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FAST FACTS



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Co-op Housing Part of Solution to Canada's Housing Crisis

Canada's cities are in crisis, and housing co-operatives can be part of the solution. Two decades ago, the federal government was funding nearly 20,000 new units of community-based co-op and non-profit housing annually. Co-ops were used to help expand the housing stock, counter neighbourhood decline, and support residents with special needs.

However, federal support for social housing has never reached such levels since the peak in the 1980s. The following period was characterized by uneven levels of production, until, in 1993, the federal government cancelled funding for new social housing altogether.

As a result, there is a well-documented need for affordable housing in Canada, and for innovative, national solutions to this national problem. Yet, remarkably, Canada has no national housing policy, making it unique in this regard among comparable countries. There were indications in this month's Throne Speech that the federal government may at last be willing to move in the direction of a new national housing strategy. One component of such a plan should be co-op housing.

While there are many different forms of co-op housing,

what they have in common is that members do not own the dwelling in which they live. Instead, they own a share in the organization, which entitles them to live in one particular unit of housing. Co-op members are usually involved in some aspects of running the organization, from building maintenance through financial management.

In many situations in Canada and abroad, co-operative management has offered high levels of service. This often requires members to learn new skills, and these in turn lead to benefits in terms of community development.

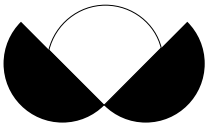
Among the central advantages of co-ops for housing policy are cost and affordability. Resident contributions — from self-management through “sweat equity” — in some cases combined with public subsidies, can make high-quality housing affordable for low- and moderate-income households. In contrast with programs providing direct rent subsidies, spending on co-ops has

the extra and lasting outcome of increasing the permanent supply of affordable housing.

Social Transformation

In addition to economic benefits, co-ops offer the potential for social transformation. Creating co-operatives pro-

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vides physical environments that are appropriate for people's needs and conducive to their quality of life. As the experiences in Canada and other jurisdictions have demonstrated, co-operative housing projects can go well beyond these important outcomes and in fact may play a role in transforming social relations. Building fully accessible units, for example, provides space for independence, which itself contributes to quality of life, but even more importantly, it also gives control to residents who are usually marginalized by the built environment.

Experiences with co-op housing have shown the range of possibilities available to imaginative planners. Co-operatives have been instrumental in expanding the housing stock in Sweden; they have enabled the recovery of landlord-abandoned housing in New York; they have been at the forefront of area regeneration in Scotland; they have played a part in the transfer of stock from local authorities in the USA and Britain; and have been part of the new direction in social housing provision in Australia. They have played an important role in shaping affordable, accessible and supportive accommodation in Canada.

A significant example of co-operatives and community development took place in New York, where the City established the Division of Alternative Management Programs supporting the transfer of landlord abandoned property to co-operatives, non-profit community groups or approved proprietary landlords. Co-operative conversions took place within the Tenant Interim Lease program (TIL).

Some of the successes reported in the literature on TIL are truly remarkable. Residents in TIL co-operatives in Harlem managed to carve out places of relative security and control in the midst of poverty, and frequently leadership was provided by individuals from the very marginalized groups from which leadership is not widely expected.

New York's experiences with TIL, as well as initiatives in Canada and other jurisdictions, yield lessons that should be incorporated into a renewed Canadian model. In particular, it is widely recognized that co-ops require sufficient external resources to ensure that services are maintained, and that training for co-op members is particularly crucial for organizational development.

Among the most important lessons from previous experience is that co-operatives providing low-cost housing require ongoing commitment in order for them to succeed. They need the willingness of public authorities to invest financial resources for acquisition and renovation of buildings, and to continue to provide subsidies so that housing charges are within residents' economic means. There must also be an adequately funded infrastructure of organizations doing advocacy and development

work.

For examples of these components we might look to Australia, a country that has several parallels with Canada in relation to social housing; they are of roughly similar populations, and public housing in each is around five per cent of the national housing stock. In both countries, while housing quality is good when seen in an international perspective, vulnerable populations have been locked into the private rentals sector where there is little public assistance.

A major difference between the countries in recent years is that in Australia resources have been utilized to create 'peak organizations' that provide direct services to groups in planning, developing and establishing housing co-operatives, and also undertake the advocacy, networking, and policy development work.

The next phase of co-operative development in Canada should take up the issues of tenure conversion and housing stock revitalization.

— Ian Skelton

Ian Skelton is Professor in the Department of City Planning, University of Manitoba. This FastFacts is based on his report Supporting Identity and Social Needs: The many faces of co-op housing, published October 2002 by CCPA-MB and available for download at www.policyalternatives.ca/mb.

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