Roosevelt I. Co-op Buyers Eager for Utopia to Begin

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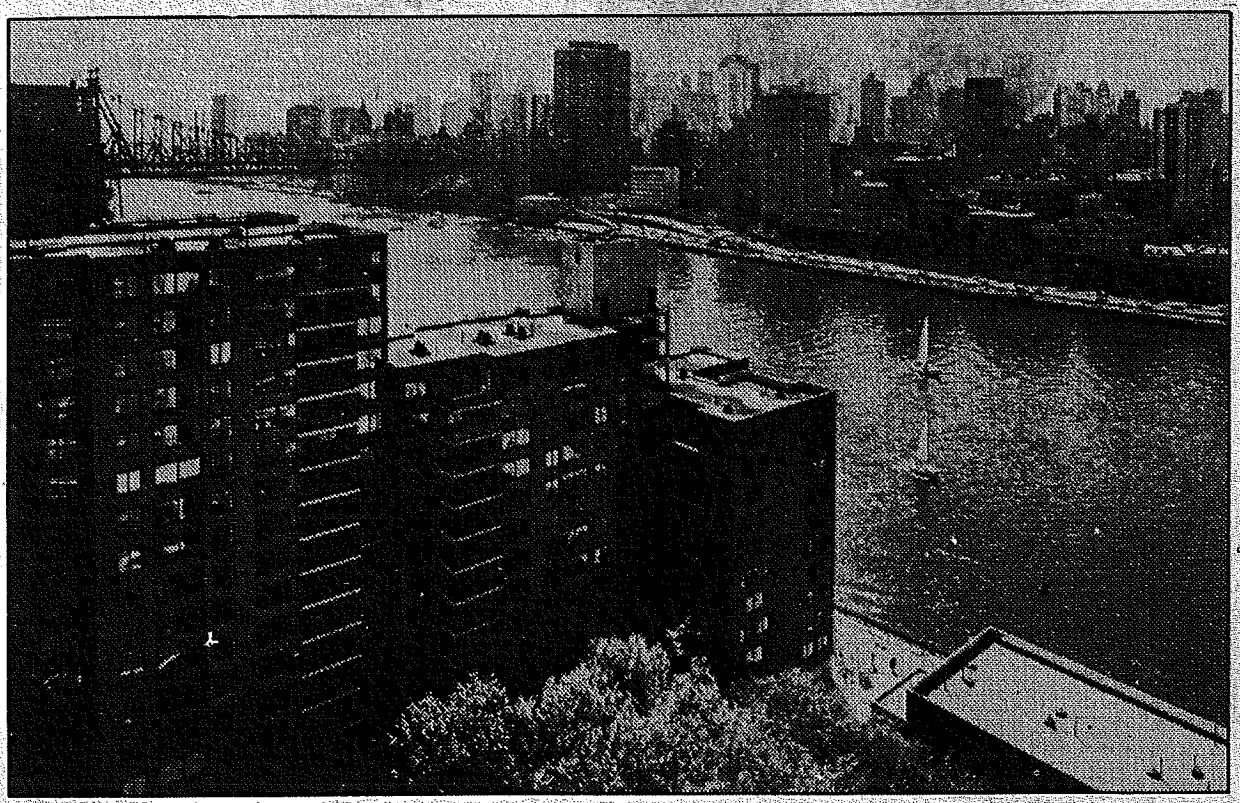


The New York Times/Chester Higgins Jr.

For residents of Rivercross, as for other islanders, the river is an important part of their lives.

By WENDY SCHUMAN

Rivercross, Roosevelt Island's only cooperative apartment house, is not quite a co-op yet—it's about 15 percent short of the 70 percent needed for closing—but it is already beginning to act like one.

The 200 resident families (out of a total of 376 apartments) recently formed the Rivercross Tenants Association to bridge the admitted communications gap between the New York State Urban Development Corporation, developers and operators of Roosevelt Island, and the would-be cooperators.

"There was lots of good will between us, but no means for expressing ourselves," said Kay Thompson, who heads one of the energetic committees that sprang up last month.

Though living on interim two-year leases, the residents feel like owners and are anxious to exert some control over the building, which is expected to be theirs by December. Recently, when they felt U.D.C was slow about it, tenants began operating the pool and sauna, housed in its striking glassed-in shed.

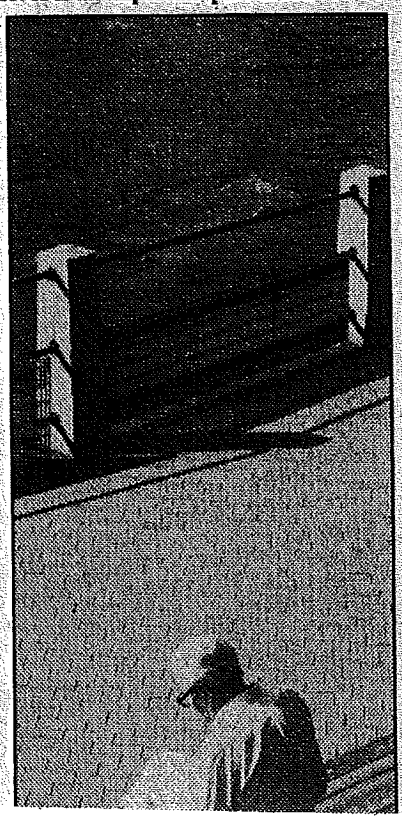
Tenants are promoting the building to buyers and following up with information when they move in. They are routinely inspecting vacant apartments for structural or maintenance defects, and overseeing building completion work.

The budget committee ("We're strong on lawyers and accountants here," noted one resident) is minutely examining the projected expenses for the building's first year of operation, which the U.D.C. just announced would be 10 percent higher than it had previously determined.

"We're in a transitional stage now," said William Breed, who was elected head of the tenants' group. "We're very anxious to be a co-op. Our tax deductions don't start until then." Still, he added, rent concessions have helped to offset this situation.

Despite the slow arrival of a few promised features, the shakeout of "bugs" in heating and electric systems and the maintenance increase, many Rivercross tenants think they have bought New York's equivalent of Utopia.

Michelle and Kenneth Glassberg lived in seven homes in nine years while he finished his medical training. They spent last year in England, where they had their parents send news items, floor plans and any other information about



Roosevelt Island Co-ops Await Utopia

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foot-wide island—soothing on a fine day or awesome during a storm.

Mrs. Glassberg, 31 years old, lives close enough to the water to earn a frequent salute from the tugboat "Lone Star" as she sits on her terrace.

"We have a feeling of space and openness we could never find in the city," she said. "It is the right place for us to put down roots. Our children are safe here, they can be free and self-sufficient." Seven-year-old Lauren even walks her 3-year-old brother Andrew to nursery school. "Can you imagine that in New York City?"

Deducting the cost of private schools, which the children would have attended in the city, they feel their seven-room apartment is even a better buy than the $27,000 they paid. The downpayment was 10 percent, with the balance due upon closing. But the maintenance, or monthly carrying charge, is Park Avenue high—$1,025 currently, with a 10 percent increase when the building becomes a co-op.

About 55 percent of this is tax-deductible, but one must be in at least a 50 percent income tax bracket to derive much benefit. All the other apartments have correspondingly low purchase prices and high "rents"—the average for one-bedrooms is $14,500 with a $625 maintenance; two-bedrooms average $18,000 and $757 a month; and three-bedrooms cost an average $23,600 with maintenance just over $1,000 a month.

The reason for the moderate purchase prices, according to Christine Flynn, U.D.C. vice president, is that Rivercross is a government-subisidized co-op under the Mitchell-Lama Act. By law, tenant-shareholders are restricted to selling their apartments for the original purchase price plus a portion of the amortization paid in.

"It was thought that the co-op would be more attractive to buyers if they didn't have to tie up a good deal of capital in something that was not an investment opportunity," Miss Flynn explained. Furthermore, she said, a low price means a higher mortgage, which is deductible from the monthly maintenance.

Another attraction is the U.D.C.'s "buy-back" plan, which requires it to buy back the apartment at purchase price up to five years after the building becomes a co-op if the seller has lived there at least two years. So if an owner cannot make a killing on resale, he can at least get his money out—a feature not to be dismissed in New York's erratic co-op market.

The U.D.C.'s past financial woes, when it could not sell its bonds or notes and had to default on some that came due, seem not to trouble Rivercross buyers. The oganization's subsequent financial reorganization and the State Legislature's continuing willingness to back up the debt service funds are reassuring.

"U.D.C. is substantially more viable today than before," said the tenants' chairman, Bill Breed, who is a vice president of the Madison Fund. Still, some owners are concerned about what would happen to the five-year "buy-back" plan if the U.D.C. should ever declare bankruptcy.

"We're working to make that eserow agreement as solid as it can be," Mr. Breed said, adding, "It does not worry me personally."

Because of its cost and income requirements, Roosevelt Island has attracted a spectrum of the middle class without extremes of great poverty or wealth. At Rivercross, the large monthly outlay limits the co-op to wealthier families with minimum incomes of $27,000 for the one-bedroom, $35,000 for the two-bedroom, and $47,000 for the three-bedroom apartments.

One resident wondered if the co-op would become "another Sutton Place, isolated from the rest of the island by its income."

Peter Blessinger, a lawyer with the Police Department, was one of the tenants who felt he couldn't afford to remain in Rivercross when the maintenance increase was announced. A divorced parent, he loves the island and plans to move back to Island House, where he rented before.

"I'm not very upset," he said. "It just didn't work out for me. I don't have the tax advantage to make it worthwhile." He'll be paying $585 in rent for his new two-bedroom apartment, while the maintenance on his one-bedroom in Rivercross goes up to $650.

By contrast, Kay Thompson said she and her husband would lose money by renting. Mrs. Thompson, who works in a New York publishing house, used to commute weekends to Boston, where her husband worked. When he retired to New York, they looked for a two-bedroom apartment.

"The cash price here was considerably lower than for a comparable Manhattan apartment," she said, "and the maintenance was less than most rents." But, she believes, there are no comparable Manhattan apartments.

Residents agree that the spirit of Roosevelt Island has to be experienced to be understood—the views of glittering water and unobstructed sunlight, the clean, winding Main Street empty of heavy traffic and free of the whine of sanitation trucks.

The aerial tramway, despite occasional malfunctions, is "a glorious way to go to work."

"I gave up smoking since I moved here," said Wanda Enock, a psychology student and mother of two. "We all feel more creative, calmer."

"The kind of people who move to Roosevelt Island do not want to isolate themselves from urban life," Bill Breed observed. "They want a new sense of community, in a solid, economically and ethnically mixed setting."

Dr. Glassberg characterized the residents of Rivercross as "more West Side than East Side, flexible and unfazed by the problems of starting something new."

His children's babysitter, 15-year-old Jennifer Jacobson, finds life here a refreshing alternative to West 92d Street.

"I cannot stress enough how good it is to walk around feeling safe," she said. Statistics bear her out: The few major crimes for the year ending April included one rape, one robbery and four residential burglaries.

Letters

Is It FAIR?

To the Editor:

The New York FAIR plan's "depopulation" to half the number of policies in 1974 as in 1971 may not have been, as the April 24 article "High-Risk Urban Insurance Is Under Attack in State" says, only because the insurance companies have been siphoning off the better risks for themselves.

It may also be that the astronomical FAIR plan rate increases have caused numbers of owners to elect to self-insure, or even opt for arson while they are still covered.

A comparison of the numbers of previously insured buildings that are now burned and abandoned in an area such as the South Bronx, say, may provide an index of one of the social impacts of FAIR plan rates.

Our coalition of 18 resort communities on Fire Island has been grappling for the last three years with the apparent redlining of Fire Island by the insurance companies.

Perhaps two-thirds of our approximately 3,500 homeowners have been unable to renew their policies during this period and have been forced either into the FAIR plan or into purchasing expensive London "excess insurance."

Fire and wind damage loss experienced in these villages and hamlets has been among the lowest in Suffolk County. Yet every insurance company we contacted refused to write either individual policies or a group contract.

Can it be that the troubled FAIR pool is being beefed up by selectively forcing into it some excellent risks such as Fire Island?

GEORGE BIDERMAN
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New York