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Our Mutual Friend

A Progressive Housing Legacy From the 1940s

During the administration of Franklin D. Roosevelt, federal housing officials optimistically went about the task of solving America's housing problems. One of the most important pieces of New Deal housing legislation was the 1934 National Housing Act. Intended to serve both ends of the housing spectrum, it created the Federal Housing Administration (FHA) for the purpose of insuring low-interest, long-term mortgages and stimulating the economically distressed private real estate market. The National Housing Act also assisted families unable to afford home ownership. The Public Works Administration's Division of Housing oversaw planning and construction of the nation's first low-income public housing program, initially offering partial funding to nonprofit or limited-dividend corporations for slum clearance and low-cost urban housing developments.¹

Historians and housing policy analysts have focused their attention on these New Deal housing programs because of their lasting impact on the housing market. Likewise, the New Deal's Greenbelt Towns and the Subsistence Homesteads programs have interested scholars, architects, and urban planners because they offered alternative patterns of housing development. Less obvious, although still deserving of notice, are the New Deal's middle-of-the-road housing programs. These worked within the traditional pattern of middle-class, suburban home ownership, with certain important modifications.

The Mutual Home Ownership Plan, a program of cooperatively owned housing villages, is one of the lesser-known Roosevelt administration housing initiatives. (The term "mutual" was used instead of "cooperative" to avoid the stigma attached to the latter term by the failure earlier of many privately funded cooperative housing ventures.) Developed by Lawrence Westbrook, the Mutual Home Ownership Plan deserves attention for two reasons. First, it targeted middle-income families, sometimes referred to as the "forgotten third," who could neither afford to purchase a home nor qualify for low-income public housing. Second, the program was predicated on the belief that traditional home ownership was not in the economic or social interest of many wage-earning families. Instead, the program offered mutual or cooperative ownership to middle-income families as a way



Lawrence Westbrook turned World War II defense housing into an experiment in cooperative home ownership with his Mutual Home Ownership Plan, using designs by leading modern architects.

of helping them enjoy the benefits of home ownership without all of the risks.

Born in Belton, Texas, in 1889, Lawrence Westbrook earned degrees in engineering and law from the University of Texas at Austin. He served in the U.S. Army Signal Corps during

World War I and in the Texas Legislature from 1928 to 1932. As a member of the House Committee on Agriculture, Westbrook became convinced that cooperative enterprise could improve the financial status of impoverished Texas farmers. To that end he helped found the Texas Cotton Cooperative Association,

which helped cotton farmers market their crops more profitably.

In 1934, while serving as director of the federally funded Texas Relief Commission, Westbrook supervised Woodlake, a back-to-the-land project for families forced from their farms by economic hard times. Located on 7,600 acres in East Texas near Lufkin, the cooperative farming community of Woodlake was founded by Helen Kerr Thompson, widow of the Houston lumberman J. Lewis Thompson, and designed by David R. Williams, the Dallas architect who made a reputation for himself in the late 1920s by advocating the recovery of regional architectural traditions in the design of new buildings. Woodlake's residents hoped that they would someday own the entire agricultural village, including its houses, fields, and community facilities, but these hopes were never realized. Woodlake was trans-

Housing officials enthusiastically viewed the defense housing program as an opportunity to continue the experimentation begun under the New Deal.

ferred to the U.S. Resettlement Administration in 1935 and, like many other experimental New Deal communities, was eventually liquidated.²

Later in 1934, Westbrook's relief work took him to Washington, D.C., where he found employment with the Federal Emergency Relief Administration and shortly thereafter became assistant director of the Works Progress Administration (WPA). While at the WPA, Westbrook administered West Acres, a cooperative residential community for automobile workers in Pontiac, Michigan, which was partially funded by the estate of Michigan senator James Couzens.³

Westbrook left public service in 1936 to establish a privately funded cooperative residential community in Duval County, Florida. The Park Living development

was designed by David Williams, Woodlake's architect, and the Los Angeles modernist architect Richard J. Neutra. It capitalized on many of the architectural and design features of Radburn, New Jersey, billed as the "Town for the Motor Age." Like Radburn, the Park Living development was designed to encourage the growth of community spirit among its residents, with houses facing an interior park used by all residents. Although it

labor and social reform groups saw the defense housing program as a natural extension of the low-income public housing program administered by the United States Housing Authority since 1937. They called upon the Roosevelt administration to build defense housing developments that resembled the best low-income public housing developments — quality homes and community facilities specifically designed to instill a sense of



Interior, Avion Village, near Dallas, as published in the 1941 *Architectural Forum* issue on defense housing. Roscoe P. De Witt, architect; David R. Williams, Richard J. Neutra, consulting architects.

failed financially before Westbrook's plans were realized, he anticipated that the residents would become shareholders in a corporation that owned the entire development. Despite the failure of Park Living, Westbrook remained a steadfast proponent of housing that brought together mutual home ownership and modern architecture and design.⁴

When the shortage of housing jeopardized the nation's ability to meet war production needs, Congress, eager to avoid the mistakes of the previous war, passed the Lanham Act in October 1940, calling for the construction of more than 700,000 units of public housing between 1940 and 1945 for "persons engaged in national defense activities and their families."⁵

How the Lanham Act was to be instituted was a matter of controversy. Organized

identity and belonging in residents. Building on the foundation already established by the New Deal low-income public housing developments, it was hoped that the planned communities constructed for defense workers would serve as the nuclei for postwar urban revitalization.⁶

The homebuilding, real estate, and banking interests took a different view of the Lanham Act. Initially, they resisted the creation of a defense public housing program, arguing that private industry could fulfill the housing needs of defense workers. When it became clear that federal intervention was necessary, they lobbied for the construction of temporary dwellings for defense workers, claiming that the construction of permanent defense housing was too expensive and would depress real estate values by creating ghost towns should the housing not

be needed after the war. Their underlying concern was that the defense housing program would set the stage for the growth of the low-income housing program, an action which they feared would lead to the socialization of the housing industry.

During the early phase of the program, before the U.S. entered World War II, the defense housing program was closely tied to the low-income public housing program. Federal housing officials regarded the defense housing program as an opportunity to continue the experimentation begun under the New Deal. (This would later change.)

As a result of his Great Depression experiences with cooperative home ownership, Westbrook played a leading role in guiding the experimental approach to early defense housing policy. In 1940 he was appointed special assistant to John M. Carmody, director of the Federal Works Agency, and made head of the agency's Mutual Ownership Defense Housing Division, where he directly supervised the construction of eight experimental defense housing developments. From the time of their inception, the housing developments built by Westbrook's division were distinctly different from the hundreds of other defense housing developments constructed under the Lanham Act, for they were specifically intended for sale under a mutual or cooperative ownership plan.

Westbrook's Mutual Ownership Division attempted to break new ground in housing in three ways. First, as with his New Deal projects, mutual home ownership was offered as an economic alternative to traditional home ownership. Second, his division hired leading modern architects to design defense housing in an effort to alter American housing aspirations. And third, the Mutual Ownership Division experimented with prefabrication and mass-production building in an effort to lower construction costs and accelerate the pace of construction. According to a November 1941 *New York Times* article, Westbrook's plan for introducing mutual home ownership among industrial workers in Texas, New Jersey, Pennsylvania, Ohio, and Indiana had the potential to "revolutionize real estate practices."⁷

The method by which Westbrook revolutionized the real estate industry was called the Mutual Home Ownership Plan. Although Westbrook's plan underwent a series of changes during the war and immediate postwar years, it originally proposed that residents of each of the eight defense housing developments form a mutual housing corporation in which each family was to purchase an equal number of shares. Instead of receiving the deeds of ownership to their dwelling units, residents would be issued Right of Perpetual Occupancy deeds that would be sold back to the corporation if the

family wished to move. The mutual housing corporation would lease the entire development from the federal government. After a predetermined time, the mutual housing corporation could exercise its option to purchase the development at the fair market value, contingent upon the approval of two-thirds of the residents. The federal government would function as the lender, providing a 30-year mortgage at an annual interest rate of 3.5 percent. When the mortgage was paid, the deed to the entire development would be held by the mutual housing corporation.⁸

According to Westbrook, cooperative home ownership offered middle-income families numerous economic and social advantages. Residents did not have to drain their savings accounts to make down payments before they could assume occupancy. Because all residents contributed to a maintenance fund, there was an incentive to minimize wear and tear on the property. A family could easily move or change homes in response to economic opportunity or changes in the household. Perhaps most important, residents had a voice in the management of the development through a board of directors formed both by government appointment and election by the residents.⁹

Westbrook and his boss, Federal Works administrator John Carmody, viewed the defense housing program as an opportunity to introduce mutual home ownership as an economic and social alternative to traditional forms of housing tenure. Moreover, they hoped to convince middle-income Americans of the impracticality of the single-family detached house and create public acceptance and appreciation for the kind of multi-unit housing built in many European cities after World War I.

Westbrook's Mutual Ownership Defense Housing Division hired prominent modern architects to design two of its largest defense housing developments.¹⁰ Joseph N. Hettle and Oscar Stonorov designed the division's first development, Audubon Village, built to house shipyard workers in Camden, New Jersey. According to a published report, Audubon Village was unique among public housing developments for its large homes and automobile garages.¹¹ Dallas architect Roscoe P. De Witt collaborated with Richard J. Neutra and David R. Williams on Avion Village, a 600-unit defense housing development located in Grand Prairie between Dallas and Arlington that was built to house aircraft workers. Reminiscent of the earlier Park Living development, it featured dwelling units that faced onto a large interior park. Pedestrian footpaths allowed residents easy access to a community center and recreational facilities without having to cross a road. Other notable features included sliding windows positioned to facilitate cross ventilation and movable partition walls that

made it possible for residents in the three-bedroom units to expand the size of their living rooms.¹²

In addition to breaking new ground in mutual home ownership and architecture and design, the defense housing program served as a platform from which the Federal Works Agency could promote experimentation in building materials and mass-production building techniques, part of an effort to reduce the cost of housing and conserve strategic materials in short supply due to the war. Audubon Village and its seven sister developments strove to be "pioneering venture[s] in layout, construction facilities and financing," as a promotional report boasted. Federal Works administrator Carmody effused, "If we had 5,000 Audubon Villages inhabited by happy, intelligent, patriotic Americans, no Nazi propaganda would lull us to sleep."¹³

The mutual ownership division plunged headlong into housing prefabrication. The 500 houses fabricated for Audubon Village were built by the Joseph P. Day Housing Corporation at a rate of 20 houses per day in a nearby factory organized by the Congress of Industrial Organizations (CIO). Eager to publicize the role of prefabrication in accelerating the construction of Avion Village, Westbrook authorized a house-building contest sponsored by the construction contractor and featured in *Life* magazine. The winning house, *Life* reported, was built in 58 minutes and 58 seconds. Immediately upon its completion, Mr. and Mrs. Charles Swore and their daughter Veneta moved into their new home.¹⁴

One of mutual ownership's most vocal supporters was organized labor, especially the CIO. On the other hand, banking, real estate, and homebuilding interests were adamantly opposed to mutual home ownership because of its alternative approach to home rentals and sales.

Ironically, the most serious threat to the Roosevelt administration's experiment in mutual home ownership came from within the administration itself. A top-to-bottom reorganization of federal housing agencies in 1942 abolished the Mutual Ownership Defense Housing Division and transferred responsibility for the defense housing program from the Federal Works Agency to the newly created National Housing Authority, whose conservative administrator, John B. Blandford, had little interest in the housing experimentation that characterized the early defense housing program under Carmody. Blandford's appointment — which was hailed by the homebuilding, real estate, and banking industries — marked a turning point in the defense housing program. Under Blandford, the focus of the defense housing program turned towards the construction of temporary dwellings. The period of innovation and experimentation that existed

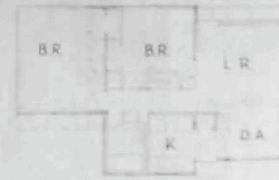
under Carmody, Westbrook, and other New Dealers was over.¹⁵

The Federal Public Housing Authority, the administrative unit of the National Housing Agency that took charge of the



ROSCOE P. DE WITT, ARCHITECT, DAVID R. WILLIAMS, RICHARD J. NEUTRA, CONSULTING ARCHITECTS

Avion Village is a 300-unit project built to house workers from nearby airplane factories, and forms part of a larger public and private housing scheme for Dallas as a whole. Its site is completely flat, and left the architects free to group the houses without regard for topographical limitations. Houses are largely of the one-story type, and those with two bedrooms make up almost two-thirds of the total number of dwellings. The two-story portions on some of the buildings work in an interesting fashion, the critics of an important element in the traditional American house, their use in the Texas climate seems especially particularly good sense. Construction methods included a great deal of prefabrication at the site. Average construction cost per unit: \$2,562.50.



ONE STORY, 2-BEDROOM UNITS

defense housing program, initially tried to back away from the commitments made by the mutual ownership division. Westbrook, on active duty with the armed forces and no longer a key player in federal housing policy, struggled to force the Federal Public Housing Authority to follow through on implementation of mutual ownership; he and the residents of the eight original mutual ownership communities eventually were successful in persuading the housing authority to sell the developments under the original terms of the mutual ownership plan. In addition, after World War II a number of other defense housing developments, perhaps as many as a hundred, were sold under a revised version of the plan.

After World War II, Westbrook continued to lobby for federal commitment to mutual or cooperative home ownership. The closest he came to seeing his goals realized was in 1950, when Congress considered a set of amendments to the United States Housing Act that would have established a National Mortgage Corporation for Housing Cooperatives to offer low-interest loans to nonprofit corporations for the construction of cooperative housing. Due to the opposition of conservative congressmen such as Jesse P. Wolcott, a Michigan Republican with strong ties to the homebuilding, real estate, and banking industries, the amendments were defeated.

Near the end of his career in the late 1950s and early 1960s, as increasing

numbers of Americans were able to afford traditional home ownership, Westbrook never wavered in his belief that the federal government had blundered by not increasing public opportunities for mutual home ownership. In the

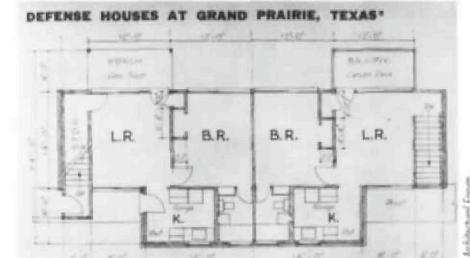
years before his death in 1964, he expressed regret that the Mutual Home Ownership Plan or a similar cooperative housing plan was not pursued in federal housing policy.

Although Westbrook was disappointed that his project did not revolutionize the real estate market, he would be pleased to know that today all but one of the housing developments built under his supervision are still owned by the residents on a cooperative basis and continue to provide the inhabitants with low-cost, high-quality housing, as well as a sense of community identity. In fact, 50 years after the construction of the cooperative developments, approximately one-quarter of the original inhabitants are still in residence, even though many could afford to purchase or rent homes elsewhere. In addition, the children and grandchildren of the original residents often occupy dwelling units as they come vacant.¹⁶

The optimism of New Deal and World War II housing officials has faded, and low-income public housing developments have come to symbolize the failure of federal housing policy. In contrast, the developments sold under Westbrook's Mutual Ownership Defense Housing Division were a success. A reexamination of public housing policy is in order, using the model of the Mutual Home Ownership Plan as a starting point for creating new cooperative housing initiatives. ■



Half a century old, yet remarkably unchanged: Avion Village, 1945 (left), and 1995 (above).



Avion Village floor plan.

1 Standard works on New Deal housing policy include Gwendolyn Wright, *Building the Dream: A Social History of Housing in America* (New York: Pantheon Books, 1981); Kenneth Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (New York and Oxford: Oxford University Press, 1985); Joseph Arnold, *The New Deal in the Suburbs: The Greenbelt Town Program* (Columbus: Ohio State University Press, 1971); Paul K. Conkin, *Tomorrow a New World: The New Deal Community Program* (Ithaca: Cornell University Press, 1959); and Roy Lubove, "Home and 'A Few Well-Placed Fruit Trees': An Object Lesson in Federal Housing," *Social Research* 27 (1960), pp. 469-86.

2 Conkin, *Tomorrow a New World*, p. 132; James Terry Booker, "The Woodlake Community: A New Deal Experiment in Rural Living for the Unemployed" (master's thesis, Texas A&M University, 1976).

3 Lawrence Westbrook with George Creel, "No Down Payment," *Colliers*, 2 February 1946, p. 28.

4 The Park Living development did not attract much press attention. Of the numerous books and articles published on Radburn, among the best is Daniel Schaffer, *Garden Cities for Tomorrow: The Radburn Experience* (Philadelphia: Temple University Press, 1982).

5 For a copy of the Lanham Act (PL 849, 76th Congress, 1940), see *Defense Housing Digest: A Summary of Laws, Regulations, and Results* (Chicago: National Association of Housing Officials, 1940).

6 The role that defense housing developments would play in postwar urban revitalization was examined in Phillip Funigiello, *The Challenge to Urban Liberalism: Federal-City Relations During World War II* (Knoxville: University of Tennessee Press, 1978), pp. 80-119.

7 "Tenants Buy Town in New Home Plan," *New York Times*, 9 November 1941, p. 44.

8 In 1947 Congress prohibited the Public Housing Administration, the Federal Public Housing Authority's successor agency, from functioning as a mortgagee to mutual housing corporations. Defense housing developments built by agencies other than the Mutual Ownership Defense Housing Division had to borrow money from private lenders. Mortgage insurance was available from the Federal Housing (continued on p. 37)