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Look for the Union Label

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Look for the Union Label

Labor unions are beginning to pick up the slack for the Government's disastrous housing policy.

Last December, Local 26 of the Hotel Workers Union signed an innovative contract requiring Boston's hotel owners to pay \$1 million over three years into a housing trust-fund to build affordable housing, help union members buy homes, and provide rent subsidies for low-wage hotel workers. The militant union, which will also contribute to the trust fund, was prepared to strike over the housing clause.

The agreement represents an important precedent: It treats housing as a fringe benefit similar to health care and pensions.

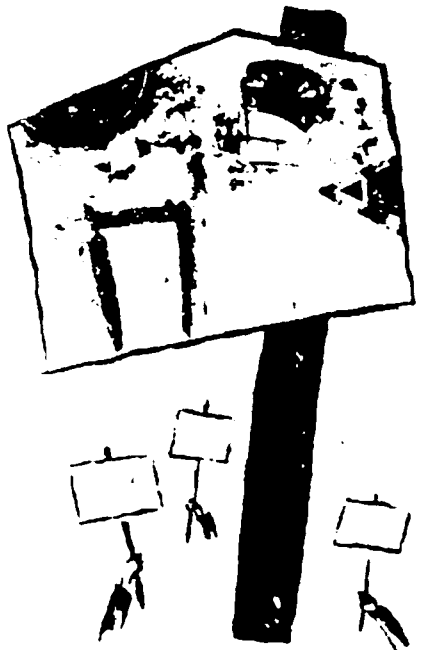
The victory is a credit to Local 26, which has become a model of progressive unionism. In 1981, Dom Bozzotto, a charismatic former waiter, organized a successful grass-roots challenge to the union's entrenched leadership and was elected president. A self-described leftist, Bozzotto turned around the do-nothing local, mobilizing the predominantly minority and female membership through community organizing, confrontational tactics, and tough bargaining.

Bozzotto, a waiter's son who earned a master's degree in business while waiting on tables at Boston's fancy hotels, rose to leadership by mobilizing the "back of the house"—the bellhops, chambermaids, and kitchen help who had long been neglected by the union.

Local 26 conducts its revival-like meetings in five languages (English, French, Portuguese, Spanish, and Chinese), reflecting its diverse membership. During organizing drives and contract talks, union members and community supporters can be seen wearing bright yellow buttons with the word JUSTICE printed in English, Spanish, and Portuguese.

And Bozzotto has put Local 26 squarely in support of other community struggles. He himself was arrested at a demonstration opposing the sale of South African Krugerrands. These expressions of solidarity have paid off, as the local enjoys the support of community groups—an important bit of leverage for union members.

Bozzotto has never been afraid to depart from traditional labor-management negotiations. His most dramatic departure occurred after he and other union leaders realized they had to do something about housing costs for their members. Boston's exorbitant rates have



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wiped out much of their members' hard-won wage increases. By the mid-1980s, the booming Boston area had the nation's highest housing prices. A 1987 city-sponsored study found that the Boston area had the widest gap between housing prices (\$177,000 for a single-family home) and wages (\$23,000) of any metropolitan area.

For several years, Local 26 groped for a way to address its members' housing problems. When the union conducted a survey asking its members to list their priorities for union action, housing topped the list: 75 per cent of the members reported housing problems. For example, 98 per cent make too little to purchase a market-rate home in Boston's hot real-estate market. More than two-thirds don't earn enough to afford a typical two-bedroom apartment. One-third reported living in overcrowded apartments—with more than two persons per bedroom.

Early last year, Local 26 found a vehicle to mobilize its membership around their housing woes. Just as the city's "linkage" program requires downtown developers to contribute \$5 for every square foot of new office space into a city-run affordable housing fund, Local 26 would demand that employers contribute a specified amount (5 cents per employee per hour) into a union-sponsored housing trust fund. Local 26 then refined the plan to mix the employer funds with the union's pension

funds so that the plan could build housing as well as assist members with rent subsidies.

Bozzotto pledged to make the housing plan the key issue at the bargaining table. Throughout 1988, the union garnered support for the unorthodox plan from community and religious leaders, including Mayor Ray Flynn. And the union threatened to strike when its contract with nine Boston hotel owners expired November 30 unless the trust-fund proposal was accepted.

The union complemented the organizing drive with a high-profile propaganda campaign. It distributed a glossy fourteen-page pamphlet, WHO PROFITS FROM BOSTON'S HOUSING CRISIS? which contrasted its members' housing woes with the luxurious property owned by the individuals and firms that control the city's hotels—including such insurance giants as Prudential, John Hancock, Equitable, and Aetna, as well as local developers. The brochure listed all of the hotel owners' local property holdings (and their appraised value), included photos of the employers' expensive suburban homes, and even inserted a photograph of a parked Volvo owned by Gary Saunders, whose family owns three downtown hotels. "Saunders owns this parking place valued at \$37,000," the caption read. "In addition to his home in Brookline, he owns a condominium, #N17, at 220 Boylston Street, worth \$875,000."

Local 26 simply out-organized the hotel magnates. When the showdown came, the owners of Boston's nine unionized hotels acquiesced under pressure from Mayor Flynn, who wanted to avoid a strike while his colleagues from the National League of Cities were in town.

But the union still faces a major legal obstacle. The Taft-Hartley Act needs to be amended to recognize housing trust funds as an allowable fringe benefit. If the law isn't changed, the three-year \$1 million fund targeted for housing would be diverted into the union's health-and-welfare fund.

Like many rank-and-file initiatives, the housing trust-fund concept is new to the AFL-CIO leadership, which has other priorities in Congress. So, having mobilized his members, community supporters, and local politicians, Bozzotto may now have to wage a campaign to convince his union colleagues in Washington to help make his housing trust fund a reality.

—P.D.