of these tenants and homesteaders see their neighbors making large profits off their properties, and will naturally be enticed to do the same. He argues that this homesteading model quickly becomes a real estate model, something with “extremely negative effects on housing in New York City.”

Brandstein insists that the value of living in these buildings is “use-value” and not “sell-value.” The (housing movement) cannot afford to give people the kinds of resell values found in the private market. In his opinion, the value found in the housing movement is housing security and low rent.”Housing for people and not for profit” is his mantra.

Likewise, Brenda Stokley, AFSCME Local 215 NYC, Labor Party New York State/National Council agrees with this sentiment. She considers it immoral to maximize profits off an urban homestead building: “You lived there, you paid $250 and now you want $2,500 return? This is the infection of bourgeois thinking.”

These arguments pose as theoretical oppositions to that of capitalism and the private market. While one may think that of creation of affordable housing and urban homesteading programs as intrinsically anti-capitalistic, it has been proven here that these programs take careful revision and accountability in order to maintain the affordability of the units and avoid their sweep into the private market by gentrification and raising land-values. These theories were embedded in the Lower East Side’s squatter movement: the idea of housing for the people and housing as a basic right – not a system for generating profits. This debate demonstrates that strict caps on re-sell limits and profit making on these homesteaded units should be more enforced in order to have affordable housing survive generations and for the fight for affordable housing to meet its demands.

Lastly, the illegality element of squatting was discussed by the panel. While some may discredit a movement like this for breaching city-laws and endorsing negative, dangerous behavior, Brenda Stokley sheds light on how these boundaries have been essential to push throughout history. “Look back at laws that were legal in this country: slav-
ery was legal and people not being able to use the same facilities was legal. If you have to have a public education piece in your protest, there also may be some illegality. If you saw what people did in the past, organizing tactics are the same: understanding your rights and collaborating with likeminded people who want the same objective.”

When considering protests of the past that elicited illegal behavior, especially during the civil rights movement, it was crucial that boundaries and ideas considered “norms” were pushed and challenged. The illegality of organized protest cannot be reason to ignore the messages being displayed, as great achievements in our countries have been made by this very audacity. Thus it seems that the squatter movement in the LES, albeit illegal, made great strides in the provision of affordable housing in the neighborhood, fought by the very same people who live there. This is a true lesson in public organization and the power of protest.
Through investigating the East Village and Lower East Village’s Historic squatter movement, many demographic trends are noted. First, the area’s decline was exemplified in its decreasing population and increasing home vacancy rates. These are indicators of abandonment, which lead to disinvestment. After the 1980s, higher educational attainment was seen in the neighborhood – a signal of gentrification. While gentrification had sweeping effects in the area, such as higher housing prices, the area’s weighted median income still remained well below that of the rest of Manhattan. Higher housing prices can be noted through increase weighted monthly rents, which remained lower than Manhattan but not by much.

It is important for other Western cities to note these demographic patterns; if they experience similar trends, they can consider the Lower East Side’s fight for housing in order to understand the necessity of urban housing reform. When a city shifts from disinvestment to reinvestment, it is essential to prevent affordable housing from slipping through the cracks. Witnessing the demands of the East Village and Lower East Side squatters in a time of sudden investment reminds all cities that urban space belongs to all residents, and if services are not distributed justly, then action could be taken into the hands of the public. In Manhattan, the city finally cooperated with the squatter’s demands and negotiated an urban homesteading program.

This study yields notable demographic trends, however limitation lies in finding more consistent census topics among all three decades. Further analysis could be provided on this subject had more consistent data topics been available.

The East Village and Lower East Side’s squatter movement gained titleship to its squats in the early 2000s, when the City of New York offered the squats for $1 to UHAB, who in turn gave them to the squatters in exchange for sweat equity. This was a great stride for the creation of affordable housing in the neighborhood, as well as a victory for squatters, activists, and any individual or institution concerned with capitalist for-profit housing structures. As can be learned from this case study, it is important for cities to consider alternative uses to their abandoned building stock. While the exact circumstances seen in New York City in the 1970s-200s may not be replicated identically elsewhere, cities can learn from its example and recognize large opportunity in collaborating with people willing to work sweat equity for these homes. Urban places reaching all time highs in abandoned building stock should implement urban homesteading programs as means to re-populate neighborhoods and preserve the built environment.

Furthermore, the most feasible way of transforming large numbers of abandoned buildings into affordable housing is granting title of these properties to a non-government agency. In Manhattan, we saw UHAB as a third party actor in the homesteading process. As an impartial actor, UHAB was able to mitigate between the City and the squatters, mediating the transformation of these city-owned buildings into affordable cooperatives. Cities today experiencing similar blight and abandonment should work with their own local NGOs in creating and implementing this alternative solution to abandonment.

The structure of urban homesteading programs like that seen in the East Village and Lower East side also have room for improvement, as discussed by the Urban Homesteading Panel event at the New School. Some of the largest resources for creating affordable housing are the large amount of abandoned and foreclosed homes in the US today. However, unlike in the 1970s when abandoned homes were owned by the city, today’s empty structures are mostly in the hands of banks. Therefore, the most effective solution for turning abandoned homes into affordable units is for cities to quickly gain titles to foreclosed homes instead of letting developers buy mortgages in bulk for profit. If cities were proactive in taking title of these homes, they enlist these buildings in urban homesteading programs. This would not only increase the desperately needed affordable housing stock in this country, but make the sweat equity process involved in homesteading much shorter in time and less taxing for many participants, since these recently foreclosed homes are not as decayed as those left to rot for years.

Moreover, ensuring that affordable housing units maintain their affordability over generations is a
key element urban homesteading programs should hone. Usually, programs leave decisions on resale and profit making in the hands of tenants – which may support tenant control of their properties, but may not be the best way of keeping the affordability available for future generations. The Urban Homesteading Panel stressed the importance of preventing tenants from tossing their units back into the private housing market, throwing away years of labor from political battles and hard physical work. Urban homesteading should include stricter regulations on resale and profit making from units to ensure that they remain affordable to low-income residents for years to come.

As informed by the East Village and Lower East Side’s squatter movement, cities today experiencing widespread abandonment and home foreclosure can collaborate with non-government organizations to adopt urban homesteading as a means of providing a balanced solution to the housing crisis.