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The story of Rochester Management, Inc.



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Introduction

In the late 1940s a group of perceptive men and women in Rochester, New York joined to attack the critical shortage of housing for returning World War II veterans.

Their unique effort became known as "The Rochester Plan." It provided hundreds of non-profit housing units at rents well below the usual rate, permitting many young families to save for eventual home ownership.

In the decades since, the success of the veterans' housing projects has been repeated time and time again for the benefit of others with special housing needs—the elderly, the industrial worker, the minority group member. And the end is not in sight.

Spurred by the energy and vision of a few key people and the enthusiastic cooperation of countless others, the Rochester Plan has mushroomed into a philosophy of non-profit rental housing construction and management that has had an enormous impact. By the end of the 1960s, more than 2,500 housing units existed in Rochester that were lineal descendants of the original veterans' projects.

The story of this remarkable, continuing community program has been told in bits and pieces many times, but never before in its entirety. This booklet traces the complex and inspiring history of a dynamic idea that is still bearing fruit, helping the Rochester metropolitan community by helping its people in need.

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The Rochester plan is born

The birthday of the Rochester Plan for low-cost rental housing can be pinpointed exactly. It was Tuesday, January 29, 1946. World War II had recently ended, and the nation was readjusting to peacetime conditions. Rochester and its suburbs, like the rest of the country, were in the midst of a severe shortage of housing for the returning veterans.

The City's leaders were trying to meet the need with various emergency housing plans, but they could not keep up with the rising flood. The veterans, having served their country in its hour of need, were understandably bitter at being forced to double up with relatives or accept substandard housing.

Although public housing is commonplace today, it was a new and unwelcome concept in the Rochester of those post-war years. Rochester was a wealthy and conservative city that preferred to take care of its own, rather than turn to Albany or Washington for help. Despite this tradition, however, voices were being raised in some quarters favoring the government subsidy approach to the severe and growing housing problem.

It was in this setting that two Rochester bankers met for dinner on that Tuesday evening in January, 1946. Elmer B. Milliman, president of Central Trust Co., and Charles W. Marshall, vice president of the same bank, were discussing the housing situation, which was on most civic leaders' minds at that time. As the two conversed, an idea took shape that seemed almost too simple to be valid—but the more they examined it, the more sound it seemed. These were its elements, in brief:

- Local Banks would be induced to form a non-profit corporation to build rental housing units.
- The City would be asked to furnish improved land at a nominal cost or free and to provide a low tax assessment. A considerable amount of property already belonged to the City through foreclosure as a result of the post-Depression Delinquent Tax Program started in the early 1940s.

- With this land as equity, the banks' non-profit corporation would obtain a long-term F.H.A. insured mortgage under the National Housing Act. This mortgage would be shared by all local banks at a very low interest rate.
- Seed money to start the project, pay the cost of planning etc., would be contributed by the banks through purchase of shares in the sponsoring corporation.
- The banks would provide supervision during construction and would manage the property thereafter without profit.
- When the mortgage was paid, the property would revert to the City, which would sell it and apply the proceeds to its general fund. In this manner the loss of yearly revenue resulting from tax abatement would eventually be offset partly or fully by the future sale price of the development.

Although housing created in such a manner would certainly be subsidized through very limited property tax modification, use of federal credit aids and the low returns to local banks sharing the mortgage, the planning, management and actual capital involved would be strictly local and strictly private.

Another strong point in the plan was that it would promote home ownership in the long run, to the benefit of the local economy as well as the veterans

themselves. This would be accomplished because the low rentals, combined with a relatively short maximum rental period, would encourage the young families to save enough money to buy their own homes. This prediction was borne out in the years that followed, as a very large proportion of tenants leaving the veterans' housing that was created did in fact purchase homes, mostly in the Rochester area.

It was evident that a great deal of community cooperation would be required to make this new idea a reality. On the following day, January 30, the plan was endorsed by the City Planning Commission. On Thursday, January 31, all seven other banks in the city at that time enthusiastically pledged their full cooperation. On Friday, February 1, the Federal Housing Administration approved the plan and an architect began work. On Saturday, the City Council gave its official approval. On Monday, a corporation entitled "Rochester Civic Rental Project, Inc." was formed by the eight banks and its directors met.

On Tuesday, February 5, exactly a week after germination of the idea, the State government added its approval and the Rochester Plan was publicly announced.

Nine months later the first veterans moved with their families into Fernwood Park.

* * *



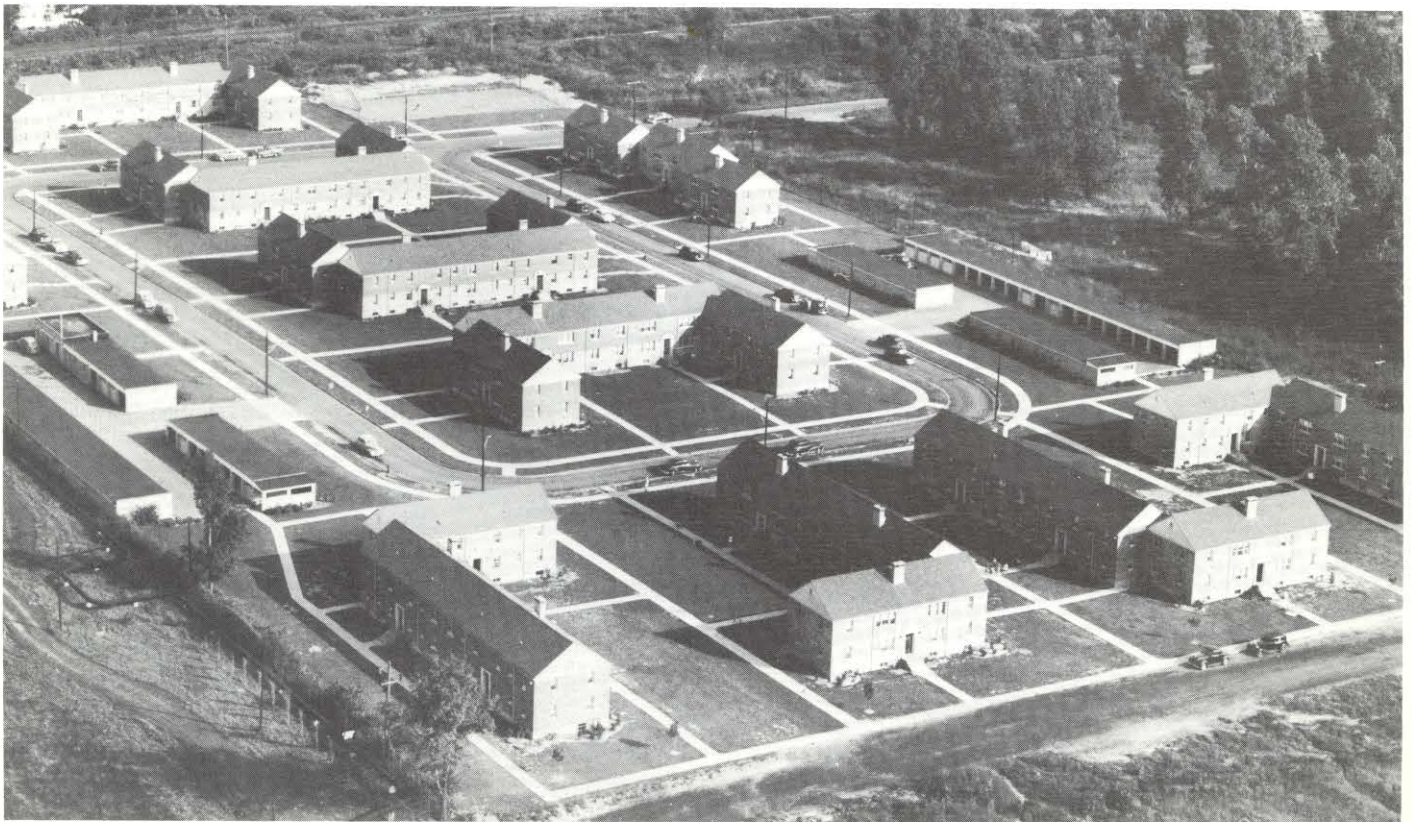
The Veterans' projects

Three apartment projects for veterans emerged from the initial Rochester Plan effort. Fernwood Park was the first, with 152 two-bedroom units. Ramona Park followed almost immediately with 136 two-bedroom apartments, and Norton Village was next with 228 units, also two-bedroom. Although the sponsorship differed in each case, the general procedures outlined in the Rochester Plan were followed every time.

Ground was broken for Fernwood Park on May 13, 1946, on ten acres of land sold by the City to the Rochester Civic Rental Project, Inc., for \$1. The City agreed to provide \$144,000 worth of street improvements, sewers, sidewalks, etc. All eight member banks of the non-profit corporation participated equally in a 39-year, F.H.A.-insured mortgage for approximately \$1.2 million. The first units were ready in November 1946, and the whole project was completed the following June.

Impressed by the success of Fernwood Park and aware of the continuing pressure for still more veterans' housing, other community groups decided to follow suit. In October, 1947, just a few months after the completion of Fernwood, construction began on Ramona Park. This time the sponsors were the Rochester Home Builders Association and three of the city's banks, but the process was essentially the same as before. On July 30, 1948, the first tenants moved into Ramona Park. By November, all 136 apartment units were occupied.

The third and largest of the veterans' housing projects, Norton Village with 228 units, was undertaken at the suggestion of the City administration. Its sponsorship was the most widespread and varied of all. Nearly 50 local organizations, including the leading industries, stores, banks and publishers, as well as the City itself, joined to form Norton Village's sponsoring corporation, Rochester Civic Redevelopment Corp.



Land for Norton Village was acquired, with City cooperation, through use of the State Redevelopment Companies Act. Adopted in 1943, it permitted municipalities to participate in non-profit efforts to redevelop substandard areas. In exchange for stock in the sponsoring corporation, the City agreed to provide the property in the blighted area, and to allow tax exemption on the improvements.

Construction was under way in October, 1947. The first families moved into Norton Village in September, 1948, and all units were completed and occupied by June, 1949.

In all, the three veterans' housing projects planned and constructed between 1946 and 1949 represented an investment of more than \$5 million, virtually all of it from local sources. More than \$4 million was invested by Rochester's banks at two and a half per cent interest, or about half the rate they could have commanded in the open market. The balance of the projects' value consisted of the land, streets, sewers and other improvements provided by the City of Rochester.

From the moment they opened their doors, the veterans' projects were a resounding success. Nearly 3,500 applications were received for the original 516 apartment units. To assure fairness and avoid charges of favoritism, tenants were chosen by anonymous tenant selection committees comprised of local citizens not otherwise connected with the projects. In those early days the selection committees faced a particularly awesome task, determining which families to accept among the many that were fully qualified and obviously desperate for better housing conditions.

The veterans who were needy and lucky enough to get into the projects found they had a real bargain. The original rents ranged from \$48 to \$51 per month, plus utilities. This was about two-thirds of the usual cost of comparable housing on the open market, assuming there was any to be found. In order to make these low rents available to as many families as possible, the management has encouraged occupancies of five years or less.

One of the fundamental aims of the Rochester Plan was to permit young families to save toward home ownership. This goal was fully achieved: Ten years after the veterans' projects opened, the records showed that 873 of the 1,040 families that had moved out during that decade had purchased their own homes in or around Rochester.

* * *



Rochester Management, Inc.

Rochester Management, Inc. was a natural outgrowth of the three veterans' projects. Formed in January, 1949, to manage Fernwood Park, Ramona Park and Norton Village, it is a non-profit housing management corporation that, by the late 1960s, had become the city's largest landlord. In 1968, for example, it took in almost \$3 million in rents from nearly 2,500 apartment units.

In the early days, stock in Rochester Management was held equally by the three participating corporations, sponsors of the three veterans' projects. Rochester Management charged each a fee based on the number of apartment units, with any surplus or deficit being shared at the year's end. This general procedure is still followed.



Rochester Management Administrative Offices

The first general manager of Rochester Management was John A. Dale. Mr. Dale had come to Rochester initially on behalf of the Savings Bank Trust Co., the correlating bank for all savings banks in New York State. This bank was investing in the construction of apartment housing for students at the University of Rochester and elsewhere. In October, 1947, Mr. Dale left the bank to become manager of Fernwood Park, and later of Ramona Park and Norton Village. As the management operation became increasingly complex, the need to incorporate was obvious and Rochester Management was formed.

When University Park, the student housing project that had originally brought Mr. Dale to Rochester, was completed in 1949, it too became a part of Rochester Management's growing clientele.

Mr. Dale served as general manager until 1956 when he was appointed Executive Director of the newly created Rochester Rehabilitation Commission, on loan from Rochester Management. W. Frank Baker then became acting general manager. When Mr. Dale became a vice president of Central Trust Co. in 1961, Mr. Baker was appointed general manager and served until his death in April, 1970. Edward O. Ingerick was named to succeed him in May, 1970.

The first president of Rochester Management was Charles W. Carson, then president of Community Savings Bank. Mr. Carson served until 1964 when he retired. His successor both as bank president and as head of Rochester Management was John E. Schubert.

Although housing has continued to be the chief concern of Rochester Management and its leadership, the company did undertake the operation of a shopping plaza for a period of several years. Fernwood Park and Norton Village were both constructed in what had been a rather undeveloped area of the city known as "Goat Hill". The sudden influx of so many families created an equally sudden need for stores and services that could not be met by existing facilities. In an attempt to fill this need, the sponsoring corporations of the two housing developments agreed in 1949 to co-sponsor the Waring Shopping Center, with 17 retail stores, a theater, and a bank branch. Total cost was about \$325,000.

Five acres for the plaza were acquired from the City, once again through the delinquent tax program. No tax advantages were requested this time because the plaza was a commercial center, but any profits were to be used to accelerate the mortgage, thereby hastening reversion of the project to the City. The shopping center was operated successfully for some

17 years until 1967 when it was sold to commercial interests. Proceeds from the sale were passed on to the City and to the two sponsoring housing projects.

Elements of the Rochester Plan and Rochester Management have been imitated elsewhere, but they were the first and are probably still unique in the United States in terms of their private, local orientation and entirely non-profit nature. Profit totals for all the apartment projects, as well as the management firm, must read zero at the year's end. This factor, plus the dynamic yet benevolent leadership of the originators of the Rochester Plan, no doubt encourages the intense personal loyalty that has always characterized the staff of Rochester Management at all levels.

* * *

University Park



Waring Shopping Center

Serving the senior citizens

Hundreds of individuals and organizations contributed to the initial success of the veterans' projects and Rochester Management, but it was Elmer Milliman who frequently emerged as both spokesman and mainspring of the effort. He also demonstrated the valuable capacity of surrounding himself with men of talent, such as John Dale, Charles Marshall and others. As a group, the Rochester Management leadership developed a reputation for going ahead and solving problems that others said were insoluble.

Thus it was that, once the most critical veterans' housing shortages were ended, Rochester Management soon found new challenges in the housing field. In the late 1940s and early 1950s two groups especially seemed to require and deserve better housing—the elderly and the inner-city residents. The needs of both had been neglected for years and promised to grow rapidly worse if action were not taken soon. Although progress is now being made on both fronts, it was the elderly residents of the community who were the first to benefit from the attentions of the Rochester Management team.

The first of the projects for the elderly utilized old prisoner-of-war barracks at Cobbs Hill Park. In a newspaper interview in 1970, Mr. Milliman recalled how this came about:

"One thing leads to another . . . At a party I mentioned to Fred Parrish, who was then Monroe County Republican leader, that I thought the community owed something to older people . . . They deserved housing with no stigma of 'poorhouse' attached. No one was more surprised than I when a couple of months later, Fred called and said 'I've got a place for you, for your older people's housing.' "

The Cobbs Hill barracks, plus an old school building, had been used since the war as emergency housing for veterans, but that state-subsidized program ended March 31, 1953, and the property reverted to the City. The question then was whether to tear the buildings down, or to find another use for them. It was at that point that Mr. Parrish made his phone call and Rochester Management stepped into the picture.

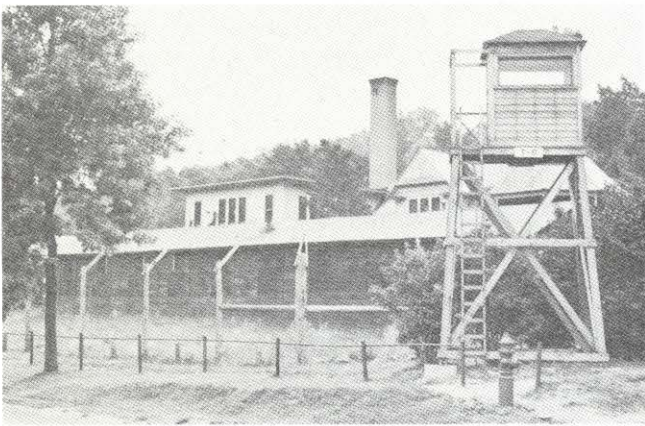
The first 27 apartments of Cobbs Hill Village were created in record time and very economically, in comparison with the normal cost of such housing. In another example of community cooperation, the property was leased by the City to the non-profit Senior Citizens Homes, Inc. for \$1 per year, and leaders of business and industry donated \$17,000 in money and services to remodel the structures. In a couple of months the old buildings were transformed into one-story motel-type apartments painted a pleasant Williamsburg blue, with red doors, shutters and window boxes, and white roofs. The first elderly tenants moved in on June 8, 1953. They paid \$43 a month for studios and \$52 for one-bedroom apartments, including utilities. Rochester Management, Inc., was the landlord's agent.

Unlike the veterans' projects, Cobbs Hill Village was not immediately filled. Several reasons for this temporary lack of success can be surmised. The concept of special, separate housing projects for the elderly was relatively unfamiliar at that time, except for the "county home" or "poorhouse" that bore the brand of welfare dependency. And, although Cobbs Hill Village is located in a lovely park setting, it is true that the apartments are somewhat isolated from stores, bus lines, and other housing.

Gradually, however, through newspaper publicity and word-of-mouth, the word spread that desirable housing for senior citizens was available at bargain rates. By spring of 1954 all units were filled and a waiting list was building up. By the following year the list had several hundred names and it became obvious that much more housing of this type was needed.

This conclusion was supported by statistics: A major study by the 20th Century Fund published in the middle 1950s showed three-fourths of all persons over 65 earned less than \$1,000 a year, and two-thirds were not covered by Social Security or any related retirement plan. In New York State a study showed that there were three times as many persons in the state over age 65 in 1955 as there had been in 1920. Rochester census figures in 1960 showed 14 per cent of the city's citizens were over 65, a higher percentage than in any other major city in New York State, and in most other states as well.

Growing public recognition of the need for low-cost housing led the State government to make long-



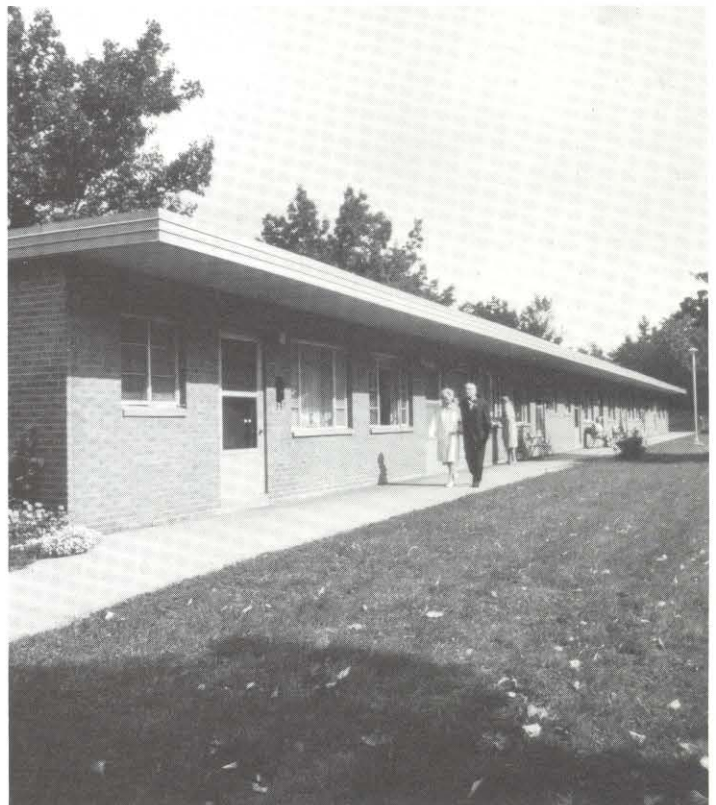
Cobbs Hill Prisoner of War Barracks

term mortgage funds available at low rates under the Mitchell-Lama Limited Profit Housing Companies Act. Aware of the need locally, the Rochester Management leadership decided in 1956 to build an additional 60 units at Cobbs Hill, using state Mitchell-Lama mortgage funds. This represented a departure from the Rochester Plan, which had heretofore relied entirely upon local funding sources. From that time on, however, most of the housing projects undertaken by the Rochester Management group were to utilize these State financing aids.

In December, 1956, City Council agreed to transfer an additional nine and a half acres of Cobbs Hill Park to Senior Citizens Housing, Inc. for \$1, with



Cobbs Hill Renovated Military Barracks



Cobbs Hill—New Apartments

the property to revert to the City at the expiration of the mortgage period. The developers obtained a 50-year mortgage from the State for more than \$600,000, at only 3.3 per cent interest. Although entitled by law to a six per cent profit, the corporation chose to remain non-profit.

The use of state funds for senior citizen housing was considered to be so significant at that time that Governor Averill Harriman came to Rochester in March, 1957, to break ground for the project and to praise it as a practical and desirable approach to problems of housing for the elderly.

The first tenants moved into the new apartments in October, 1957, and there were 350 applicants on the waiting list.

The Cobbs Hill Village addition was scarcely open when the next project was proposed. Joseph Farbo, then Vice Mayor of Rochester, suggested that the Rochester Management group consider similar housing for the elderly on a little-used strip of land along Seth Green Drive near the Genesee River gorge. Although technically part of Seneca Park, the property was separated from the park proper by a major thoroughfare and would make an ideal, scenic site for housing.

Accordingly, early in 1958, another non-profit corporation called Seth Green Park, Inc. was formed by many of the same persons involved with Cobbs Hill. It acquired the three and a half acre park site from the City in exchange for non-interest-bearing debentures equal to the land value of almost \$80,000, and obtained a mortgage loan from the State for more than \$700,000 under the same Mitchell-Lama provisions used for Cobbs Hill.



Community Room—Seth Green Park

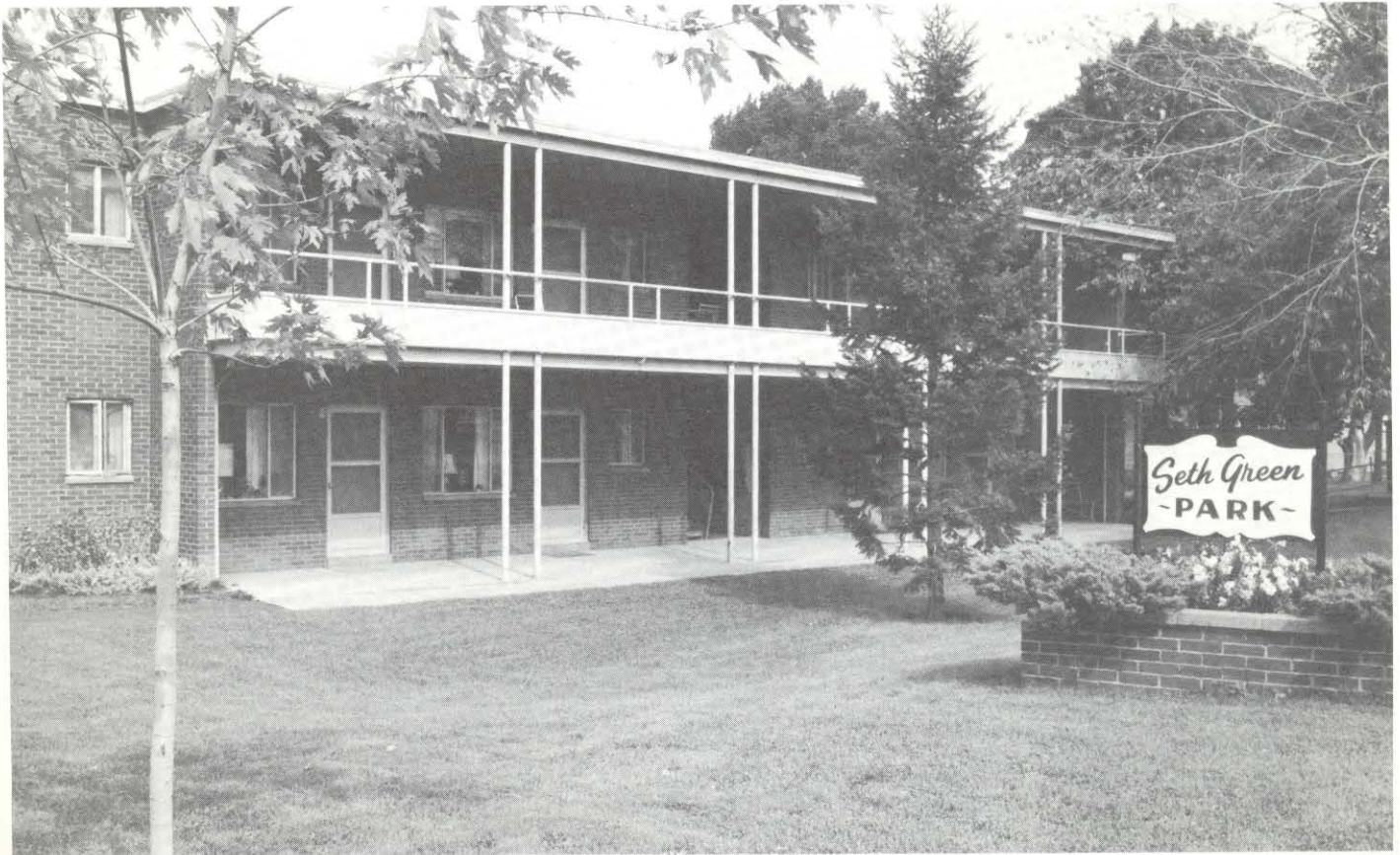
By the time construction got under way in the fall of 1958, there were already 300 applications for the 75 units that were still a year from completion.

Seth Green Park is comprised of five two-story brick-faced concrete block buildings, housing 43 studios and 32 one-bedroom apartments. Its first occupants moved in on November 1, 1959, paying rents of \$59 for the studios and \$64 for the larger units, utilities included.

At the dedication ceremony for Seth Green Park, Vice Mayor Farbo hinted that still more such projects were to come: Plans were already being made for Plymouth Gardens.

Virtually identical procedures were used for this newest senior citizen project. A little-used area of Genesee Valley Park, isolated by busy streets and a railroad track, was purchased from the City, and a \$2.5 million mortgage was obtained through the Mitchell-Lama Act.

The major difference between Plymouth Gardens and its predecessors was in appearance. It was the city's first high-rise apartment for the elderly. Not only was this design most efficient financially, allowing more units for the price on the space available, but it turned out to be popular among the elderly tenants as well, and the forerunner of several similar high-rise apartments constructed for the elderly under various auspices.



Plans for Plymouth Gardens were first displayed publicly in October of 1960, but because of various delays it was late in 1963 before the first occupants moved in. One of the first tenants, a widow, had first applied in 1959 and was among nearly 700 on the waiting list for the 242 efficiency and one-bedroom apartments in the 12-story structure. She and the other first tenants at Plymouth Gardens paid \$60 to \$68 per month, utilities included, for efficiencies and \$70 to \$78 per month for the one-bedroom apartments, depending upon the units' height and exposure.

It began to appear that the more housing was created for the elderly, the longer the waiting lists grew. With Plymouth Gardens safely launched, the Rochester Management group turned its attention to a still more ambitious project, Seneca Towers.

Announced early in 1965, Seneca Towers originally was to have included about 175 apartments and an infirmary. In the end, however, the infirmary idea was abandoned because of complicated and lengthy requirements for governmental agency approval, and the height of the building was doubled from 11 to 22 stories with 504 studio and one-bedroom apartments.



Plymouth Gardens



The Lobby at Plymouth

Once again park land was used, this time a small plot adjacent to Seth Green Park. The City Council approved the project and ultimately a \$7 million loan was obtained through the State Mitchell-Lama Act as before.

As early as January, 1967, before construction had even begun, there were 600 applicants for Seneca Towers and an additional 900 applicants for Rochester Management senior citizen housing in general. Plymouth Gardens at that time had a waiting list five years long.

Almost from the beginning, Seneca Towers was plagued by delays, strikes and political bickering. Blasting for a drainage tunnel under a nearby expressway forced a two-year postponement of the start of construction—and in the meantime inflation and rising costs were driving the future rentals inexorably higher. Ground was finally broken in June, 1967, and the first tenants moved in in April, 1970.

As feared, the delays had taken their toll in terms of rentals, which finally were set at from \$97 to \$153, depending upon size and location of the units. This was some \$30 to \$50 higher than had originally been anticipated.

* * *

Sharing the knowledge

Rochester Management's reputation for know-how in the non-profit housing field is widespread. As a result, public officials and private groups in numerous other communities have frequently turned to the Rochester organization for counsel. At the request of officials in nearby Syracuse, N. Y., for example, Rochester Management has given advice and on-the-job management training to the operators of a new project for the elderly in that city. The 318-unit, 18-story Brighton Towers development opened in the spring of 1970.

The experience in non-profit housing amassed by the Rochester Management group has made it obvious that there are four basic requirements for this type of project to be successful:

1. Low interest rates for mortgages.
2. Long-term mortgages, such as the 50-year period provided by the State.
3. Low land cost. In Rochester the City Administration cooperated by providing City-owned properties, such as park land or tax delinquent areas, often without cost or at least without cash outlay, with the provision that the property would revert to the City after amortization of the mortgage.
4. Tax abatement.

Although these special arrangements constitute a subsidy of a sort, the program still retains a very real element of private enterprise and local control that public housing lacks. At the same time, they place a responsibility upon the housing management to be sure the tenants who benefit from the resulting low rents are those who legitimately need such housing. In the case of Cobbs Hill and the later senior citizen housing, Rochester Management requires that at least one member of the couple be 65 or older, that they be Rochester residents at least two years, and that they do not make over a certain amount of income per year. At first this limit was \$3,000, but it has been raised in later years to allow for inflation and rising costs.

* * *

The expanding University

The post-war baby boom of the late 1940s reached America's universities in the middle 1960s. At the University of Rochester, as elsewhere, one result was the need for more student housing.

Rochester Management, Inc. had been involved with university housing since its earliest days, ever since the opening of University Park's 184 units in 1949. Therefore, it was only natural that the school should look to the same organization for leadership both in planning and in managing the hundreds of additional graduate and married student apartments that had to be built. Elmer Milliman was named chairman of the University of Rochester's Building Development Committee, and Rochester Management was engaged to operate the apartment housing that resulted.

A 22-unit addition to University Park was completed in 1966, bringing that project to a total of 206 studio, one and two-bedroom units.

At about the same time the 194-unit Graduate Living Center, comprised of two 11-story towers named after former university presidents, plus connected single-story buildings called maisonettes, was being constructed. President W. Allen Wallis described the \$3.1 million Center as "an essential first step in what will be a two- or three-stage program to

provide sorely needed housing for the University's growing population of graduate students and their families." Financing was through a \$3 million low interest loan from the Housing and Home Finance Agency of the F.H.A.

The next project was the 250-unit apartment complex known as Whipple Park, in honor of Dr. George H. Whipple, Nobel prize-winner and dean emeritus of the School of Medicine and Dentistry. The attractive, two-story buildings contain both apartments and town houses, with as many as three bedrooms. Ground was broken on the 19-acre wooded plot in 1967 and the project was completed in 1968.

Whipple Park was entirely filled almost immediately, and plans were announced in September, 1968, for a \$7.1 million high-rise apartment building near Strong Memorial Hospital that would house medical center staff and students. The U-shaped structure was designed to include 312 apartments, mostly one and two-bedroom, in the 13-story center and 12-story wings. Funding for this project, the George Washington Goler House, was through the Mitchell-Lama Act.

In all, the University of Rochester's program of student housing has added nearly 1,000 apartment units to the responsibilities of the Rochester Management staff.

* * *



Whipple Park

Housing the less privileged

In the late 1940s, Rochester awoke to the sudden realization that it had slums. As much as the city's leaders shunned the idea of public housing, it became increasingly apparent that private capital, even if used by nonprofit groups as in the Rochester Plan, could not produce housing at a low enough cost to rent to slum dwellers with very low incomes.

The 325-unit, high rise public housing project named Hanover Houses opened its doors in December, 1952, in the heart of the most run-down section of the city, the Baden-Ormond district. Rather than create a housing authority to run it, however, the City assumed planning and management responsibilities itself.

Although neither Rochester Management nor any of its constellation of non-profit housing corporations was formally involved with the Hanover Houses construction or operation, several of its leaders were called upon personally to lend their expertise to this new venture. Mayor Samuel B. Dicker appointed Elmer Milliman head of a committee to explore ways to rehabilitate or build other new housing in the Baden-Ormond area. And after Hanover opened, City Council named a management commission to help the City operate the project. Members of the commission included John Dale, Charles Marshall and several others who had been closely associated with Rochester Plan housing.

It was soon evident that Hanover Houses had problems. The neighborhood was not being rehabilitated quickly enough, and the project itself was shabby and rundown. Realizing the need for professional, non-political management of Hanover, the City in 1955 bowed to the inevitable and created the Rochester Housing Authority. At the same time, the Rochester Rehabilitation Commission was created and the same members were appointed to both bodies. John Dale was named executive director of the Rehabilitation Commission in 1956, on loan from Rochester Management.

Considerable progress was made in the neighborhood rehabilitation and housing code enforcement under Mr. Dale's direction, but the Housing Authority continued to have difficulties with the administration of Hanover Houses. After State Housing Commissioner Joseph P. McMurray added his criticism to that of others, Mayor Peter Barry appointed Elmer Milliman to head a 10-member citizen committee assigned to study the problem.

The citizen committee brought in a well-known authority on public housing, James W. Gaynor of Denver, who shortly thereafter was to be appointed New York State Housing Commissioner. On the basis of Mr. Gaynor's findings and their own observations, the citizen committee recommended in July, 1958, that the Housing Authority and the Rehabilitation Commission be separated with new members appointed to the Authority; that further physical improvements be made in the Baden-Ormond neighborhood; that the project's management practices be changed in various ways, and that tenant-management relationships be improved.

The report stirred controversy but early in 1959 the Housing Authority was separated from the Rehabilitation Commission as recommended, and the restoration of Hanover Houses began. By June of 1960, Housing Commissioner Gaynor was able to report that "Hanover Houses is being re-established as a community asset . . . The management problem seems to have been corrected . . . Hanover has improved tremendously as far as I am concerned and as far as the State is concerned . . . it is a credit."

With Hanover Houses operating properly at last and visible progress being made on the Baden-Ormond renewal project in general, the Rochester Management team agreed in 1960 that the time had come for more Rochester Plan housing. In June, 1961, ground was broken for Chatham Gardens on a site within the urban renewal area close to Hanover Houses. A stated aim of the new two-story, 184-unit project was that it would become a working example of integrated living.

It is indicative of the energy and ambition of the housing group that groundbreaking ceremonies for both Chatham Gardens and Plymouth Gardens for senior citizens were held on the same day. A newspaper editorial at the time summarized the mood of the events:

"There was the atmosphere, the feeling, of a community fighting with dedication to meet the housing problems of the less privileged, on the one hand, and our older citizens on the other hand. These ground-breakings projected the courage of a city in examining the means for a better life for everybody in the midst of great and baffling social change. This was Rochester at its best."

Like the senior citizen housing being built during that period by the Rochester Management group, Chatham Gardens was constructed with a Mitchell-Lama Act state loan of about \$3 million. In payment for the land, the City accepted 50-year, non-interest-bearing income debentures valued at about \$300,000. Rochester Management, Inc., was appointed to manage the project, and Chatham Gardens received its

first tenants in September, 1962. Rents ranged from \$74 to \$117 per month, including utilities, for the one, two and three-bedroom units.

The management tried hard to maintain the large proportions of both races that it knew would be necessary if Chatham Gardens were to remain truly integrated. Families who did move in were virtually unanimous in their enthusiasm and confidence in the workability of the biracial concept, but Chatham was still slow to fill in spite of the bargain rents. Rebuilding of the Baden-Ormond neighborhood was taking much longer than had been hoped when Chatham Gardens was conceived, and the racial situation in general was becoming more tense.

Rioting in the Chatham Gardens area and elsewhere in the inner city in 1964 hampered the effort still more and by the Spring of 1965 when the apartments were filled for the first time, only 35 per cent of the occupants were white. Today the ratio is even more heavily non-white.

Despite some disappointment with Chatham Gardens as an integrated community, it was obvious to the Rochester Management group that much more middle income housing was needed. The Rochester economy was booming and jobs were going begging because workers coming to the city could not find adequate housing for their families.

Other groups within the community were also becoming aware of the need. In 1964 a group of businessmen not previously connected with the Rochester Plan housing began construction of Rochester High-

lands, a \$6 million, 503-unit development financed with Federal funds under Section 221(d)3 of the National Housing Act. Rochester Management, Inc., was asked to operate the project upon its completion in 1965. No property tax abatement is required under this financing program and none was granted, but the non-profit nature of the management and the long-term, low-interest mortgage once again permitted a rental scale much below that of comparable housing. A number of the units at Rochester Highlands are occupied by senior citizens, because of long waiting lists at other Rochester Management projects.

Charitable organizations also were increasingly concerned about the lack of decent housing at reasonable rates for both inner-city residents and industrial workers, and some of them looked to Rochester Management for help. Rochester United Settlement Houses Corp. or RUSH, a non-profit corporation formed by leaders of the city's settlement houses, obtained property in late 1965 for a 114-unit middle income housing project. Federal funding was obtained and the City agreed to 50 per cent tax abatement on the nearly \$2 million project. After two years' delay caused by neighborhood opposition and zoning denials, construction began in 1968 and Harris Park was opened for occupancy in the fall of 1969. Rochester Management was engaged to operate the complex temporarily and to train personnel from the Urban League of Rochester, who would ultimately assume total responsibility for management. This training period was completed in several months and Rochester Management is no longer involved with Harris Park.

* * *



Typical Building at Chatham Gardens



Main Courtyard at Chatham Gardens

Metropolitan Rochester Foundation

Many factors contributed to the housing squeeze Rochester and other growing communities experienced in the 1960s. Children born in the "baby boom" of the late 1940s were beginning to establish their own homes; an expanding economy was creating the need for more workers; and at the same time outdated at deteriorated housing units largely occupied by workers and minority group members were being torn down in the path of numerous urban renewal, private construction, and highway projects. Inflation, racial prejudice, suburban resistance to multiple dwellings and tax abatement, and rising construction costs added to the problem.

Because of their close involvement with housing over the years, it was natural that the civic-minded citizens who had been associated with Rochester Management would recognize both the existence of the housing problem, and the social, economic, and political causes underlying it. As early as 1961, Elmer Milliman said in a speech that "continued community effort is required to provide more housing for middle-income and multi-problem families, and for the elderly . . . If we don't continue to solve these problems ourselves, the state and federal governments will solve them for us."

By the middle 1960s, other community leaders were ready to assume a formal role in attacking the problem of middle-income housing. The Industrial Management Council stirred concern by publishing a study revealing that some 10,000 jobs were unfilled in the Rochester area because of a shortage of labor—and that the lack of housing was a major contributing factor to the labor shortage.

The first organized attack on the problem came in November, 1965. Maurice R. Forman, president of B. Forman Co. women's clothing store, called some 25 leading executives of Rochester business and industry to a meeting at his home in an attempt to impress upon them the seriousness of the housing situation and the need for quick action.

For a year thereafter, members of this group worked diligently to try to develop more Rochester Plan-type housing for industrial workers. As in the case of the veterans' housing projects, the motives of these concerned citizens were practical as well as altruistic. They knew that the continued growth of the metropolitan Rochester area meant better business for everybody, and they knew that workers would not settle in Rochester if they could not find good housing at a price they could pay. They knew too that this housing would serve as a stepping-stone leading young families to home ownership, just as the veterans' projects had done in the 1940s.

Despite their efforts, no concrete progress was made. Mr. Forman called a second meeting in November, 1966, at which the group decided that if something was going to be done they would have to do it themselves. The result was another "first" for Rochester. The unique Metropolitan Rochester Foundation, Inc., was formed in March, 1967, by 28 top executives drawn from the fields of industry, commerce, education and finance.

The stated purpose of MRF, as it has come to be known, is to help alleviate housing problems in the greater Rochester area by providing attractive, well-kept units for moderate income families. From another perspective, it could as easily be described as a corporate version of the Rochester Plan—an agency to insure the future of a valuable and proven idea that for more than 20 years had been carried forward voluntarily through the dedication and awareness of a small group of men.

Elmer Milliman was chosen president of MRF. John Dale was given leave from his job as vice president of Central Trust to serve as acting executive director and as secretary and assistant treasurer. James A. Porcari, Jr., was employed as assistant secretary. It was agreed that Rochester Management, Inc., would manage all housing projects created by MRF.

Given the size of the problem MRF was formed to help solve, it is not surprising that it ran into opposition right away. Its first project was to be Tryon Estates, a 106-unit development of two-bedroom town houses in the City-owned Palmer's Glen, an undeveloped hilly site on the edge of Rochester. Intense neighborhood opposition developed but the project was ultimately approved at a City Council meeting that lasted well into the early morning. MRF then ran into technical problems related to site development at the glen. These difficulties were also resolved, but in the meantime funding sources had shifted and the project was set aside temporarily in favor of other developments that could be handled more quickly.

Westfall Heights was begun early in 1968 on a site adjacent to another Rochester Management-operated development, Rochester Highlands. One hundred and one two-bedroom town houses were built with a Federal loan. The project was fully occupied in September, 1969.

At about the same time that Westfall Heights was being planned, the City Administration asked MRF to consider building 72 units on urban renewal property adjacent to Chatham Gardens. Using the "turnkey" procedure, this development would be sold at a pre-determined price to the Rochester Housing Authority,

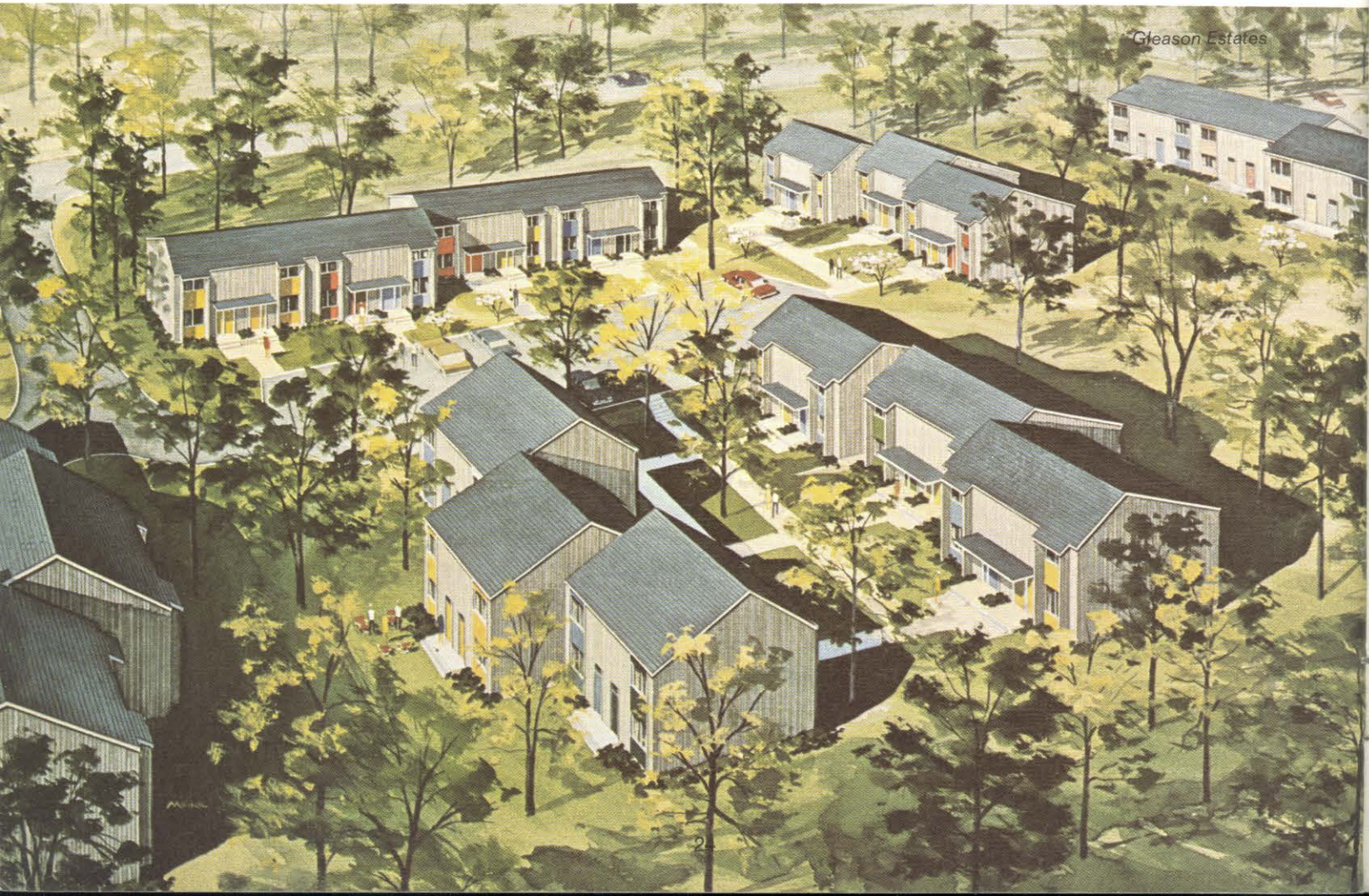
which would then make the units available for eventual ownership by the low-income tenants. By this process the Housing Authority by-passes red tape and can provide needed housing faster. Using one-year debentures from MRF members as equity money for temporary financing, MRF was able to obtain a \$1 million local mortgage. The housing was created on the basis of a handshake deal with the City and the Housing Authority, the pre-set purchase price covered MRF's construction costs, and 72 needy families are now living in the two, three and four-bedroom apartments.

One of the major challenges facing MRF in its effort to break the back of the industrial workers' housing shortage was to open metropolitan Rochester to middle-income housing. The foundation's very name implies this goal, but its leadership was fully aware that it would be an uphill fight. As in suburban communities throughout the nation, many residents of the Rochester metropolitan area were, and are, unwilling to accept low and middle income persons in their neighborhoods. This attitude has naturally been reflected in decisions of town government officials, particularly in relation to zoning and school district issues.





Holland Townhouses



Gleason Estates

The result has been not only to exclude middle and low-rent housing from the metropolitan area, but also to inflate artificially housing costs within the City limits. Unable to utilize relatively inexpensive suburban land, sponsors of such housing have had to compete with commercial interests for scarce and expensive urban property.

After rebuffs in several suburbs, MRF officials finally found a sympathetic ear in the high-income, fashionable Town of Pittsford. Many of the foundation's members lived in the town, knew the need for housing, understood the purpose of MRF, and were committed personally as well as professionally to making it work.

In May of 1968, MRF announced that it had an option on 40 acres in Pittsford near East Rochester, where it proposed to develop Gleason Estates. Initially there were to be 422 two-bedroom town houses, but that was later reduced to 300.

After considerable delays developed, MRF in late 1969 asked the Urban Development Corporation of the State of New York to help. Using its specially-granted powers to supersede local ordinances, the UDC through a subsidiary purchased the site with a State loan. MRF then assumed ownership of the subsidiary, thus launching the first middle-income hous-

ing project in Monroe County outside the City of Rochester. Although MRF was obliged to use the special powers of the UDC to accomplish its aim, it is taking care to involve the local residents in planning and to keep them abreast of new developments. A community advisory committee was appointed to serve as liaison with UDC and MRF, and informational leaflets have been distributed to help avoid misunderstandings and rumors about the true nature of the project.

When completed, Gleason Estates will consist of clusters of town houses, all with direct access to a large wooded recreation area in the center of the development. A loop road will circle the property, with short cul-de-sacs leadings from it to the various parking lots. After the mortgage on the project is fully paid, it will revert to joint ownership by the Town of Pittsford and Rochester Institute of Technology, which was the original landowner. The dual reversion arrangement was made when RIT agreed to a reduced land price that made the project financially feasible. During the amortization period, Gleason Estates will pay ten per cent of rentals to the Town of Pittsford as taxes.

Another MRF project now in the planning stages is a twin tower apartment project in a downtown urban renewal site. The foundation is also continuing its effort to place more middle-income housing in the suburban towns.

In addition to the actual construction of middle-income housing, Metropolitan Rochester Foundation has assumed a number of other related duties and functions. After the assassination of Dr. Martin Luther King, Jr., in 1968, a memorial fund bearing his name and totaling \$800,000 was created through spontaneous gifts to the Community Chest from individuals and businesses. The initial donation of \$250,000 was the personal gift of Joseph C. Wilson, chairman of the Board of Xerox Corp., and Mrs. Wilson. It was decided that the fund should be used to expedite low-income housing projects, and that a suitable administrator should be appointed. Although MRF was only one year old as an organization, the wealth of housing and community experience that its membership encompassed made it a logical choice.

Accordingly, MRF directors became trustees of the Memorial Fund, which was to be used as a revolving fund to help non-profit groups create low-income housing. It was also agreed that the funds would not be available to MRF itself. The foundation's role is to assure that the projects aided by the Fund are indeed non-profit, that they are feasible, and that there is some provision made for repayment of the loans. In less than two years a dozen different organizations had created or were in the process of creating some 374 housing units. As the Fund's one-year, interest-free loans to these projects are repaid, the money is reused to help more low-income housing projects.

With the cooperation of its close ally, Rochester Management, Inc., MRF uses some of the Memorial Fund to conduct housing management training programs on request for the various non-profit sponsors of King Fund housing.

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Conclusion

Much more could be written about the simple idea that grew up to be the Rochester Plan. Many more men and women could be identified and praised as contributors to its unquestioned success.

But the tangible accomplishments of Rochester Management, Inc., and the bright future of its young team-mate, Metropolitan Rochester Foundation, tell far more than words.

Because of Rochester Management and its dedicated leadership, thousands of families have had a boost to a better future, and thousands of elderly Rochesterians have been able to live their golden years in deserved dignity and comfort. Rochester Management's professional competence and sound practices over the years have produced properties that are a credit to their neighborhoods as well as a pleasure to their tenants.

Because of the Metropolitan Rochester Foundation, hopes are brighter not only for the community's industrial workers who will benefit directly from the middle-income housing that is produced, but also for the metropolitan area at large. Its citizens now have the opportunity and the leadership whereby needed changes in housing patterns can be accomplished, not by governmental fiat but privately, by local residents who know the community and understand its subtleties.

If the keystone to the Rochester Management success story can be identified, it must be this: The will and the leadership to accomplish needed improvements at the local level both existed at the right time, and the spark was struck.

The Rochester metropolitan community has reaped the rewards.



Seneca Towers