

The Changing Identity of Co-operative Housing in Canada

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Recent legislative and policy changes to the non-market housing system in Canada were envisioned to improve low-income earners' access to affordable housing and to make the overall system more efficient. In Ontario the changes have started to blur the distinctive features of the different housing models. The identity of co-operative housing, widely regarded as the most inclusive housing model, is beginning to change. However, co-operative housing is also influencing the organisational practices and general philosophy of other forms of non-market housing. Based on our research findings and on an experimental project in tenant management, the changes will likely result in the formation of one social housing model in Canada.

Introduction

In Canada, the federal, provincial and the municipal governments, individually and collaboratively, established numerous polices and programmes associated with building and maintaining non-market housing that is affordable for low-income earners. By non-market, we mean housing that is for use only and the households residing in them simply pay a housing charge to the agency that serves as the landlord (government, non-profit group or co-operative). When tenants decide to leave or move out of their housing, the units are replaced without any sale or purchase occurring.

Three different models of non-market housing have emerged over the past fifty years - that is, public; co-operative; and non-profit. Recent efforts by the federal and provincial governments to simplify the different policies and programmes has blurred the distinctive nature of the non-market housing models and in turn transformed the non-market housing system. This paper argues that the recent legislative and policy reforms to the non-market housing system have resulted in major changes to co-operative

housing.¹ Additionally, co-operative housing has also started to influence organisational aspects of the other non-market housing models. The reforms are not yet complete, but our research findings, which are based on a sample of non-market housing organisations in Ontario (Central Canada), demonstrate that the blending of the administrative practices is making the co-operative housing model less distinct than the other forms.

One indication of this blending pattern is that government legislation associated with the housing programmes increasingly refers to all non-market housing as social housing (Ontario 2000b). A further example of the changing identity of co-operative housing is an ongoing pilot project in tenant management of an urban public housing project. This project, Atkinson Housing Co-operative, is a co-operative within a public housing project, the first of its kind. The change in government labelling and the Atkinson Housing Co-operative signal that the line between public and social housing is becoming indistinct, probably resulting in the presence of only one non-market housing model in Canada, referred to as social housing. In other words, co-operative housing and public housing will have similarities beyond serving similar target groups.

This paper describes how the blending pattern has come about and explores the implications, particularly for co-operative housing. Including the introduction, this paper has five sections. The second section will provide a brief history of housing policy in Canada, with specific focus on the development of non-market housing. The third section will describe the changing nature of the non-market housing system. The fourth section will explain how and in what areas the non-market housing models have started to blend. The fifth and final section will present an analysis of the impacts of the changing non-market housing system. That section will include a description of an experiment in converting a public housing project into co-operative housing.

Non-market housing in Canada

According to Dennis and Fish (1972), Bacher (1993) and

Wexler (1996), the private sector has always been seen as the appropriate provider of housing for all levels of income. However, the private sector's inability to provide affordable housing for low-income earners gave rise to the government's increased role in non-market housing - that is, housing that is not purchased or sold on the market (Hulchanski 1990). In Canada, there are three general categories of non-market housing - public housing, non-profit, and co-operative (Dreier and Hulchanski 1993). These housing models are non-market in that they are non-equity and the units cannot be sold on the open market (Dreier and Hulchanski 1993). A major advantage of non-market housing over private-market rentals is that housing charges or rents rise only to meet increased operating costs and the benefit to the tenants is secure tenure in good quality housing at a reasonable charge.

Public housing was the original form of non-market housing, and was introduced as the primary approach to meeting the housing needs of low-income individuals and families on social assistance (Rose 1980). Beginning in the 1940s the different levels of government began to share the responsibilities of financing and managing public housing projects of varying scales across Canada (Carter 1997; Rose 1980). Over the next twenty years, the smaller public housing projects were considered as being successful, but larger public housing projects started to fall out of favour in Canada and in the U.S. because they were deemed to be too unwieldy to maintain and too expensive to build (Rose 1980; Sewell 1994).

By the 1960s public housing projects across North America were characterised as urban ghettos with above-average rates of crime and other social problems related to ghettoising large numbers of low-income families (Prince 1998; Sewell 1994). As a result, governments in both countries started to reconsider their commitment to providing non-market housing (Hellyer 1969). The National Housing Act in Canada, which is the legislation regulating housing practices, was amended in 1973 to encourage the production of other forms of non-market housing (Rose 1980; Van Dyk 1995) and to decrease the government's direct administration in non-market housing (that is, public housing). Social housing quickly gained

acceptance as the new name for non-market housing. Income mixing and increased resident participation became the hallmarks for these new housing models. The overall goal was to give the residents a sense of control and ownership of their community, as well as increasing the stock of affordable housing. Social housing incorporated the new forms of housing as well as the original public housing programmes.

The new models of non-market housing arose as partnerships between the state and community-based non-profit organisations (Carter 1997). Under the partnership arrangement, the state provided financing and participated in varying degrees in the formulation of different policies. The non-profit organisations would develop and administer non-market housing (Smith 1995; Van Dyk 1995). In the post-war period, approximately 600,000 units of non-market housing have been built in Canada, currently representing about 5 per cent of the housing market (Dreier and Hulchanski 1993; Hulchanski 1993a; 1993b; Statistics Canada 1999). Approximately 45 percent (274,000 households) of all non-market housing in Canada is located in Ontario (Ontario 2000a), which makes that province's policies and practices influential across the country.

Co-operative housing

The co-operative movement was encouraged by these changes, and many co-operative organisations² entered into an operating agreement with the specific level of government. The agreement outlines the financial and reporting responsibilities of the individual organisations, and highlights the funding they receive from either the federal government (if built prior to 1985), provincial governments, or from the municipality government. Under the partnership arrangement co-operative housing flourished as vibrant member-controlled communities. Over the past thirty years, the co-operative housing model has become one of the more successful ways of providing affordable housing for low-income earners. Since 1973, 91,209 co-operative housing units have been built in Canada, with 44,187 (48 per cent) of the units in the province

of Ontario (Co-operative Housing Federation of Canada 2002).

The funding arrangement was the impetus for many co-operative organisations to enter into a partnership with the government and to build new communities. Since 1973, co-operatives received guaranteed lower mortgage rates from the federal government housing agency, Canada Mortgage Housing Corporation (CMHC) (Van Dyk 1995). Half of the co-operatives have been built since 1985, and for those developments, their funding normally comes from the provincial government. In contrast to federally financed housing co-operatives, these organisations, referred to as 'provincial co-operatives', have their finances overseen by the provincial government and have experienced more constraints over the usage of the funds.³ Since the two levels of government have participated in financing co-operative housing, some co-operatives are receiving funding from two different levels of government.

As indicated above, the state would guarantee the financing of development costs through various mortgage-financing programmes. Additionally, the government provided two types of subsidies in order to sustain reasonable housing charges below market rates. The first type is a rent-geared-to-income (RGI) subsidy to assist low-income households, particularly tenants who qualified for social assistance (Smith 1995). The second form is a bridge subsidy that permits the organisations to make housing charges affordable by ensuring that there is enough revenue to account for any budget shortfall. The bridge subsidy has also been used to finance capital improvements as well as to defray a portion of the development cost. After 1985, the provincial governments started to have a greater role in financing co-operative housing, but the approach to providing lower mortgage rates and subsidies remained.

While the financing arrangements ensured that non-market housing was built, it was the philosophy and history of the co-operative movement that ensured the success of these developments (Cooper and Rodman 1992). Co-operatives thrive because they are generally small in scale (fewer than 100 units) and fit well into the neighbourhood. The majority of

the housing units are geared to families with a low and moderate income (Co-operative Housing Federation of Toronto 2002). The residents are referred to as members, who have a voice in decisions that could affect their home and community through the board of directors and participating in committees that develop the organisation's bylaws. Ultimately, the community meets to reach agreement democratically on decisions that are perceived as being in the members' best interests.

Co-operatives normally have an income mix, meaning that one household can receive a subsidy from the government while its neighbour may be paying market price. The members have security of tenure such that they can live in the community for as long as they wish provided that they adhere to community-established bylaws and pay the community-established housing charge. Until recently the tenant selection process was coordinated by the co-operative, in the form of a waiting list for both subsidised and non-subsidised units and the selection of new members must be approved by the board of directors.

Public housing

The public housing model is significantly different from the co-operative housing model. There are 84,000 households living in public housing in Ontario and this form of housing is funded, owned, and administered by the government or its designate. The sole source of funding is the rent-geared-to-income subsidy, and any development costs are absorbed within the larger government budget.⁴ However, the resources available to public housing projects are often insufficient to improve the lives of the residents, who often require supports that are beyond the means of the project (Haworth and Manzi 1999).

Unlike the co-operative model, the scale of public housing developments can vary according to the geographical location in the province. For instance, some housing projects in Northern Ontario are fewer than 100 units, while projects in Metro Toronto can be as large as 2,000 units. All residents of public housing projects pay their rent according to their

income level. Consequently, there is no income mixing in these communities. Tenants of public housing have always been selected from a centralised waiting list, and each family must qualify for a subsidy through income contingent criteria. In most public housing projects, the residents adhere to policies set forth by managers who are distant from the issues faced by the community.

Changing nature of the non-market housing system

The non-market housing system has gone through many changes since 1940. While there are similarities there are a number of key differences. First, co-operatives have different levels of resident involvement in their decision-making; however, in public housing the residents normally do not have a direct say in how their community is maintained.

The governance of public housing differs from co-operatives in that the board of directors is part of a government agency that administers and manages the public housing stock. All board members are government appointees and are therefore neither independent of the government nor accountable to the residents. Furthermore, with such a board structure residents do not have a direct say in the development and management of their community. However, in Toronto there are now two seats on the board of directors for resident representatives, who are elected from the greater population of public housing residents. This is a recent innovation, which is in line with the blending of the models and arguably has come about because of the influence of the co-operative model on public housing planners.

Another key difference is the existence of a legislated capital reserve fund for the co-operative communities. The fund allows the individual communities to decide on the capital priorities; however, the provincial co-operatives must follow a list of predetermined priorities. The capital reserve fund is made up of various sources including the bridge subsidy and a portion of the housing charges. As a result of accessing an independent fund, the co-operatives have been able to maintain a property that is clean, in good repair and reflective of the vision of the membership. However, in the

public housing model there is no capital reserve fund for the individual housing projects. In fact, the communities must vie for access to fund capital projects. Furthermore, the property manager and the government decide what the priorities will be.

While governments have always had a tremendous amount of control over the operations of public housing projects, their involvement in co-operative housing was less intrusive and limited to that of funder and overseer. For instance, the main relationship between co-operatives and government was to submit an annual financial report confirming that all agreements and obligations were being met. In the mid-1990s the influence of neo-conservative policies led to federal and provincial governments reconsidering their role in non-market housing. The first major change, in 1993, was the federal government's withdrawal from the direct financing of non-market housing by downloading the responsibility to the provinces (Carroll and Jones 2000). Following the 1995 election in Ontario, the Conservative government placed a freeze on building new non-market housing, which was primarily co-operative housing. Additionally, the provincial government introduced further reforms that were meant to make market conditions more suitable for developers and landlords in anticipation that the private sector would be encouraged to build new affordable housing. This has not occurred (Statistics Canada 2000), but the Ontario government introduced other changes as well.

In 1998 the province initiated legislation to transfer, or devolve, the responsibility of non-market housing to the municipalities. These changes were proposed with the belief that "... social housing is best administered by local governments who are closest to the people they serve and who best understand the needs of their communities" (Ontario 2000a, p4). Introduced in 2000, that legislation, known as the Social Housing Reform Act (SHRA), proposed the most far-reaching and radical reforms to occur to housing policy in Canada. The SHRA effectively removed the provincial government from non-market housing by transferring all responsibilities onto the municipalities (Ontario 2000a).

According to the Ontario government (2000a), the objective of the SHRA was to make the non-market housing system more efficient by devolving and simplifying the various housing policies and practices. However, the SHRA has also changed the funding relationships and the reporting structure for the non-market housing models. The legislation also has a provision that allows the privatisation of the public housing properties under specific conditions. These changes are perceived as the root cause of the diminishing distinctiveness between the non-market housing models.

In January 2001, devolution became a reality and reluctant municipal governments have replaced the federal and provincial governments as a primary stakeholder for non-market housing. The changes are meant to increase cost effectiveness as well as uniformity within the non-market housing system (Ontario 2000a). The SHRA replaced fifty-six provincial local housing authorities with forty-seven municipal local housing corporations (LHCs), which are responsible for managing public housing communities. The new corporations, referred to as the service manager, operate as an agency of the municipal government who is the corporation's sole shareholder. The service manager is also responsible for providing other social services, such as welfare to the public, and in many cases these new local housing corporations are part of the same service division overseeing welfare.

The municipal governments, who feel financially incapable to deal with the portfolio of non-market housing, have assumed increased responsibilities for the ownership, financing and management for the public housing projects. Additionally, for the first time the funding and some administration of co-operatives are now part of the same agency involved in managing public housing.

Each local housing corporation is responsible for creating and implementing new policies and practices within the guidelines of the SHRA. A board of directors appointed by the municipal government oversees the operations of the local housing corporations, who approve the different priorities that can affect the lives of the individual households, including co-operatives. The local housing corporations' professional management serve as the board's representatives in the daily

operations of the projects.

For public housing, tenants' rights within the organisation are limited; however, tenants have started to become increasingly involved in the governance structure, a change that reflects the influence of co-operative housing. There are indications that municipal governments are attempting to enhance the role of tenants within public housing and decentralise control to a greater extent.

Blending of the models

Since the non-market housing system relies on government funding in order to be sustainable, each organisation is vulnerable to changes in government and housing policy. As discussed above, the SHRA outlines the conditions for each non-market housing organisation to sustain its funding. In contrast to public housing, the development and administration of co-operative housing can still be *viewed* as a partnership between the government and co-operative development groups; however, the legislative changes are causing housing co-operatives to adopt practices normally found in the administration of public housing projects.

Our research shows that the line distinguishing co-operative and public housing is beginning to disappear, and a blending of the models is occurring within specific areas of administration and management. The blending includes an increase in contracting out services normally done by employees of each organisation; a change in sources of revenue for the operating and capital budgets; a centralised waiting list; the procedure for establishing market rents; and a trend toward increased resident participation. Each of these issues is discussed in turn.

Contracting out services

The escalating costs associated with managing a housing property, in addition to the increased need for affordable housing in Ontario, has made non-market housing organisations look for innovative ways of dealing with unstable government funding. To reduce costs, a number of

services that were normally handled by staff have been contracted to the private sector, including property management, minor and major maintenance of the property, and administrative tasks such as rent collection.

Contracting out services has been a strategy used by many co-operatives to reduce costs associated with managing a property. Until recently, the public housing models have not widely used contracting out as a cost saving measure. However, since the devolution of housing to the municipalities, there has been a noticeable increase to the number of functions contracted out by local housing corporations to include property management and security.

Operating and capital revenue

The sources of revenue for non-market housing are a combination of rents, the rent-geared-to-income subsidy, and the bridge subsidy to subsidise the cost of new developments. The co-operatives still receive the bridge subsidy, most commonly associated with the federal commitments that remained in place until the expiration of the operating agreements. The key change to the sources of revenue is that the municipality is now the primary funder for the non-market housing organisations.

For all non-market organisations, there has been a lack of support for capital projects such as major maintenance and rehabilitation. This is a major concern since many of the properties are over 30 years old. According to several co-operative communities, the rent-geared-to-income subsidy is stable and is used for the operating budget, but the continuation of the bridge subsidy is a greater risk. Once the current operating agreements expire, the continuation of the bridge subsidy to support capital projects is uncertain. According to a long-time advocate of co-operative housing,

there is a common concern that that since public housing organisations access a central fund for capital improvements and development, coops may have to try and access the same source for capital improvements.

The implication is that there will be less money for individual properties requiring capital improvements. Furthermore, should they have to access the same fund as public housing and other non-market housing developments, there is a concern that co-operatives will lose control over capital planning because the priorities will be governed by the policies of the central fund. In effect, the process that establishes the priorities for housing co-operatives will be similar to that found in public housing.

With the devolution of non-market housing to municipal governments, all non-market housing organisations have had to adjust their budgeting and reporting practices in order to continue to receive funding from the municipality. However, a municipality's tax base cannot support the increased costs of the non-market housing system. The squeeze on capital expenditures has caused co-operatives to increase the rents or housing charges from non-subsidised units in order to make up the shortfall of government funding.

Centralised waiting list

In 1996 the provincial government mandated that there be a central waiting list, referred to as a co-ordinated access list, of individuals who are eligible to receive a subsidy and live in non-market housing. The SHRA formally stated that each local housing corporation must establish a centralised waiting list of tenants eligible for the rent-geared-to-income subsidy and that this apply to all forms of non-market housing. All non-market housing organisations, including co-operatives, must access and accept individuals from the same waiting list in order to continue to receive the rent-geared-to-income subsidy.

The centralised list is now the standard practice across the province and is commonly associated with the social services division of the municipality. The existence of a central list is not new for public housing. What has changed is that co-operatives with subsidised households will now have to accept members from the centralised waiting list. On average co-operatives have a one-to-one ratio of tenants who receive rent subsidies and those who do not. By forcing the

co-operatives to access the centralised waiting list, the responsibility of tenant selection has shifted outside the housing community and the board's role in selecting tenants becomes largely symbolic.

With an increased reliance on a centralised waiting list by all non-market housing models, there will be less community control over who will become a member and an overall change in the communities themselves. Co-operatives in particular are considering the option of forgoing future subsidies and opting instead for an increase to units based on market rents. However, this option is not realistic without compromising the principle of affordability upon which the housing co-operative movement was founded. Maintaining and accessing a centralised waiting list of lower income individuals and families has been the practice for public housing projects for many years. The expanded use of a central waiting list demonstrates a similar practice of housing models in terms of the tenant selection process.

Establishing market rents

As stated earlier, public housing projects are one hundred per cent low-income and all residents must be eligible to receive a rent:geared-to-income subsidy, thereby making it impossible to have a mixed income community. One of the changes occurring in public housing has been the adoption of a rent cap, or maximum rent, which is based on equivalent market units. This means that should a household's income increase over time, the rent will not exceed market levels. The rent cap is perceived as a strategy to encourage households that are upwardly mobile to remain in the community. The change in public housing toward allowing mixed income households is a shift in attitudes by the government and makes public housing similar to housing co-operatives, which have always been mixed-income communities. For a variety of reasons rent caps do not exist in many public housing organisations outside of Metro Toronto, an issue which will be explored in the discussion section.

Establishing the rent cap in public housing is based on an annual rent survey conducted by the Canada Mortgage and

Housing Corporation (CMHC), which looks at census metropolitan areas that encompass a larger area than the immediate neighbourhood. In the past, the non-market housing organisations have determined rents using the immediate neighbourhood as a frame of reference. However, our data shows that since there is an increased dependence on the revenue collected from market units, co-operatives are making greater use of the CMHC rent survey as the basis for establishing market rents. The survey is seen as a way of justifying higher rents or housing charges. According to an individual associated with a larger housing co-operative,

the CMHC survey often recommends higher rent levels than we are comfortable with. We don't normally use the CMHC survey, but our need for revenue is growing from year to year.

Resident participation

Resident participation in decision-making in the various non-market housing models can be presented on a continuum ranging from minimal involvement found in public housing to full member involvement in co-operatives. The high degree of resident involvement is one of the strengths of co-operative housing and a pillar on which the movement was founded. This positive feature of housing co-operatives has not gone unnoticed, and over the past ten years, many local housing corporations have recognised the benefits of involving residents in the decision-making processes. In the public housing model, residents are not given the opportunity to be as involved as in co-operative housing. That said, there is increasing recognition of the importance of resident involvement. According to one public housing official:

The increases in resident involvement over the past ten years in the public housing ... is a recognition that local resident involvement is the best way to ensure that the communities are well maintained and that the needs of the residents are accounted for. For the public housing

residents, the best way to ensure that their needs are addressed is to participate in anything available to them.

Analysis

The Social Housing Reform Act (Ontario 2000b) was the catalyst for formalising the changes to the non-market housing models. The act initiated the devolution of housing responsibilities by stipulating the regulations upon which the organisations could continue to receive funding from the municipal government. The act established the local housing corporations to oversee various aspects of the non-market housing system, such as funding, budget practices and tenant selection.

The non-market housing organisations have had to adjust their administrative and management practices, and the changes have created a fundamental reduction in the autonomy of co-operatives. In a few instances the changes represent minor adjustments to fiscal constraints. Prior to the Social Housing Reform Act (Ontario 2000b), co-operatives enjoyed much autonomy from government in tenant selection and capital planning. Because of devolution, the organisations must report to the same local housing corporation as public housing. In essence, this new reporting structure for housing co-operatives has led to a fundamental shift in their philosophy and autonomy.

Housing co-operatives still retain areas of distinctiveness despite the legislative and policy changes - for example, control over the housing charges for non-subsidised units; control over creating their own bylaws; discretion over the administrative practices such as hiring the staff; and capital planning. However, there are two areas where a shift of the co-operative model towards public housing is occurring.

The first area of change is in funding. Funding refers to both the RGI subsidy for low-income households and the bridge subsidy for rehabilitation or capital improvements. At this time most of the federal and provincial co-operatives have guaranteed the bridge subsidy because of pre-existing operating agreements. However, once the agreements expire co-operatives will have to access the same funding source as

the other three non-equity housing models because of the limited funds available at the municipal level.

The second area of change is related to selection of low-income households. In the past, co-operatives have decided independently whom they will admit as new members. However, housing co-operatives are expected to use the same central tenant selection list as the other models, a procedure mandated by the Social Housing Reform Act and reflective of the blending of the models. Like public housing, co-operatives must now accept residents from the same centralised waiting list. The emphasis on a centralised waiting list of rent-g geared-to-income eligible tenants, previously used by public housing only, clearly indicating that co-operatives no longer have discretion over the process of who is selected, which is an important area of distinctiveness. However, in spite of the two areas of overlap with public housing, co-operatives still retain some distinctiveness in the area of market rent units and of governance.

There are two additional areas where there appears to be a blending of practices found in public housing and co-operative housing. The first area is in the increase in services being contracted out. While the pattern of contracting out is uniform, the approval process and the individuals involved differ. For public housing, the board of directors of the local housing corporation and management of a particular development are making the decisions about contracting out, and the residents are not involved. It is conceivable that a company can be hired to perform a service that is not a priority for the community, for instance, siting garbage containers in an area of the community frequented by children. The process differs quite significantly for housing co-operatives because the board of directors consists of residents, which means that the decisions are motivated by the interests of the community and not only to save money.

A fourth area of blending is the creation of a new accountability framework, stemming from the Social Housing Reform Act. The new accountability framework has created an expectation that each non-market housing organisation (regardless of the type) will report to the local housing corporation and must adhere to its directives and plans. In

other words, the legislation has removed some control from each housing organisation and has shifted it to the local housing corporation. A variation of this model existed previously for public housing; however, with the Social Housing Reform Act, it exists for co-operatives as well. Therefore, in this regard, provincial legislation is encouraging the blending of non-market housing in the direction of public housing.

These first four areas involve a shift of co-operative housing in the direction of public housing. However, there is evidence that public housing is shifting in the direction of co-operative housing in two areas: first, in establishing market rent levels, known as a rent caps; and second, in increased resident participation and consultation. Instituting a rent cap, or maximum rent that was greater than those on social assistance, began as a pilot project in 1992 in Metro Toronto in order to encourage a greater mix of residents. Having a mixed income public housing project is controversial. Some public housing organisations believe that families should leave once they could afford to. One official summed up that point of view:

We are in the business of housing and not of community.
We do not have enough housing stock for everyone, so people should be encouraged to leave.

Despite the lack of housing stock, several public housing organisations have instituted a rent cap that is meant to encourage persons with relatively higher incomes to remain in the community, and thereby effectively creating an income mix that is similar to that found in housing co-operatives.

A second area where public housing is shifting in the direction of co-operative housing is in resident consultation and participation. While consulting with residents on capital priorities has some similarities to co-operatives, the process is strictly consultative. Furthermore, since the public-housing budget is centralised, decisions are made on behalf of the whole housing system and not for an individual community. Consultation does give public housing residents a say in the

overall system, and in that regard there is a shift in the direction of the co-operative housing model, but unlike co-operatives, residents of public housing do not have a voice in their own community.

There are indications from several experimental programmes in Toronto that government is intending to increase the participation of residents of public housing and to draw that model even closer to the other forms of non-market housing. First, in the Metro Toronto Local Housing Corporation, residents of public housing projects are now electing two from their group to the board of directors. With approximately 60,000 households, the Metro Toronto Local Housing Corporation is the largest in Canada and one of the largest in North America (Toronto Community Housing Corporation 2003).

The second experiment is referred to as community based budget planning. In this process residents are beginning to have input into establishing capital priorities for all of the public housing projects. The third experiment is even bolder and involves the conversion of a public housing project to a tenant-managed co-operative.

Atkinson housing co-operative experiment

In a low-income community in Metro Toronto, the residents decided over 10 years ago that they wanted more control over the decision-making practices by becoming a housing co-operative. Atkinson Housing Co-operative (formerly Alexandra Park) differs from other housing co-operatives in that it remains within the public sector, all of its residents receive a housing subsidy, and its managerial prerogatives are more limited than for housing co-operatives in general. In this community, the tenants elect from their group a board of directors that forms the legal governance of the organisation. In that respect, it differs from other public housing projects, whose board of directors is through the local housing corporation in which it is situated.

This Atkinson experiment follows a global trend of increased resident control over their housing, while maintaining a partnership with the government. In the United

Kingdom (Best 1996; Hague 1990), in the United States (Department of Housing and Urban Development 1999; Epp 1996), and in Australia (Darcy 1999), programmes have been implemented to enhance the sense of community. Most of the programmes have focused on converting the public housing into limited equity co-operatives (Miceli, Sazama, and Sirmans 1998; Rohe 1995), while others have attempted to transform the communities through either the creation of tenant-managed corporations (Hugman and Sotiri 2001; Koebel and Cavell 1995) or through direct sales to tenants (Balchin, Isaac, and Rhoden 1998).

The Atkinson experiment represents a major shift in the direction of public housing toward the other non-market models. With the accompanying changes in the administration of co-operatives, if these trends continue these models would become indistinct. The Atkinson project remains unique in Canada, but is being watched closely as there are indications that the Ontario government would like to introduce it more widely. Should this occur, there would be minimal difference between the different non-market housing models.

Should the Atkinson experiment not be replicated in other public housing projects, the blending pattern is still pronounced - government is more tightly regulating the finances of non-market housing organisations and thereby reducing their degrees of freedom in decision-making; the budgets are being reduced and thereby leading to homogenous contracting for services, including management; the income mix is being flattened in co-operatives and being enhanced in public housing, thereby leading to homogeneity; and tenant consultation is becoming a norm for public housing and external controls are reducing member impact in co-operative housing.

With the exception of the increased tenant consultation in public housing, the other changes can be attributed to the neo-conservative agenda of smaller government with reduced services, less involvement of government in the direct provision of service, and the targeting of government expenditure to the neediest members of society rather than having universal programmes. Although tenant consultation

can be viewed in the context of the human resources tradition (Nightingale 1982), in fact the selling point of the Atkinson conversion is that it will reduce costs (Atkinson Co-operative 1996). According to one source, "by converting into a co-operative the government can immediately save about 15 per cent in administration costs." In other words, even though this experiment can be interpreted as part of a tenant rights tradition, it is viewed as creating efficiencies that are associated with smaller, more efficient government. Although the blending pattern found in the non-market housing system in Ontario has some contradictory features, the pattern is pronounced and there is reason to believe that the trends will continue.

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Notes

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- 2 All references to co-operatives in this paper are to non-equity or non-profits co-operatives.
- 3 There are a number of Co-operatives built prior to 1985 that have different operating agreements with both the federal and provincial governments.
- 4 Many of the older housing projects continue to receive a form of bridge subsidy from the province, and is based on original federal commitments to financing the housing projects. The subsidy is primarily used for mortgage costs.