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AND THE CONCEPT OF CO-OPERATIVE HOUSING

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HOUSING AND THE POOR:
GOVERNMENT POLICY AND THE CONCEPT OF
CO-OPERATIVE HOUSING

by

• Jerry Michael Dybka, B.A.

A thesis submitted to the Faculty of
Graduate Studies and Research in partial fulfillment
of the requirements for the degree of
Master of Arts.

Department of Political Science

Carleton University

OTTAWA, Ontario

April 11, 1979

The undersigned recommend to the
Faculty of Graduate Studies
acceptance of the thesis

"HOUSING AND THE POOR:
GOVERNMENT POLICY AND THE CONCEPT OF CO-OPERATIVE HOUSING"

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ABSTRACT

The basic argument being presented in the thesis is that the federal government of Canada should curtail the public housing program and, concomitantly, adopt a more comprehensive program in the field of co-operative housing. In adopting more of a facilitator-advocate position in relation to the co-operative sector, and by allowing greater subsidization for co-operative groups, the government would be enabling the sector to expand and thereby begin to serve the housing needs of the low-income stratum of Canadian society.

The thesis examines the housing situation of the poor, analyzes government social housing policy, develops the concept of co-operative housing, looks at government policy in relation to co-operative housing, and offers recommendations for change in both the policy area and the implementation area. As well, the results of a case study comparing degrees of satisfaction expressed by public housing tenants and co-operative housing dwellers is presented.

ACKNOWLEDGEMENTS

This work could not have been completed without the valuable assistance of a number of people. I would like to thank Donald Rowat of Carleton University for his time, his efforts, and his beneficial suggestions. His assistance during the formative stages of this work is especially deserving of acknowledgement. I would also like to sincerely thank Michael Whittington of Carleton for his efforts in locating employment for me during the writing stage of this paper. Without his aid, financial limitations would have necessitated the termination of the project.

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Lastly, but just as importantly, I would like to thank the residents of Parc Beausoleil and the public housing project utilized in the case study for their time and effort in completing the questionnaire. Without their enthusiastic participation, a significant portion of this study could not have been completed.

TABLE OF CONTENTS

Introduction	1
Chapter One	
The Housing Situation of the Poor	12
Chapter Two	
An Analysis of Government Housing Policy	35
Chapter Three	
The Concept of Co-operative Housing	67
Chapter Four	
Co-operative Housing in Canada	92
Chapter Five	
A Case Study	125
Chapter Six	
A Proposed Co-operative Housing Program	159
Appendix	
Survey Questionnaire	179
Bibliography	183

LIST OF TABLES

Table 1.1	Relationship of Household Income to Age of Dwelling, 1972	15
Table 1.2	Relationship of Household Income to Type of Heating, 1972	17
Table 1.3	Relationship of Household Income to Type of Water Supply, 1968	18
Table 1.4	Relationship of Household Income to Availability of Bath Facilities, 1972	19
Table 1.5	Relationship of Household Income to Availability of Flush Toilet Facilities, 1972	21
Table 1.6	Patterns of Expenditure by Family Income Quintile Groups: Families of Two or More Persons, 1971	23
Table 1.7	Patterns of Expenditure by Income Quintile Groups: Unattached Individuals, 1971	25
Table 1.8	Average Proportion of Income Spent on Housing by Survey Households, Large Urban Centres, 1975	27
Table 2.1	Income Trends, Assisted Home Ownership Borrowers, C.M.H.C., 1970-1975	41
Table 2.2	Average Income of Assisted Home Ownership Borrowers, By Province, 1970-1975	42
Table 2.3	Income Distribution of Public Housing Tenants in Canada, 1960-1970	53

Table 2.4

Estimated Percentage of Tenants in Public
Housing from Lower Third of Income
Distribution, Selected Provinces, 1970,
1974-75

54

Table 2.5

Public Housing Managers, Canada, 1972

58,59

Table 4.1

C.M.H.C. Grants, Contributions, Subsidies,
By Program, 1968-1977

101,102

Table 4.2

Co-operative Housing Developments in Canada,
By Province, 1978

118,119

INTRODUCTION

"Housing and urban development are an urgent priority for the people of Canada and must be treated as such by their elected representatives at all levels. Every Canadian should be entitled to clean, warm shelter as a matter of basic human right."¹

So wrote the members of the Federal Task Force on Housing and Urban Development in their Report to the government in 1969. Chaired by the Honourable Paul Hellyer, the Task Force presented a comprehensive list of recommendations concerning its interpretation of the path which the Government of Canada should follow in its attempts to solve the housing problems of the Canadian population. The Government's reluctance to act immediately on many of the recommendations eventually led to the resignation of the Task Force's chairman from the federal Cabinet.

The late 1960's was a time of rapidly escalating real estate and housing prices throughout the country, and the establishment of the Hellyer Task Force was the federal government's response to the existence of such a situation. It is somewhat ironic, but true,

that the housing dilemma only merited the attention of Canada's legislators when it began to affect those members of the populace in the middle and upper-middle income strata. Yet, for the lower-income stratum, the housing situation in the 1960's was far from being a novel experience. It was merely an intensification of an omnipresent problem, and the government's lack of responsiveness to the Task Force's findings did little in the way of improving the housing situation of the poor.

It is not as if the poor could be ignored as representing an insignificant proportion of the entire population. To the contrary, the poverty-stricken of Canada constitute a substantial segment of the populace, albeit undoubtedly the most ill-represented and uninfluential minority group in the country. Regardless of the type of measurement utilized, be it the budgetary approach or the comparative income approach², the simple fact is that approximately twenty-five per cent of all Canadians garner incomes which place them below the poverty line³ and, as is the case in all matters, it is this large minority sector which suffers most when it comes to the acquisition of adequate shelter at affordable prices.

What has been the government's response to the

housing malady of the Canadian poor? Since 1948, it has relied almost exclusively on the provision of public housing, despite the fact that this type of economic and social segregation has been criticized time and time again by various advisory groups and task forces, most notably the previously mentioned Hellyer study and the Dennis study of 1972.⁴

It is this writer's contention that the various condemnations of the public housing program have been so often repeated and so well documented that they cannot conceivably be discarded as inconsequential. With this in mind, this study will endeavour to establish a viable alternative to the erection of "low-income ghettos" to house the poor. The alternative being proposed is that of co-operative housing.

The basic argument being presented in this thesis is that the federal government of Canada should curtail the public housing program and, concomitantly, adopt a more comprehensive program in the field of co-operative housing.⁵ In adopting more of a facilitator-advocate position in relation to the co-operative sector, and by allowing greater subsidization for co-operative groups, the government would be enabling the sector to expand and thereby begin to serve the housing needs of the low-income stratum of Canadian society. The ultimate goal of such a policy direction would be the creation of mixed-income co-operative housing developments in which the poor could reside. It is imperative that a mixed-income approach be adopted for it constitutes

the only means through which stigmatization can be circumvented.

Is an entirely new approach to housing the poor required? We believe that it is necessary. Reforms to the public housing program, such as increased tenant participation at the management level and the introduction of mixed-income projects, are incremental in nature and only serve to slowly transform public housing into a bastardized version of co-operative housing. It is our contention that full support for co-operative housing is a superior alternative to time-consuming, incremental modification of the public housing program.

With this argument in mind, this work will examine the housing plight of the Canadian poor, provide an analysis of government policy in the field of low-income housing, and analyze the concept of co-operative housing, government policy in relation to it, and its viability within the Canadian environment. In pursuing such objectives, it is hoped that this paper will clearly demonstrate the need for the development of a strong co-operative housing program in this country.

Why such a study? First of all, there exists a conspicuous paucity of literature in the field of co-operative housing. As a result, there is often a misunderstanding of what "co-op living" actually entails. It is not a lingering remnant of the hippie movement of the 1960's, as so many people tend to believe, but rather it is a most respectable and legitimate type of habitation, as can be attested to by the thousands of middle-income, middle-aged co-operative dwellers throughout Canada. In attempting to fully define and describe the co-operative concept and the co-operative experience, this work will attempt to partially fill an academic void and clear

up the misinterpretations associated with this type of tenure.

Secondly, and most importantly, it is our contention that the poor deserve better than life in a "project". The members of this socio-economic group deserve the right to exercise their responsibilities and to perceive themselves as being integral parts of a community. Such laudatory goals cannot usually be attained in the public housing environment. They can, however, be most readily realized through the co-operative experience.

The introductory chapter of this study will concern itself with an examination of the housing situation of the poor in Canada. Through the citation of data, it will be shown that those whose incomes place them in the first quintile of the income scale spend a greater percentage of their incomes on the provision of shelter than do those in the higher economic echelons and that, in return, they reside in the worst housing conditions.

Chapter two will provide an analysis of government policy in the field of low-income housing, with the bulk of attention being focused, obviously, on the public housing program. Although it cannot be disputed that the availability of such accommodation does provide the poor with affordable shelter, the social effects of such tenure are vulnerable to intensive criticism. This chapter of the study will deal with the social liabilities of habitation in public housing.

The third chapter will concentrate on the concept of co-operative housing. As well as defining the two types of co-operative housing, the basics and principles of the continuing type of housing co-operative will be delineated. This chapter will also include a cursory examination of the co-operative housing movement in selected countries around the world.

Government policy as it relates to co-operative housing in Canada will be dealt with in the fourth chapter. This will include an analysis of the extent and types of assistance offered to co-operative housing groups by the federal and provincial governments and by Central Mortgage and Housing Corporation.⁶ Chapter four will also look at the genesis and growth of this particular form of accommodation within the Canadian setting.

Chapter five will present the results of a case study conducted by this writer. Included in this paper to serve the purpose of examining the relative habitability of co-operative housing and of public housing, the results demonstrate that co-operative housing residents are much more satisfied with their housing environment than are the residents of public housing. A brief examination of other studies which have pursued an identical objective (the study of user satisfaction) is also included.

The final chapter of the study will serve a dual purpose. As well as providing a summation of the previous material, it will also serve as an avenue for the presentation of a few recommendations based on our interpretation of how government social housing policy could be improved to better serve the interests of the Canadian poor.

Before going on, it is imperative to make a few qualifying statements. First of all, it must be made clear that we are neither promoting, ~~nor~~ envisaging, the transformation of Canada into a utopian "Walden Two".⁷ To think thusly would be foolish. Our interests lie only with the housing plight of the Canadian poor and the solutions which this paper promulgates are far from being "radical" or "left-wing" in nature. They are merely our interpretations of how a program, already in existence, could be improved to best serve the interests of the lower-income stratum of Canadian society.

Secondly, when making reference to "the government" throughout this study, the onus will be placed on the national level, for it is Ottawa that leads the way in the formulation of social housing policy, through the legislative tool the National Housing Act, and in the financing of social housing programs, through the instrument of Central Mortgage and Housing

Corporation. In the social housing field, provincial programs are often directed towards making additions to the extant federal legislation (for example, capital grants and rent supplementation schemes). Although the hegemony of the national level of government may be, and has been, questioned and criticized,⁸ the provincial and municipal levels have shown little initiative in presenting alternative programs, mainly because of cost considerations. Therefore, if a provincial program is being referred to, the name of the province will be affixed. Otherwise, the reference will be to the national level of government.

Thirdly, it must be conceded that not all of Canada's political decision-makers, at all levels of government, have been totally oblivious to the viability of utilizing co-operative housing as an alternative to public housing. Just recently, the government of the Province of Ontario announced that it would be providing in excess of \$400,000 to reduce rents in two co-operative housing developments planned in the city of Ottawa. Approximately one-third of the units to be constructed would be made available for low-income housing.⁹ Although such a step must be applauded, it is unfortunately but one of all too few examples of this type of policy metamorphosis. Public housing continues to be the sole government program completely

devoted to the provision of housing for the poor
of Canada.

END NOTES

1. Federal Task Force on Housing and Urban Development, Report, 1969, p.22.
2. The budgetary approach and the comparative income approach are the two most common methods used in deriving poverty figures. For a concise explanation of these two types of measurement see the Report of the Special Senate Committee on Poverty, Poverty in Canada, 1971, pp.199-205.
3. Ibid., chapter 3. Also see Ian Adams, William Cameron, Brian Hill and Peter Penz, The Real Poverty Report, Edmonton: M.G. Hurtig Ltd., 1971. Both the Senate study and the Adams et al, study utilize the comparative income approach in deriving their respective figures. The official government poverty line, based on data compiled by Statistics Canada and the Economic Council of Canada, is calculated through the utilization of the budgetary approach.
4. Federal Task Force on Housing and Urban Development, op. cit., pp.52-56, and Michael Dennis and Susan Fish, Programs In Search of a Policy: Low Income Housing in Canada, Toronto: Hakkert, 1972, chapter 5.
5. It must be realized from the outset of this study that, when reference is being made to "co-operative housing", we are speaking of the continuing housing co-operative. For a full explanation of this type of housing co-operative, and of the building co-operative, see chapter 3 of this work.
6. At the time of writing, the federal government was proposing changes in the legislation affecting co-operative housing. No firm decisions have yet been made and, in the meantime, a continuing dialogue has ensued between government representatives and representatives of the Co-operative Housing Foundation. Since things are in such a state of flux, chapter four will look at both the existing legislation (as presented in section 34.18 of the National Housing Act (1973)) and the proposed legislation.

7. See B.F. Skinner, Walden Two, New York: The MacMillan Company, 1948. In Walden Two, Skinner, a behavioural psychologist, presents a fictional outline of a modern utopian community based on behavioural manipulation, education, and a draconian re-orientation of man's needs and priorities. The title of his work is, of course, a direct reference to Thoreau's Walden.
8. For example, in June of 1978 the Federation of Canadian Municipalities lashed out at, not only the federal government, but also the provincial governments, for failing to consult with municipal representatives on the issue of housing policy. See, "Municipalities lash housing policies", Ottawa Journal, June 6, 1978.
9. "\$400,000 for city's public housing", Ottawa Journal, September 23, 1978.

CHAPTER ONE

THE HOUSING SITUATION OF THE POOR

"Poverty in the worst areas of the city core is abundantly visible in the decrepid structures which form its housing, the cracked pavement of the streets which are its recreational area, and the rodents which are its wild life. This poverty you can see—and hear—and taste—and smell. Its residents are not simply families struggling to catch up to the national income; too often they are people fighting to retain a vestige of human dignity and self-respect."¹

Although many people may find it difficult to believe, the conditions being referred to above are prevalent within the Canadian urban environment and, unpalatable though it may be, they are extant to a degree which few Canadians care to acknowledge or recognize. Undoubtedly, Canada does possess one of the world's most impressive records when it comes to the quality of its housing, but it would be foolhardy to suggest that everyone has realized the basic human right of clean, warm, comfortable, and affordable accommodation. Slums, ghettos, and "run-down" neighbourhoods can be easily located in this country, in rural as well as in urban settings, and it is the

poor who are overwhelmingly residing in these blighted areas.

The housing environment is merely one of many socializing agents which play a crucial role in the psychological and physical maturation of the individual from birth to death, but it is undeniably an important one. As Barbara Ward has written,

"The house is the core, the central place, the starting point of all life in human settlements, in short, of human life itself. The tragedy that follows from the world's record of blighted housing and decaying slums is that it can deprive the citizen of the very foundations of security and self-respect."²

Depending on the housing milieu in which one is raised, be it a posh manor in a high-income area, a middle-class suburban home, or a low-income tenement, one can acquire a totally different perspective of the world and of oneself. An individual's perception of "home" will affect not only his personal outlook on society, but it will also affect his own feelings of self-worth and self-respect. As an instrument of socialization, the importance of housing cannot be overestimated.

The impact of the housing environment on psychological and physical development will be examined ,

in greater detail later on in this chapter. This chapter will also study the relationship between income and housing conditions and will look at the relationship between income and the shelter/income ratio. The data which will be presented clearly demonstrate the housing dilemma of Canada's low-income populace.

Income and Housing Conditions

In examining the relationship between income and housing conditions, we will utilize five variables of housing condition: age of dwelling, type of heating, type of water supply, availability of bath facilities, and availability of flush toilet facilities. For the most part, the data are based on the year 1972, the most recent year for which they are available. The only exception is that involving the relationship between income and type of water supply. In this instance, 1968 data will be utilized because this relationship was not examined by Statistics Canada in 1972. The statistics are self-explanatory and, as such, little further elaboration is required.

Age of Dwelling:

As Table 1.1³ (page 15) demonstrates, a relationship does exist between household income and the age of the dwelling being resided in. The lower the

Table 1.1

Relationship of Household Income
to Age of Dwelling, 1972

1971 Income Group	Period of Construction			Total (%)
	Before 1940 (%)	1940-1959 (%)	1960- (%)	
Under \$2000	51.5	23.3	25.2	100.0
\$2000-3999	51.6	25.0	23.3	100.0
4000-5999	45.6	29.1	25.2	100.0
6000-7999	38.2	31.0	30.8	100.0
8000-9999	31.3	32.0	36.7	100.0
10000-11999	28.4	30.8	40.8	100.0
12000-14999	22.2	35.2	42.6	100.0
15000-24999	24.5	34.3	41.2	100.0
Over 25000	26.4	34.6	39.1	100.0
Average	35.5	30.6	33.9	100.0

Source: Statistics Canada, Household Facilities by
Income and Other Characteristics, 1972,
Ottawa, 1975.

household income, the greater is the propensity for residing in an older dwelling. The only substantial aberration occurs in relation to the two highest income groups, but this can be explained by stating that, "these households are liable to occupy older, but larger and perhaps more expensive homes."⁴

Type of Heating:

Table 1.2⁵ (page 17) demonstrates the relationship between household income and the type of heating utilized in the home. Again, a clear relationship exists. The lower the household income, the greater is the propensity for heating the dwelling by some source other than a furnace.

Type of Water Supply:

From looking at Table 1.3⁶ (page 18), one can clearly ascertain a direct relationship between household income and the availability of a piped-in supply of water. The lower the household income, the greater is the incidence of non-availability of piped-in water.

Availability of Bath Facilities:

As Table 1.4⁷ (page 19) demonstrates, a relationship does exist between household income and the availability of bath facilities. The lower the household income, the greater is the propensity for residing in accommodation which does not offer bath

Table 1.2

Relationship of Household Income
to Type of Heating, 1972

1971 Income Group	Type of Heating		Total (%)
	Furnace (%)	Other (%)	
Under \$2000	62.2	37.8	100.0
\$2000-3999	67.3	32.7	100.0
4000-5999	75.6	24.4	100.0
6000-7999	82.8	17.2	100.0
8000-9999	87.3	12.7	100.0
10000-11999	88.3	11.7	100.0
12000-14999	91.8	8.2	100.0
15000-24999	91.2	8.8	100.0
Over 25000	89.1	10.9	100.0

Source: Statistics Canada, Household Facilities by
Income and Other Characteristics, 1972,
Ottawa, 1975.

Table 1.3 Relationship of Household Income to Type of Water Supply, 1968

1967 Income Group	Type of Water Supply		Total (%)
	Piped (%)	No Piped (%)	
Under \$1000	87.1	12.9	100.0
\$1000-1999	86.5	13.5	100.0
2000-2999	90.1	9.9	100.0
3000-3999	93.4	6.6	100.0
4000-4999	95.7	4.3	100.0
5000-5999	97.0	3.0	100.0
6000-6999	97.7	2.3	100.0
7000-7999	98.6	1.4	100.0
8000-8999	99.2	0.8	100.0
9000-9999	99.2	0.8	100.0
10000-11999	99.0	1.0	100.0
12000-14999	99.5	0.5	100.0
Over 15000	99.2	0.8	100.0
Average	95.9	4.1	100.0

Source: Statistics Canada, Household Facilities by Income and Other Characteristics, 1968, Ottawa, 1972.

Table 1.4

Relationship of Household Income
to Availability of Bath Facilities, 1972

1971 Income Group	Availability of Bath Facilities		
	With (%)	Without (%)	Total (%)
Under \$2000	81.4	18.6	100.0
\$2000-3999	86.3	13.7	100.0
4000-5999	90.6	9.4	100.0
6000-7999	94.6	5.4	100.0
8000-9999	96.9	3.1	100.0
10000-11999	97.8	2.2	100.0
12000-14999	98.7	1.3	100.0
15000-24999	98.7	1.3	100.0
Over 25000	99.8	0.2	100.0
Average	93.9	6.1	100.0

Source: Statistics Canada, Household Facilities by
Income and Other Characteristics, 1972,
Ottawa, 1975.

facilities.

Availability of Flush Toilet Facilities:

Table 1.5⁸ (page 21) manifests a clear relationship between household income and the availability of flush toilet facilities. The lower the income, the greater is the incidence of residency in accommodation which fails to provide flush toilet facilities.

As the preceding data demonstrate, a relationship does exist between income and housing conditions, as measured by our five variables. In summation, it will suffice to state that the lower-income populace of Canada undeniably reside in the worst housing conditions. Not only are their residences of older construction, but they often lack such basic household facilities as furnaces, a piped-in water supply, baths, and flush toilets, facilities which the majority of the Canadian population take for granted.

The following section of chapter one will examine the relationship between income and the shelter/income ratio. Once again, the data are self-explanatory, thereby requiring only a modicum of elaboration.

Table 1.5 Relationship of Household Income
to Availability of Flush Toilet Facilities,
1972

1971 Income Group	Availability of Flush Toilet Facilities		
	With (%)	Without (%)	Total (%)
Under \$2000	87.0	13.0	100.0
\$2000-3999	90.7	9.3	100.0
4000-5999	94.0	6.0	100.0
6000-7999	96.5	3.5	100.0
8000-9999	97.9	2.1	100.0
10000-11999	98.6	1.4	100.0
12000-14999	99.0	1.0	100.0
15000-24999	99.2	0.8	100.0
Over 25000	99.8	0.2	100.0
Average	95.9	4.1	100.0

Source: Statistics Canada, Household Facilities by
Income and Other Characteristics, 1972,
Ottawa, 1975.

Income and the Shelter/Income Ratio

While a precise definition of what constitutes "affordable housing" has yet to be offered by the federal government, it does seem to employ 25 per cent of income as a norm. This is the maximum rent-to-income ratio permitted in public housing, and it was the norm used by the government in calculating amounts of assistance to prospective home-owners under the old Assisted Home Ownership Program (A.H.O.P.). In other words, it would appear that the federal government believes that no household should spend in excess of 25 per cent of its income for the provision of adequate shelter. Although this ratio has been criticized and various advisory groups, dating back to 1944, have recommended that the government adopt a 20 per cent shelter/income ratio,⁹ 25 per cent appears to remain the norm.

Unfortunately, not all households are able to maintain a shelter/income ratio of 20 per cent, much less 25 per cent. As Table 1.6¹⁰ (page 23) demonstrates, it is those who constitute the first quintile of the income scale, namely the poor, who spend in excess of 25 per cent of their incomes on shelter. All other quintile groups not only spend less than 25 per cent but, amazingly enough, less than

Table 1.6

Patterns of Expenditure by Family Income
Quintile Groups: Families of Two or More
Persons, 1971

	Income Class Quintiles				
	1st	2nd	3rd	4th	5th
Net Income Before Taxes (in dollars):	4495.6	7871.8	10524.8	13480.5	21668.8
Shelter Costs (in dollars):	1280.9	1503.7	1754.9	1919.2	2563.2
Per Cent Homeowners:	36.2	44.7	57.4	61.7	75.2
Shelter/Income Ratio (Percentage):	28.5	19.1	16.7	14.2	11.8

Source: Statistics Canada, Urban Family Expenditure
on Shelter and Household Durables, 1971,
 Ottawa, 1974.

20 per cent of their incomes on shelter. Apart from the fact that Table 1.6 shows that only the poor exceed the government shelter/income ratio, it also demonstrates that a direct relationship, and a strong one at that, exists between household income and the shelter/income ratio. The lower the income, the greater is the propensity to spend a higher percentage of that income on the acquisition of housing.

In relation to unattached individuals, Table 1.7¹¹ (page 25) clearly demonstrates that, once again, a strong relationship exists between income and the shelter/income ratio. The lower the income of the unattached individual, the greater is his propensity for spending a higher percentage of that income on shelter.

Of course, the data on the first income quintile are somewhat misleading for they include recipients of government housing assistance. Government assistance programs, such as public housing, produce a deflationary effect on the shelter/income ratio. As such, the figures quoted above cannot be accepted as pure "private market" calculations. For figures in that vein, we must turn to less thorough, although equally significant, studies.

In their 1976 publication, Housing Conditions of Social Assistance Recipients, the Canadian Council

Table 1.7 Patterns of Expenditure by Income Quintile
Groups: Unattached Individuals, 1971

	Income Class Quintiles				
	1st	2nd	3rd	4th	5th
Net Income Before Taxes (in dollars):	1386.3	2589.5	4553.5	6543.1	10337.4
Shelter Costs (in dollars):	635.3	809.1	1107.0	1217.4	1594.4
Per Cent Homeowners:	10.3	19.3	14.0	8.2	13.3
Shelter/Income Ratio (Percentage):	45.8	31.2	24.3	18.6	15.4

Source: Statistics Canada, Urban Family Expenditure on Shelter and Household Durables, 1971,
 Ottawa, 1974.

on Social Development produces the results of a survey it conducted on the housing costs of Canada's welfare recipients. The individuals surveyed, 2466 in all, received social assistance from the government, but they all resided in "private market" dwellings. It was found that households in the survey were spending, on average, 46 per cent of their incomes on shelter.¹² The average for the large urban centres was close to 50 per cent (see Table 1.8¹³, page 27).

A second study, concentrating on low-income households in Montreal, found that, for the poor of Montreal not residing in government assisted housing, the average shelter/income ratio was 33 to 35 per cent. For the "poorest of the poor", the ratio was significantly greater than 35 per cent.¹⁴

Still another study, this one concentrating on Dalhousie ward in the city of Ottawa, found that the average shelter/income ratio in this area, one of the poorest wards in the city, was 43.7 per cent. In one particular case, the shelter/income ratio was an astronomically high 84.5 per cent. The rent being paid was 190 dollars a month.¹⁵

From the material presented above, one can definitely conclude that a relationship does exist between income and the shelter/income ratio. The

Table 1.8 Average Proportion of Income Spent on
Housing by Survey Households, Large
Urban Centres, 1975

Urban Centre	Shelter Costs as Percentage of Income
Ottawa	51
Toronto	49
Winnipeg	49
Edmonton	50
Vancouver	45
Edmonton/Calgary	47
Halifax-Dartmouth	51

Source: Canadian Council on Social Development,
Housing Conditions of Social Assistance
Recipients, Ottawa, 1976, p.46.

lower the income, the greater is the propensity to spend a higher percentage of that income on housing. The data also serve to demonstrate that it is the poor, and only the poor, who tend to exceed the government norm of a 25 per cent shelter/income ratio in their attempt to acquire adequate housing.

Housing, Morbidity, and Mental Health

As was suggested at the outset of this chapter, the housing environment must be regarded as being one of the key instruments of socialization. As such, it can affect not only the individual's physical well-being, but his mental disposition as well. In conducting a review of various studies which have examined the relationship between housing and health, Wilner, Walkley, Pinkerton and Tayback came to the conclusion that most of the studies,

"have found a relationship between housing and physical or social pathology.... In general, the findings of these studies showed a marked positive association between housing and health, poor housing correlating with poor health, better housing with better health."¹⁶

This is not to deny, of course, that other factors are involved in determining the physical and social adjustment of the individual.¹⁷ The traditional

theory of environmental determinism, which states that by changing the environment, particularly the housing environment, it is possible to effect improvements in people's behaviour, in their health, living habits, and personal well-being,¹⁸ cannot be accepted at face value. Factors such as employment and educational opportunities also play a determining role.

Housing, however, is an essential factor. As the Conseil des Oeuvres de Montréal has stated,

"...a better living environment creates a favourable climate for the pursuit of further education which, in turn, leads to better employment and a desire for better living conditions. Healthy and decent housing for all, and especially for the disadvantaged, constitutes an essential element of any strategy aimed at improving the living conditions of the population in question."¹⁹

In order to substantiate our point, it is imperative to briefly examine a few studies which have analyzed the relationship between housing and physical and psychological well-being. In so doing, however, it must be remembered that we are not promoting any theory of environmental determinism. We are merely attempting to demonstrate the relative importance of the housing environment in the maturation process of the individual.

One such study, "Child Morbidity in a Good and a Bad Residential Area", examines the relationship between housing and hospital admittance rates for children. Its author, V. Christensen, found that the rates of admittance for children coming from poorly housed areas was, at minimum, twice as high as those for better housed children in a wide range of diseases including pneumonia, meningitis, anemia, prematurity, and congenital malformation.²⁰

A second study examines the relationship between housing and mental hospital admittance rates. The author, C. Shroeder, discovered that admittance rates highly correlated with such specific housing features as "per cent of buildings needing major repair" and "houses unfit for use."²¹

C. Dirksen, in his work Economic Factors of Delinquency, analyzed the relationship between juvenile delinquency and housing. He found that there existed a high correlation between delinquency and such housing features as "need of major repair", "no private bath", and "overcrowding".²²

Housing is not the only determinant of an individual's development, but it is an essential factor. A poor housing environment can lead to individual maladjustment and pathological conditions on both the

physical and the psychological level. Conversely, a healthy housing environment is conducive to physical and psychological adjustment and the absence of pathological conditions.)

Conclusion

In examining the housing situation of the poor in Canada, the material presented in this chapter can be utilized for the purpose of deriving three conclusions. First of all, it has been shown that the poor spend not only a higher percentage of their incomes on shelter than do those in the higher income quintiles, but also that this spending substantially exceeds the government norm of a 25 per cent shelter/income ratio. Secondly, one can conclude that, in return for their capital expenditures on housing, the poor tend to reside in the worst housing conditions. Thirdly, it can be stated that, by living in an unhealthy housing environment, the poor are more vulnerable to physical and mental maladjustment than are the residents of better housing. This is the housing plight of Canada's lower-income citizenry.

The question which must now be asked is: what attempts have been made to ameliorate such a situation?

We will endeavour to answer this question in chapter two by analyzing the government's response to the housing malady of Canada's poor.

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8. Ibid.
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19. Conseil des Oeuvres de Montréal, Opération: Rénovation Sociale, Mai, 1967, p.173. (Our translation).
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CHAPTER TWO
AN ANALYSIS OF GOVERNMENT HOUSING
POLICY

"...housing policy never built
a housing unit."¹

Although the federal government first became involved in the field of housing during the first World War, when legislation was enacted implementing rent controls, it did not become involved in any significant manner until 1935. Its major involvement at that time, however, did not stem from any deep desire to change the housing situation of the Canadian population. Rather, the basis of participation was rooted in the economic exigencies of the time. The Dominion Housing Act of 1935 was passed by Canada's federal legislators during a period of high unemployment and a virtually stagnant economy—the Depression was at its apogee,—and the objective of such government initiative was evident:

"The objective of the legislators of that day was primarily the relief of unemployment; one might say that the Federal Government fell into the housing field accidentally in an endeavour to assist the country out of some of the difficulties of the hungry thirties."²

With the genesis and continuation of the second

World War, the federal government was compelled to maintain its involvement in the housing arena. The wartime expansion of Canadian industry produced demands for industrial workers which exceeded the supply in many localities. Population shifts were imperative to support the war effort. As a result, the creation of new housing at critical centres became an integral component of the war effort. Under such circumstances of need,

"The Federal Government...overcame its reluctance to provide state owned housing. Through the agency of Wartime Housing Limited, one of the Crown companies created by C.D. Howe, and using monies appropriated for the Department of Munitions and Supply, the government embarked on a program for the construction of inexpensive housing considered at that time to be temporary in character."3

As Canadian veterans began returning from the war in 1944, the demand for housing increased dramatically. Once again, the federal government found itself pressed into action. Not only did housing have to be found for the returning men, but the economy had to be readied for peacetime conditions. In response to these needs, the government passed the National Housing Act of 1944, "An Act to Promote the Construction of New Houses, the Repair and Modernization of Existing

Houses, the Improvement of Housing and Living Conditions, and the Expansion of Employment in the Postwar Period."⁴

The introduction and implementation of this Act was based on the recommendations of the Curtis Committee (1944), which promoted the viewpoint that housing could be effectively utilized as an anti-cyclical stabilization tool:

"Construction work in the housing field can be of particular importance both in providing employment opportunities for men demobilized from the armed forces, and for men released by war industries, and as a productive vehicle for both public and private investment, such as will be needed for a full employment policy under peacetime conditions."⁵

In referring to the National Housing Act of 1944, Albert Rose offers this assessment:

"The emphasis on 'the expansion of employment in the postwar period' makes it clear that the fundamental intention of the legislation was more economic—in terms of the avoidance of a postwar depression akin to that of 1919-21—than social, that is, a concern with the well-being of all Canadians in terms of their housing requirements."⁶

Thus, it can be stated that the federal government's original incursion into the housing field was based, not on a commitment to remedial social change,

but rather as a reaction to the economic circumstances of the time, namely, the Depression. Similarly, its continued involvement in the field has been based on identical considerations. Housing is being used for the purpose of regulation of the economy, not for the purpose of improving social conditions. Perhaps these reasons, more than any others, explain the government's propensity to direct the vast majority of its housing programs at the middle-class, rather than at the lower-class of Canadian society, where assistance is most greatly needed. This lack of commitment to utilizing housing as a means for introducing remedial social change is reflected in the fact that the government has, since the 1940's, relied on only one program, the public housing program, to serve the housing needs of the poor. It has not committed itself to any other low-income program, such as co-operative housing, which could serve as an instrument of social change.

For the moment, however, we will not deal with the remedial values of co-operative housing. Instead, we will focus our analysis on the public housing program and on three other recent federal programs: the Assisted Home Ownership Plan (A.H.O.P.),

the Neighborhood Improvement Program (N.I.P.), and the Residential Rehabilitation Assistance Program (R.R.A.P.). The last three programs mentioned above will be analyzed in terms of their lack of effectiveness in alleviating the housing plight of the Canadian poor and, since these programs were not exclusively aimed at the lower-income stratum, they will be dealt with in a cursory manner. The fourth program, that of public housing, will be dealt with more extensively for it is a program which is directed solely at the poor, the only so-designated housing program in the country.

The Assisted Home Ownership Program (A.H.O.P.)

In February 1973, faced with the need to produce more housing starts and with dissatisfaction in the country over increasing house prices, the federal government launched the Assisted Home Ownership Program (A.H.O.P.). The primary purpose of the program was the reduction of mortgage interest rates through an interest reduction loan, and its clientele were households of two or more persons purchasing newly constructed houses, priced within program limits, for the first time. In 1978, A.H.O.P. met its demise and was replaced

by the Graduated Payment Mortgage Program (G.P.M.), which will be briefly examined later on in this section of the chapter.

A.H.O.P. was originally aimed at reaching those households in the \$4000-\$6000 income range. As the program evolved, however, it became increasingly evident that the income levels being served were higher than anticipated.

As Tables 2.1⁷(page 41) and 2.2⁸(page 42) clearly demonstrate, borrowers under A.H.O.P. tended to garner incomes in the middle-income range. An examination of other characteristics of A.H.O.P. borrowers also serves to clarify the point that the program had a minimal effect on those in the lower-income bracket. The program was serving mainly young families with one or two children, the average age of the head of the household was 29, and the average household income was in excess of \$11,000 per annum.⁹ In other words, it would appear that A.H.O.P. was primarily benefitting young, socially mobile households.

It has also been found that A.H.O.P. produced few tangible benefits for families which, in their previous accommodation, had a high shelter/income ratio. For 1975 borrowers, the average rent-to-income ratio in their previous accommodation was 16 per cent.

Table 2.1

Income Trends, Assisted Home Ownership
Borrowers, C.M.H.C., 1970-1975

Income	1970-71 (%)	1972 (%)	1973 (%)	1974 (%)	1975 (%)
\$0-\$3999	0.7	0.5	0.2		
4000-5999	45.5	16.1	14.0	2.8	6.4
6000-7999	44.6	52.1	47.8		
8000-9999	9.2	19.4	38.0	39.6	23.0
10000-12499				45.0	44.0
12500-14999				12.6	18.6
Over 15000					8.0
Median Average:	\$6112	\$6916	\$7632	\$10672	\$11312

Source: Canadian Council on Social Development,
A Review of Canadian Social Housing Policy,
 Ottawa, 1977, p.95.

Table 2.2

Average Income of Assisted Home Ownership
Borrowers, By Province, 1970-1975
 (in dollars)

Province	1970-71	1972	1973	1974	1975
Newfoundland	5760	5572	7112	9748	12123
Prince Edward Island	—	5361	6065	8680	11605
Nova Scotia	6450	6390	6844	10296	12500
New Brunswick	5480	5748	5828	12183	13647
Quebec	6280	7140	7807	10814	13850
Ontario	7050	7825	8708	11069	13574
Manitoba	5930	5833	6875	9221	12159
Saskatchewan	5640	6748	7083	10554	9076
Alberta	5370	5982	6586	9545	11767
British Columbia	5990	6638	6998	11406	13108

Source: Canadian Council on Social Development,
A Review of Canadian Social Housing Policy,
 Ottawa, 1977, p.96.

Only 12 per cent of all borrowers were spending 25 per cent or more of their incomes for shelter, and one third were spending less than 15 per cent.¹⁰ As we saw in chapter one of this study, it is the poor who have the highest shelter/income ratios, and there exists a direct correlation between household income and the shelter/income ratio. A.H.O.P. provided assistance to those households with a low shelter/income ratio, a grouping which does not include those in the lower-income stratum. From this material, one can only conclude that A.H.O.P. never fulfilled the role of assisting the poor in the purchase of new homes.

It is doubtful that the Graduated Payment Mortgage Program (G.P.M.) will fare any better in serving the needs of the lower-income populace. In fact, it may well be that the offspring of A.H.O.P. will prove more disadvantageous to middle-income home buyers than its predecessor. G.P.M. is intended to gently ease buyers of modest housing into assuming the full cost of carrying the monthly mortgage payment. Under the program, payments are initially less than those for conventional mortgages but they increase at the rate of five per cent a year until the full mortgage payment is assumed.

However, mortgage-lenders have been hesitant to lend money under the program. They claim that G.P.M. is the first step towards foreclosure, may unwittingly lead people into commitments they cannot afford, and that it also means that people will end up paying more for their property. G.P.M. has even been labelled the "go poor mortgage".¹¹ Since A.H.O.P. generally failed to reach the poor and assist them, it would seem safe to state, from the preceding, that G.P.M. will meet with the same failure.

The Neighborhood Improvement Program (N.I.P.)

The Neighborhood Improvement Program (N.I.P.), introduced in 1973, was basically a modified version of the old urban renewal program which had been in existence since the mid-1940's. Undoubtedly, the impetus for the emergence of N.I.P. was based on the failure of the omnibus urban renewal approach, an approach which was quite expensive to administer and implement and which produced few positive results during its long, heavily criticized existence. In responding to the failure of the old approach, the three levels of government opted for a more selective, and less expensive, method of rejuvenating "run down" neighborhoods. N.I.P. was aimed at low to moderate-income residential

areas where a significant portion of the housing stock required improvement and repair, and where social and recreational facilities were inadequate or totally lacking. Based upon sections 27.1 and 27.3 of the National Housing Act, N.I.P. provided loans and grants to municipalities for the purpose of upgrading residential neighborhoods. Central Mortgage and Housing Corporation paid fifty per cent of the costs, the respective provincial government contributed twenty-five per cent, and the municipality provided the remaining twenty-five per cent. The municipality was also given the responsibilities of planning, implementing, and administering local projects. However, under the terms of the program, a federal-provincial-municipal agreement was required in designating a N.I.P. area and in determining the types of improvements to be made. N.I.P. expired on March 31, 1978 and has yet to be replaced by any similar program.

Even during its short-lived existence, N.I.P. had, at best, a minimal effect on rejuvenating run-down neighborhoods. Perhaps the greatest reason for the program's ineffectiveness was its own inflexibility. Not only was a consensus required from all three levels of government before any funding could be allocated but often, once some monies had been promised, the

municipality discovered that many of the actual improvements it wished to implement were not allowed under the terms of the program. As well, the program could not be utilized in areas with unstable land uses, or where the zoning did not conform to the residential character of the neighborhood. As an Edmonton Planning Department document pointed out, such restrictions virtually eliminated any possibility of N.I.P. funding being used in run-down areas on the periphery of downtown cores, what some call the "gray areas" of the inner city.¹² Such program inflexibility led the Canadian Council on Social Development to conclude, "Partly because N.I.P. was deliberately made less encompassing than urban renewal, it is not a total planning package for area revitalization, and this diminishes the effectiveness of what N.I.P. can accomplish."¹³

One further problem may be pointed out in relation to the Neighborhood Improvement Program. N.I.P., from its very beginnings, was intended to be merely a short-term program. In other words, municipal leaders were made well aware of the fact that the largesse of the provincial and federal governments was to be limited in duration. As such, "Anxiety to make maximum use of the additional source of revenue

(led) municipalities to rush to the starting post while money lasted). N.I.P. (had) too short a time horizon to encourage sound planning for comprehensive urban revitalization."14

As a result of the aforementioned problems with the program, it could be concluded that N.I.P. offered little in the way of improving housing or living conditions in deteriorating neighborhoods. According to the Canadian Council on Social Development, N.I.P. "failed to create a more viable, effective tool for neighborhood revitalization. The program require(d) very serious consideration and refinement of its objectives, design and delivery mechanisms."15

The Residential Rehabilitation Assistance Program (R.R.A.P.)

The Residential Rehabilitation Assistance Program (R.R.A.P.), also instituted under the 1973 amendments to the National Housing Act, provided federal funding, through Central Mortgage and Housing Corporation, to assist in the improvement and repair of substandard dwellings. For a dwelling to be eligible for R.R.A.P. assistance, it had to be deficient in at least one of the following five areas: structural soundness, fire safety, electrical wiring, plumbing, or heating. Funds were made available to homeowners, landlords (who

agreed to rent controls), and non-profit corporations and housing co-operatives. However, the program was only applicable to those homeowners and landlords who / resided in areas participating in the Neighborhood Improvement Program. Assistance was made available to non-profit corporations and co-operatives in any area. R.R.A.P. terminated on March 31, 1978.

As with the other two programs dealt with previously, R.R.A.P. failed to considerably improve the housing situation of the Canadian poor. This is largely due to the fact that it was aimed primarily at homeowners and, as Table 1.6 (chapter one) demonstrates, only one third of those households in the first quintile of the income scale are homeowners. As well, under the terms of the program, funding was provided through loans, with \$10,000 being the maximum to be allocated. Even though \$3750 of the loan could be made forgivable (the amount of forgiveness was dependent on the household income of the borrower), a minimum of \$6250 would still have to be repaid. Since the maximum forgiveness of \$3750 was only applicable to those households earning less than \$6000 per annum, one can see that a debt of \$6250 would be most difficult to repay for a family earning less than that annually. It is unlikely that many households with such a meagre income would be

willing to take on the additional burden of repaying a loan.

Certain housing standards also had to be fulfilled once the rehabilitative work was completed. oftentimes, the criteria applied were identical to those for new housing. The result of this was that the rehabilitation of an existing unit could be just as expensive, or perhaps even more expensive, as rebuilding the unit completely. The \$10,000 maximum level of assistance was often not sufficient for an adequate job to be done.¹⁶

R.R.A.P. was also an expensive program to operate. It has been estimated that, for every dollar loaned through the program, approximately thirty cents was spent in delivering it.¹⁷ This high administrative cost contributed much to the demise of the program.

Thus, it can be seen that the three programs described and briefly analyzed above had little effect on alleviating the housing dilemma of the Canadian poor. The Assisted Home Ownership Program primarily benefitted young, socially mobile families. The Residential Rehabilitation Assistance Program was aimed at homeowners, of which the poor constitute a small minority, and, even if the poor could have taken better

advantage of the program, their involvement would have left them with a burdensome debt to be repaid. The Neighborhood Improvement Program also proved ineffectual, predominantly because of its inflexible approach.

To a large extent, the failure of these three programs, in terms of assisting the poor, can be explained by the fact that they were not expressly aimed at that income stratum. The only government program which has the housing plight of the poor directly in mind is that of public housing and, as will be seen in the ensuing section, it too can be heavily criticized for its effects.

The Public Housing Program

The public housing program was initiated in Canada in the late 1940's with the construction of the Regent Park project in Toronto. Since that time, the program has continued to expand despite numerous condemnations and continuous demands for its total abandonment.

The National Housing Act offers two forms of assistance for the development of public housing, long-term loans and federal-provincial partnership arrangements. Under section 43 of the Act, Central Mortgage and Housing Corporation is empowered to make

long-term, low-interest loans to provinces, municipalities, or their public housing agencies for the purpose of erection of public housing. Loans may cover up to ninety per cent of the total cost of a project, as determined by C.M.H.C., and the repayment period may be of a duration of fifty years.

Section 40 of the National Housing Act authorizes the federal government to bear up to seventy-five per cent of the capital cost of a public housing project undertaken jointly with the government of a province. The remaining twenty-five per cent of the cost is borne by the province, but the municipality may be requested by the province to assume a portion of the provincial share. The operating deficits are shared by the participating governments on the same contractual basis as the initial costs. Management is provided by a housing authority created specifically for this purpose, the members of which are selected by the participating governments. Rents charged in these developments are related to the incomes of the tenants, with the norm being approximately twenty-five per cent of income.

From a purely economic standpoint, one cannot dispute the fact that the public housing program does provide tangible benefits for its users. The rent-

geared-to-income concept assures occupants of affordable accommodation with enough revenue remaining to help meet the other requirements of day-to-day living.

This paper will make no attempt to argue otherwise.

Economically, the public housing program is a viable avenue for alleviating the high costs of shelter for the poor. Similarly, it cannot be argued that the program serves others than those most in need. Almost all inhabitants of public housing come from the lowest third of the income scale, as Tables 2.3¹⁸ (page 53) and 2.4¹⁹ (page 54) clearly demonstrate.

Whatever the positive economic attributes of public housing, however, the social effects of life in a project are questionable. Perhaps the greatest failure of the public housing program has been the profound social segregation which it produces. As the Dennis study group concluded in recommending curtailment of the program, "New housing produced solely for the poor bears an inevitable stigma, given existing social values. This is seen in the attitudes of tenants, surrounding neighbours, program administrators and politicians."²⁰

Two integral, inter-related elements of the program may be pinpointed as being the causative agents of this segregation, or stigmatization. First of all,

Table 2.3 Income Distribution of Public Housing
Tenants in Canada, 1960-1970

Year	Under \$2000	\$2000- 2999	3000- 3999	4000- 4999	5000- 5999	Over 8000	Total	Average Income
1960	14.1	41.7	39.9	4.2	0.1	n.a.	100.0	\$2772
1961	20.0	33.0	33.0	12.0	2.0	n.a.	100.0	\$2916
1962	24.0	35.0	31.0	9.0	1.0	n.a.	100.0	\$2772
1963	27.0	31.0	31.0	10.0	1.0	n.a.	100.0	\$2760
1964	25.0	29.0	31.0	13.0	2.0	n.a.	100.0	\$2856
1965	25.0	29.0	30.0	14.0	2.0	n.a.	100.0	\$2904
1966	21.0	29.0	28.0	17.0	5.0	n.a.	100.0	\$3084
1967	19.0	26.0	27.0	19.0	9.0	n.a.	100.0	\$3246
1968	16.1	25.4	25.3	20.1	13.1	n.a.	100.0	\$3504
1969	13.9	22.0	21.7	18.2	22.5	1.7	100.0	\$3868

Source: Central Mortgage and Housing Corporation,
Survey of Public Housing Tenants,
Ottawa, 1970.

Table 2.4 Estimated Percentage of Tenants in
Public Housing from Lower Third of
Income Distribution, Selected
Provinces, 1970, 1974-75

Province	1970	1974-75
Ontario	65.0	84.0
British Columbia	84.0	85.0
Manitoba	92.0	93.0

Source: Canadian Council on Social Development,
A Review of Canadian Social Housing Policy,
Ottawa, 1977, p.72.

public housing projects are often physically segregated from the surrounding neighborhood. They stand in isolation from nearby residential areas, commercial districts, and recreational amenities. As well as frequently being marginally located, projects are often of a high-rise, high-density calibre.²¹ Or, as Catherine Bauer Wurster has written, "...they are usually designed as islands—'community units' turning their backs to the surrounding neighbourhood which looks entirely different....Any charity stigma that attaches to subsidized housing is thus reinforced."²²

The second causative agent is that the population of a public housing project is comprised almost exclusively of lower-income people. A mixed-income populace is non-existent. Thus, as well as being physically isolated from the surrounding area, the tenant of public housing is also socially ostracized in that his dwelling in a project automatically labels him as being "poor". Identification of this sort could conceivably lead to a "serious lack of pride which leads only to physical degeneration of the premises themselves."²³ One could suggest that this lack of self-esteem is reinforced by the fact that the sole qualification for residency is poverty.

Social stigmatization is not, however, the only negative characteristic of the public housing

program, although it is certainly a relevant one. A further problem is that the program produces a marked disincentive to work, or to raise one's income level. The tenant is aware of the fact that, if his income rises over a certain level, he will be forced to move from the premises. Although the income increase will disqualify him for public housing, it will not, in all likelihood, be so great as to place him in a significantly higher income bracket. As such, the tenant will be forced into a situation wherein he will have to pay a higher rental payment, since he will be renting in the private market, for comparable, if not worse, accommodation. Any increase in income will be swallowed up by an increase in shelter costs and, hence, nothing is gained. Surely, such a situation does nothing in the way of building self-confidence or self-esteem. In effect, it simply perpetuates the "cycle of poverty".

Even though public housing accommodation may be affordable for the poor, it is not necessarily of good quality. Different studies have pointed out that the design and construction of public housing is often less than satisfactory. Apart from being marginally located, and thus cutting the tenant off from easy access to commercial and shopping areas, and employment

and recreational facilities, projects are often poorly constructed because of budgetary considerations.²⁴

This leads to much voiced criticisms of a lack of recreational facilities and playgrounds for the use of children, inadequate outdoor private space, noise, and an overall lack of privacy.²⁵

One further problem merits attention. It is that concerning management-tenant relations. On the whole, these relations are extremely poor, even hostile, in nature, as various studies have pointed out.²⁶

"If there has been one thing on which public housing tenants have agreed over the years it has been that public housing management was unresponsive to tenant needs and desires, was bureaucratic, and was highly centralized. Surveys of tenants have shown consistently that management is the item with which tenants are most dissatisfied."²⁷

An analysis of the characteristics and backgrounds of public housing managers across Canada opens the door to an understanding of why such a dysfunctional relationship exists. As Table 2.5²⁸ (pages 58 and 59) points out, public housing managers in this country are, on average, middle-aged, poorly educated, inexperienced in the field, and lacking a background in the social services.

Looking at this data, especially that which

Table 2.5 Public Housing Managers, Canada, 1972

<u>By Age</u>	
Less than 30	5.0%
30-39	16.0%
40-49	23.0%
50-59	29.0%
60-69	24.0%
Over 70	3.0%
Total	100.0%

<u>By Length of Time as Manager</u>	
Less than 2 years	35.0%
2-5 years	51.0%
Over 5 years.	14.0%
Total	100.0%

<u>By Education</u>	
Public School	15.2%
Partial High School	23.0%
Completed High School	29.3%
Partial University	4.3%
University Degree	12.0%
Other Post-Secondary Education	16.2%
Total	100.0%

By Occupational Background

Real Estate; Insurance; Property Management	14.5%
Other Managerial and Administration	42.0%
Civil Service—Provincial or Municipal	14.5%
R.C.M.P.; Armed Forces	6.0%
Clerical; Accounting; Justice of the Peace	3.0%
Blue Collar (Labourer; Sales)	17.0%
Social Services (Includes Clergy)	3.0%
Total	100.0%

Source: Central Mortgage and Housing Corporation,
Survey of Public Housing Managers,
Ottawa, 1973.

relates to occupational background, it seems clear that the vast majority of public housing managers could not be particularly sympathetic to the problems of their tenants. Only three per cent of the managers have a social service orientation, a basic prerequisite, one would think, for understanding and empathizing with the maladies of the poor. This lack of empathy appears to lead to a lack of responsiveness to the needs of the tenants. Repair and maintenance work are often slow to materialize in many projects,²⁹ and this adds to the general state of disrepair and degeneration of many projects, and the concomitant lack of pride amongst its inhabitants. The fact that the responsible levels of government have done little in the way of encouraging tenant participation at the management level has undoubtedly exacerbated the prevalent tenant-management antipathy.

Of course, not all of the aforementioned problems are applicable to all public housing developments. As Onibokun has pointed out, not only are there great inter-project differences, but there are also noticeable inter-city differences.³⁰ However, as the various studies referred to in this section have demonstrated, the public housing program is replete with problems of both a physical and a social nature.

These problems are omnipresent to one degree or another, and are virtually insurmountable within the current objectives and guidelines of the program.

Although the negative physical characteristics of the public housing program are immense, we do not feel that they are as oppressive or debilitating as the social liabilities. Increased funding could produce better designed and better constructed housing, but the social liabilities cannot be so easily eradicated. The ostracism and alienation which are inevitable by-products of a program which overtly labels the poor as being such cannot be erased with increased monies. Such negative by-products can only produce low self-esteem and little self-pride. The fact that the program acts as a disincentive to increase incomes does little in the way of ameliorating defeatist attitudes and of sparking optimism for a more bountiful future.

Conclusion

That the public housing program in Canada is beset with problems there can be no doubt. The problems are many--social stigmatization, disincentives to work, poor location and design, lack of adequate facilities, poor construction, and poor management-tenant relations--and virtually insurmountable considering the nature of

the program. True, the program does provide affordable accommodation, but the accommodation itself is often poor in quality and an immense social price must be paid for such habitation. All of this can only lead to one conclusion— the public housing program has failed to adequately improve the housing situation of the Canadian poor.

It could easily be said that the entire program creates and perpetuates one vicious cycle: the project is erected; the poor move in; they are stigmatized by the surrounding neighborhood; their feelings of self-pride and self-respect deteriorate; the physical conditions of the project degenerate (no doubt assisted by an unresponsive management); further stigmatization therefore occurs; self-worth and self-respect are further reduced. The cycle goes on in perpetuity.

Interestingly enough, the poor themselves are often well aware of what life in public housing entails. A survey conducted in Montreal asked a number of non-public housing tenants, all in a low-income bracket, if they had ever considered applying for public housing, and 85 per cent replied that they had no inclination to do so.³¹ Perhaps more than anything else, this is indicative of the failure of the public housing program.

Is there an alternative? It is our contention that an alternative does exist in the form of co-operative housing. A solid government policy on co-operative housing would not only eradicate all of the social liabilities of public housing, if properly implemented and administered, but it would also serve to reduce the physical disadvantages. However, before pursuing what such a government policy would entail, it is imperative to garner an understanding of what co-operative housing actually is, and of how government has treated it to this point in time. We will endeavour to realize these objectives in the following two chapters.

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25. Adepoju Onibokun, "Public housing Habitability Study", Housing and People, Vol.3, No.1, April 1972, p.11. This article is a concise summation of the findings of Onibokun regarding public housing conditions. Apart from the findings mentioned, the author also points out two other key problems: inefficient public transportation facilities (due to the marginal location of sites), and social stigmatization. For a more in-depth analysis of these six key problematic areas see, Adepoju Onibokun, A Comparative Analysis of the Relative Habitability of Public Housing Projects in South-Western Ontario, unpublished Ph.D. thesis, Waterloo: University of Waterloo, 1971.

26. See, for example, Dennis and Fish, op. cit., the Canadian Council on Social Development, op. cit., Onibokun, A Comparative Analysis of the Relative Habitability of Public Housing Projects in South-Western Ontario, op. cit., and D.E. Woodsworth, F.J. McGilly, L. Collen, and M. Corbeil, Low Income Housing: A Preliminary Survey of the Perceptions and Attitudes of Occupants of Low Income Housing in Montreal, Montreal: McGill University, School of Social Work, 1969.
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CHAPTER THREE
THE CONCEPT OF CO-OPERATIVE HOUSING

"The concept (of co-operative housing) is not readily grasped if we think in traditional ways."¹

Co-operative housing is a relatively new phenomenon within the Canadian environment and, as such, there exist numerous misunderstandings as to what this form of accommodation actually entails. These misconceptions are no doubt reinforced by the fact that co-operative housing constitutes neither home-ownership in its quintessence nor the epitome of renting, the only two types of tenure with which most Canadians are traditionally familiar. In effect, it constitutes a middle way, a form of collective ownership based on "the social organization of individual self-interest."²

In its simplest form, co-operative housing could be seen as home-ownership by a group of people. Those who occupy the housing are its owners, with the usual proprietary rights, but the non-profit principle prevents them from making a personal gain in housing as an investment. In other words, the residents are both

landlords and tenants.

In examining the basics and principles of the co-operative movement in this chapter, it is hoped that a clear comprehension of the co-operative housing concept will emerge, thereby dispelling many of the extant misconceptions associated with the term. Such an examination will also demonstrate that, if the principles of cooperation are realized in a co-operative housing milieu, none of the social liabilities which accrue from public housing tenancy need materialize.

However, before pursuing such a course of action, it is required that we differentiate between the two basic types of co-operative housing, the building co-operative and the continuing co-operative. Throughout the remainder of this study, we will concentrate solely on the latter for purposes which will become clear in our discussion of the former.

The Two Types of Co-operative Housing

(i) The Building Co-operative:

The building co-operative is a short-term organization used as a route to individual home-ownership. Its membership is comprised of individuals who desire to possess their own homes but do not wish to purchase through the private market. They form a co-operative,

purchase the required materials for construction, and help each other build houses. Once the homes have all been built, the individual members of the co-operative take possession of individual houses and the co-operative is dissolved. The primary means of lowering costs is "sweat equity",--the members themselves do the labour and call on experts only when necessary.

Originating in the 1930's in Nova Scotia, the building co-operative has had only a minimal impact on Canadian housing practices outside of its province of origin.³ To a large degree, its lack of popularity has been based on the social forces of urbanization. Although building co-operatives may be suitable for a rural or small-town milieu, "they are inappropriate for large urban areas where high land costs result in higher densities and more comprehensively planned communities."⁴ Since Canada is already a highly urbanized society, the building co-operative movement has little chance of expanding and becoming a key housing alternative.

It may also be argued that the building co-operative fails to constitute a true co-operative endeavour at all because of its ephemeral nature and the fact that its ultimate objective is dissolution and the establishment of individual home-ownership. This introduces the possibility of speculative use of the property and the

acquisition of a profit after sale— exactly what the true co-operative is established to avoid.

As a result of these limiting factors, its rural basis and questionable co-operative status, the building co-operative will not be dealt with further. Instead, our efforts will concentrate on the continuing housing co-operative, for it is this form of accommodation which offers the most viable alternative to public housing as a means of aiding the poor.

(ii) The Continuing Co-operative:

As the name implies, continuing co-operatives are on-going organizations. In terms of tenure, they are an amalgam of home-ownership and conventional renting, offering the benefits and security of home-ownership in combination with monthly payments to cover costs.

In a continuing co-operative, the entire membership collectively owns the housing (through the creation of a corporation in which the members of the co-operative are the only "share-holders"), with each family participating in the operation and management of the organization. The members all work together to keep the operating costs down, thereby reducing the amounts to be paid monthly by individual members.

In order to garner a greater understanding of the continuing housing co-operative, it is necessary to examine the principles which act as guidelines to its

activities.

The Principles of Co-operative Housing

The original principles of co-operative activity were first formulated in 1844 by a small group of weavers in Rochdale, England. Calling themselves the Rochdale Society of Equitable Pioneers, these individuals established eleven principles of behaviour for the operation of a co-operative grocery store which they had opened.⁵ Now recognized as the Rochdale Principles, these eleven basics of cooperation still constitute the nucleus of the co-operative movement, although they are often modified according to the type of co-operative enterprise being undertaken:

1. Membership voluntary and open to all;
2. Democratic control;
3. Political and religious neutrality;
4. Continuous education in the principles and practices of cooperation;
5. Savings on purchases distributed periodically;
6. Limited interest on share capital;
7. Trade only in pure goods;
8. True weight and measure to be marked on goods;
9. Sale at market prices;
10. All transactions on a cash basis;
11. Ample provision for depreciation and reserves.⁶

It is quite evident that not all of the original Rochdale Principles are applicable to the co-operative housing movement. However, the first four principles

enunciated above are ~~relevant~~, as are two others which cannot be ignored— non-profitability and a desire for cooperation with other co-operatives. An understanding of these six principles is integral to an understanding of the entire co-operative housing movement.

(i) Membership voluntary and open to all;

One of the original Rochdale Principles, this simply means that people must be free to join and leave the co-operative at will, and access to membership must be open to all applicants who can make use of the service. Clearly, however, in a housing co-operative it is not possible to interpret this tenet as freely as in some other type of co-operative endeavour, such as a consumers co-operative, because of one fundamental limitation— size.

A housing co-operative obviously cannot provide accommodation for all those wishing to join. A housing development with two hundred units can only accommodate two hundred households and thus a certain filtering process is required. Most housing co-operatives do, however, maintain a waiting list so that when a vacancy does occur, the unit may be turned over to someone who has demonstrated a previous interest in becoming a member of the co-operative. This limitation on membership is, of course, unavoidable considering the nature of the co-operative venture.

Members who wish to leave the housing co-operative are free to do so at any time. No limitations are extant for withdrawal from the co-operative. If, upon taking occupancy, the member had made a cash contribution to the capital fund of the co-operative, this is returned to him, in full, upon his departure. Similarly, if he had made improvements in his unit during occupancy, he will be reimbursed by the co-operative for the costs of the improvements.⁷

(ii) Political and religious neutrality:

Membership in a housing co-operative cannot be denied because of the political or religious affiliation of the potential member. The co-operative tradition of neutrality is usually recognized.

(iii) Democratic control:

The decisions which govern the operation of the co-operative must be made in a democratic fashion. For the most part, this principle is strictly adhered to.

The control structure of a housing co-operative is relatively simple. It functions at three levels: membership, board of directors, and management. On an annual basis, the membership of the co-operative elects a volunteer board of directors, made up of co-operative members, which is charged with overseeing the operation of the development. The board establishes

certain committees from the membership to deal with such specific areas as finance, maintenance, membership, and social activities. In larger developments, a property manager may be hired by the board to look after the day-to-day affairs of the co-operative. The manager is responsible to the board which, in turn, is responsible to the membership. All actions of the board must be ratified by the membership at general meetings.

In this manner, the individual member of the co-operative is allowed to participate actively in the decision-making process. Not only does he have an opportunity to exercise responsibility through electoral means, but he also has an input at the committee level. He maintains an equal input into the decisions affecting his environment with all other members. The benefits of such individual participation are substantial:

"When dwellers control the major decisions and are free to make their own contributions in the design, construction, or management of their housing, both this process and the environment produced stimulate individual and social well-being. When, on the other hand, people have no control over, nor responsibility for, key decisions in the housing process, dwelling environments may instead become a barrier to personal fulfillment and a burden to the economy."⁸

Five specific advantages may be seen as accruing from user participation in the housing environment.⁹

First of all, it bridges the gap between the values of management and tenants for, in a housing co-operative, they are one and the same. As we saw in chapter two, one of the gravest problems associated with the public housing program is that concerning the antipathy which exists between management and clientele, a hostility largely based on conflicting values and backgrounds. In a co-operative housing milieu, decisions are made democratically with the actions of the board and of management dependent on the wishes of the membership. The members of the co-operative make the decisions, not an appointed managing body.

Secondly, user participation better serves the needs of the members. They themselves determine what their needs are and embark on a course of action steered at the fulfillment of those needs.

A third advantage of user participation is that it results in greater user satisfaction and a deeper commitment to improve the housing environment. As compared to public housing, where the tenants are made well aware of the fact that they reside in units which they do not own, co-operative housing stresses the point that the members are the owners and, as such, it is totally up to them to participate and help create a healthy housing environment. As Jerry Voorhis has

written,

"Cooperative homeownership at its best engenders pride in one's neighborhood. The spirit of mutual helpfulness in providing good homes and environment appears to create a group morale and group standards of conduct whose social value is hard to measure."¹⁰

User participation also allows people to gain control over a certain aspect of their lives, in this instance, their housing environment. By being allowed to freely participate in the making of decisions affecting their surroundings, people are exercising a degree of control over that environment. As Becker has pointed out, such input can lead to less alienation and thereby produce increased feelings of responsibility and, subsequently, a better housing environment.¹¹ No such control can be exercised in a public housing setting, for the decisions are not being made by the tenants, but by management.

A final advantage which accrues from user participation is that it results in personal growth and personal development by enhancing feelings of self-worth. By having an input into the decisions affecting his environment, the individual is allowed to exercise responsibility and, if the decisions which are made produce beneficial results, he can be proud of his own contribution. At the same time, "involvement in the

decision-making process provides for the growth of self-help attitudes, breaking with the acceptance of paternalistic processes and decreasing apathy."¹²

Since all of these advantages accrue from democratic control and user participation, it is not surprising to find that most housing co-operatives actively encourage their members to vote on all policy matters and to sit on at least one committee. As two studies which have recently been conducted also show, most co-operative housing members welcome these opportunities to participate and do so quite willingly.¹³

Thus, this all-important principle of cooperation is, for the most part, being realized in practice as it relates to housing co-operatives in Canada.. For any housing co-operative to succeed, this principle must be realized for without democratic control the needs of the residents will not be fulfilled and the feelings of control and self-worth which participation engenders cannot materialize.

(iv) Education in the principles and practices of cooperation

Fundamental to the whole co-operative concept in housing is the educational process by which a group of people come together and prepare themselves for the responsibilities of owning and operating a development. It is an integral principle of any co-operative housing endeavour for, as Donald Sullivan states,

"The success or failure of tenant education may affect the overall social climate of a cooperative—by affecting the extent that residents are both able and willing to understand and accept the principles of cooperative housing."14

Not only do the members of the co-operative have to be educated in matters of business, management, and social organization, but they must also be taught that an undertaking of the co-operative nature depends on group action and the reaching of decisions by consensual agreement. There must be a solid commitment to mutuality and interdependence or the co-operative may come to be run by a few members while the others sit passively by. They must also understand that the establishment of a co-operative housing development is a time-consuming process, involving myriad meetings with governmental representatives and much meticulous paperwork, and possibly a frustrating one. Most importantly of all, the members must realize that if they want the co-operative to succeed, it is up to them.

Since co-operative housing is such a new phenomenon in Canada, it is a novel experience for most members. As such, the role of education cannot be ignored or set aside. The educational process must commence long before the sod is even turned, and it must emphasize the fact that co-operative housing is much more

than inexpensive accommodation. It is a way of life, and is inexpensive because the members themselves do much of the work. Part of that way of life is to contribute time and effort, for without these, the co-operative will not serve its utmost purpose—providing a service for the members at the lowest possible cost. Without understandings of this nature, the co-operative will fail in meeting its objectives of providing affordable shelter, direct and equal control by all members, and a sense of community.

(v) Non-Profitability:

All co-operative housing developments operate on the principle of being non-profit in nature. In recognizing this tenet, there is an explicit understanding that the motivating force behind co-operative housing is the provision of a service, not the accumulation of capital.

The member of a housing co-operative pays a "monthly charge" for his accommodation. The amount to be paid is based solely on the costs of operating the development, the bulk of which is for mortgage repayment. Other expenses may accrue from the hiring of a manager, snow removal, and the like, but no amount in excess of costs is charged. All housing co-operatives are non-profit in nature and, indeed, must be so if they are to be eligible for government assistance. Since no one is

garnering a profit, the monthly charges are lower than rents would be for comparable accommodation in the private market. The fact that members often do much of the maintenance work themselves helps to keep costs down, thereby allowing for lower monthly charges.

(vi) Cooperation with other co-operatives:

In 1966, the International Co-operative Alliance included the principle of cooperation among co-operatives as a basic goal of the co-operative movement.¹⁵ Indeed, one of the benefits of co-operative housing must be seen as the potential for establishing relationships with other co-operative ventures, such as co-operative food and clothing stores and day-care centres. Not only would the realization of such a potential strengthen the co-operative movement as a whole, but it would also provide co-operative housing members the opportunity to cut living costs down even further by working with other non-profit enterprises.

In some instances, co-operative housing societies form their own co-operative stores and day-care centres. By fully utilizing the expertise and education acquired in the creation of a housing development, they have expanded their interests for the mutual benefit of their members.¹⁶

Although these six principles may be seen as

being somewhat alien to the Canadian way of thinking, it is only because they are novel. When people are socialized to think in only two ways when it comes to accommodation, home-ownership and conventional renting, it is difficult to introduce new ideas and have them accepted. Yet, as we will see in chapter four, the co-operative housing movement in Canada has steadily expanded since its genesis in the mid-1960's, even though its overall impact on Canadian housing practices is still limited. However, in countries where it has existed for a longer period of time, although not much longer, co-operative housing has evolved to the point where it does have a considerable impact in the housing field.

Co-operative Housing Elsewhere

Just as external factors precipitated the involvement of the Canadian government in housing affairs in the 1930's and 1940's, so too were such factors responsible for similar incursions by European governments. Following the second World War, many European countries were faced with a housing shortage, the result not only of veterans returning to domestic life but also of the property devastation which resulted from the war being fought in that geographic area. Governments were therefore forced to stimulate the construction of housing on a large scale.

Unlike the Canadian experience, however,

"...central governments did not want to provide housing themselves nor— with the exception of the U.K.,— to involve local government in the provision of housing. Non- or low-profit enterprises became the main agencies of the post (war) housing drive."¹⁷

The central governments contributed to the development of the third sector in housing through the provision of loans and subsidies.¹⁸ The co-operative housing movement began to flourish and has continued to do so to this day, providing housing for a broad socio-economic cross-section of the population, including those in the lower-income category.¹⁹

In Western Europe, co-operative housing has had its greatest impact in the Scandinavian countries, where co-operative projects receive substantial support from governments.²⁰ Co-operative housing has also become a popular method of providing housing in Eastern Europe, most notably in Poland, Czechoslovakia, the German Democratic Republic, and Hungary. In Poland, approximately fifty per cent of all new dwellings are constructed by co-operatives,²¹ while the respective figures for Czechoslovakia, East Germany, and Hungary are forty-nine per cent,²² twenty-eight per cent,²³ and thirty per cent.²⁴ In the case of these countries, government involvement is heavy. As well as providing the land, the state constructs

the dwellings and, when they are completed, turns them over to the members of the co-operative who are responsible for all further actions. As a result of this government contribution, the average rent charged is ten per cent of income.²⁵

Although the degree of government support in the Scandinavian countries is not as great, it is still most conducive to the development of a strong co-operative housing movement. As such, it is imperative to study the extent and types of assistance offered in these countries individually, for combined they serve as an interesting precedent for the evolution of a solid Canadian government program on co-operative housing.

Denmark:

In Denmark, thirty per cent of all dwellings constructed in the key metropolitan centres are of the co-operative type. The figure for the country as a whole is twenty-five per cent.²⁶ The impact of co-operative housing on Danish housing practices has been facilitated by government support, which is based on the belief that, "the co-operative movement (is) the most important non-profit method of providing housing for the lower income groups of the community."²⁷

What is the nature of this support? First of all, co-operative housing groups are allowed to purchase

land from the local level of government which sells it at a minimum profit level. Secondly, the national government provides grants which cover twenty per cent of the construction costs of a development, with these being conditional on a municipal grant of twenty-five per cent. Thirdly, to cover the remaining costs of construction, the national government provides loans to co-operative housing groups with a long repayment period and a subsidized interest rate. Lastly, special subsidies are made available to those tenants "in need", serving the purpose of reducing rents paid even further. In order to ensure that these benefits accrue to the lower-income populace, the government has stipulated that, to be eligible for co-operative accommodation, the maximum household income level must not exceed 50,000 krona, or approximately \$7000 per year. Such a restriction not only ensures low-income occupancy, but it also provides for a mixed-income clientele in the development.²⁸

Sweden:

Since the second World War, twenty per cent of all housing constructed in Sweden has been by co-operative housing societies.²⁹ As is the case in Denmark, the Swedish government has also facilitated the development of a co-operative housing sector and has relied upon the co-operative movement to provide low-income housing.

There are three facets to government assistance in Sweden. First of all, long-term loans are made available to co-operative housing groups. The interest rate is subsidized. Secondly, the government offers financial assistance to the poor in the form of a family housing allowance which provides an annual subsidy to families living in co-operative housing with incomes under a certain level. This legislation serves to maintain a maximum shelter/income ratio of **twenty** per cent. Thirdly, municipal governments are empowered to lease land to co-operative housing groups at a low rate.³⁰

Norway:

Approximately fifty per cent of all post World War II housing in Oslo has been erected by co-operative housing groups.³¹ This intense co-operative activity has no doubt been the result of a Norwegian housing policy which,

"...seeks to stimulate co-operative and other forms of non-profit housing production, believing it to have great advantages over privately or municipally built housing.... An underlying principle of the post-war housing policy is that those who live in the dwellings should also take part in ownership. Therefore, the Housing Banks favour owner-occupied builders and especially co-operative housing societies."³²

The assistance provided to Norwegian co-operative housing groups is similar to that available in Sweden.

Long-term loans, with a subsidized interest rate, extra subsidization for low-income families to help maintain a twenty per cent shelter/income ratio, and the availability of low-cost land all act to stimulate the co-operative housing sector in Norway in such a way that it will provide housing for the poor in a mixed-income environment.³³

The solid commitment on the parts of the governments of the Scandinavian countries to the co-operative housing movement has enabled that sector to look after the housing interests of the poor to such an extent that public housing, as we know it in Canada, is virtually non-existent. Such a commitment has also allowed the co-operative housing movement to flourish and grow to the point where it is now firmly entrenched in Scandinavian housing practices. As we will see in chapter four, the various levels of government in Canada have not yet made such a commitment and, consequently, the co-operative housing movement has continued to remain unknown, ignored, or misunderstood.

Conclusion

As we saw in the second chapter of this study, the public housing program in Canada is rife with problems. Although many of the physical problems of public housing could be overcome with increased financial aid (for

better construction of the units), the social problems associated with that form of accommodation are not so easily surmountable. The philosophy of the public housing program, a philosophy which calls for the creation of projects solely for the poor, can only lead to the emergence of the inevitable by-product—stigmatization. The fact that the needs and wants of the tenants are determined, not by the occupants themselves, but by an unsympathetic management serves only to exacerbate the feelings of low self-respect and low self-worth endemic to a program which socially ostracizes the poor.

If the principles of cooperation are practiced in a co-operative housing environment, all of these problems may be eradicated and the Canadian poor, with firm government assistance, may still be allowed to reside in affordable accommodation. In a mixed-income co-operative housing development, the poor would not only be allowed to determine, with others, what their needs and wants are, but they would also be able to participate in a process geared to fulfilling those needs and wants. They would no longer be tenants, with their lives being controlled by some higher authority, but instead they would be owners and co-determinators of policy, exercising a control over their environment. As was pointed out earlier in this chapter, the benefits of

such participation are immense, not only for the individual (in terms of his own feelings of self-worth) but for the co-operative community as a whole (as members attempt to create and improve upon a healthy housing environment).

Yet, as the Scandinavian example aptly demonstrates, none of this can materialize without solid government assistance. A strong government commitment to co-operative housing is of critical importance. Without it, and the accompanying financial aid, co-operative housing will remain unknown and misunderstood, and totally inaccessible to the poor.

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ENDNOTES

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CHAPTER FOUR

C O-OPERATIVE HOUSING IN CANADA

"The third sector is slowly but surely gathering the commitment and capability to make it a significant factor against inflation and poor standards in the housing market. C.M.H.C. has only to decide whether it will take advantage of that force."¹

Since its genesis in the mid-1960's, the continuing co-operative housing movement in Canada has grown and steadily expanded, although its overall impact on Canadian housing practices has been minimal, accounting for less than one per cent of annual housing starts.² Much of the impetus for growth has been channelled internally, within the movement itself, while the federal government and its chief agency in the housing area, Central Mortgage and Housing Corporation, have played a filtering, as opposed to a facilitating, role. Whatever governmental assistance has been offered has been in the financial vein, and it has proven inadequate in terms of developing co-operative housing as a source of low-income accommodation. As a result of such passive government involvement, the co-operative housing movement has failed to realize its

true potential within the Canadian environment. The government's lack of commitment to this new form of habitation has made it difficult for the movement to provide an alternative channel to public housing as a means of alleviating the housing dilemma of the Canadian poor.

The focus of government assistance is provided through section 34.18 of the National Housing Act (1973). Through an analytical examination of the scope and levels of government aid to the co-operative housing sector, this chapter will endeavour to demonstrate that the program, as it now exists, is so replete with problems that it offers little chance of fostering an alternative to public housing and encouraging the metamorphosis of a strong co-operative housing movement in this country. Drastic policy reforms are required if the co-operative sector is to attain widespread popularity and function at its optimal level. Such reforms would require a total commitment to co-operative housing on the parts of government and C.M.H.C. officials, a commitment which, up to this date, has been sadly lacking.

Before undertaking such an analysis, however, it is necessary to briefly examine the emergence of the co-operative housing movement in this country. As this examination will illustrate, the movement's birth was spawned by forces other than government which, at the time,

adopted an almost hostile attitude to co-operative endeavour in the housing field.

The Genesis of Co-operative Housing in Canada

Winnipeg was the home of Canada's first continuing housing co-operative, Willow Park. Admitting its first resident members in 1965, Willow Park Co-operative was pioneered by the Co-operative Housing Association of Manitoba (C.H.A.M.), a body which incorporated in 1960 for the purpose of promoting and constructing housing co-operatives. The membership of C.H.A.M. consisted of ten individuals and six organizations devoted to the co-operative concept: the Winnipeg and District Labour Council, Federated Co-operatives Limited, the Co-operative Life Insurance Company, Manitoba Pool Elevators, the Co-operative Credit Society of Manitoba, and the Co-operative Fire and Casualty Company.³ The bulk of the required capital for the construction of Willow Park was made available by the Co-operative Credit Society of Manitoba, and was guaranteed by Federated Co-operatives Limited. The role of the federal government in the emergence of the co-operative was non-existent.⁴

The official view of Central Mortgage and Housing Corporation towards co-operative housing ventures at that time was not encouraging. The words of one

C.M.H.C. policy advisor summed up the attitudes of that organization:

"To live in a city neighbourhood happily and successfully, people find that they must maintain a polite but somewhat withdrawn 'arm's length' relationship with neighbours. These harmonious relationships can be easily upset when issues of a quite different kind are introduced. Home is a very private thing and anything to do with one's own private affairs is best kept independent and separate from the friendly contacts with neighbours. This is the nature of life in cities and city people are wise to avoid getting into situations that may cause disagreements, friction and entanglements with neighbours. I can't imagine anything more likely to jeopardize this kind of stability of family life than becoming involved in a venture of cooperative housing."⁵

With that predilection, it is no wonder that no government assistance was made available to the pioneers of Willow Park. The first continuing housing co-operative in Canada came about because of the efforts of individuals who believed in the co-operative cause. The initiative for innovation came, not from government circles, but rather from the organized labour movement and from co-operative groups which utilized their past experiences to make Willow Park a successful venture.

Perhaps the inspiration provided by the Winnipeg experience was one of the reasons which prompted the organization of the Co-operative Housing Foundation (C.H.F.)

in 1968. Founded by the Canadian Labour Congress, the Co-operative Union of Canada, and the Canadian Union of Students, C.H.F. pursued the objective of promoting, "Canada-wide initiative, sponsorship and co-ordination of various types of co-operative housing."⁶ At the time of its founding, 1968, Willow Park was still the sole continuing housing co-operative in existence in Canada but, within two years, the Co-operative Housing Foundation had managed to initiate further developments in British Columbia, Alberta, and Ontario. Patterning its actions on the Willow Park experience, C.H.F. established similar organizations to C.H.A.M. in these provinces and thereby established the framework for an expanding co-operative housing sector in Canada.

At the same time, C.H.F. began lobbying in Ottawa for legislative benefits. Unfortunately, however, its pleas fell on deaf ears. The developments being constructed in the late 1960's, such as Sarcee Village Co-operative in Calgary, were still forced to acquire funding from sources other than government. Sarcee Village received its funding from the building trades, industrial unions, credit unions, and co-operative stores, as did most other ventures at the time.⁷

As the co-operative housing movement continued to expand and move into different regions of the country, the Co-operative Housing Foundation maintained its

lobbying efforts on Parliament Hill. Its efforts were finally rewarded in 1970 when the federal government announced a \$200 million "innovative fund" for social housing. This fund provided C.M.H.C. mortgage money at about two percentage points below the market interest rate. C.H.F. negotiated with the head office of C.M.H.C. to have housing co-operatives financed by this fund, and approval was gained for developments in Vancouver, Toronto, London, Calgary, and Winnipeg.⁸

However, the "200 million dollar program", as it was popularly called, was ephemeral in nature. From the outset, it was to be merely a short-term experimental program. As such, the Co-operative Housing Foundation was forced to continue its lobbying in Ottawa to get amendments made to the National Housing Act which would serve the purpose of legally recognizing co-operative housing. Submissions were made to Central Mortgage and Housing Corporation and to the Minister of State for Urban Affairs and, finally, in June of 1973, Parliament amended the National Housing Act and financial assistance for co-operative housing groups became available on a long-term basis, (as opposed to the short-term basis provided for under the terms of the 1970 "innovative program").

From the founding of the Co-operative Housing Association of Manitoba in 1960, until the National

Housing Act was amended in 1973, the co-operative housing movement in Canada was left virtually on its own. It took an intensive lobbying effort, and the establishment of a number of successful co-operative housing developments, before the government would recognize co-operative housing as a worthwhile endeavour. Yet, as we will see in the following section, the amendments which were introduced in 1973 have failed to facilitate to any substantial degree the utilization of co-operative housing as a means of low-income accommodation. The government's attitude towards this form of housing may have softened in the years since the early 1960's, but its commitment to co-operative housing is still of a limited nature. Its reluctance to adopt a facilitator role has, in turn, limited the true potential of co-operative housing.

Government Policy in the Field of Co-operative Housing

As a result of the 1973 amendments to the National Housing Act, Central Mortgage and Housing Corporation was empowered to make long-term loans to co-operative housing groups. These loans may cover one hundred per cent of costs, and the interest rate is subsidized to bring it below the market rate. As well, C.M.H.C. may provide a capital grant to a co-operative housing development equal to ten per cent of its appraised value.

Start-up funds of up to \$10,000 are also made available, either in loan or grant form, or a combination of the two. Prior to the termination of the Residential Rehabilitation Assistance Program (R.R.A.P.) in March of 1978, co-operative groups were entitled to rehabilitation assistance without necessarily locating within a Neighborhood Improvement Program (N.I.P.) zone.

Community resource organizations providing technical and developmental advice to local co-operative housing groups have been eligible for C.M.H.C. funding since mid-1974 under the terms of the Community Resource Organization Program (C.R.O.P.). Federal-provincial agreements providing rent-to-income subsidies for a portion of the tenants of a co-operative housing development (not to exceed twenty-five per cent of the tenants) were signed in 1975.

Various provinces have added certain legislative benefits to the federal program, but this assistance is quite limited in nature. Both British Columbia and Ontario match the ten per cent capital grant offered by the federal government. The Saskatchewan government, through the Saskatchewan Housing Corporation, provides technical services and advice to those groups which demonstrate a need for it. British Columbia, Manitoba, and Saskatchewan also offer additional subsidization for units which are explicitly set aside for the housing of

senior citizens. The governments of Alberta, Quebec, and the Atlantic provinces provide no additional support.⁹

Due to the limited incremental nature of provincial assistance, detailed analysis is not worthwhile. Instead, our analysis will focus on the federal policy and its implementation for it constitutes the bulk of government aid to the co-operative housing sector.

A number of important problems exist with the federal approach to co-operative housing and, taken together, they form a formidable barrier to the evolution of a strong co-operative housing movement in this country. One of the greatest obstacles faced by co-operative housing groups is lack of adequate funding. As Table 4.1¹⁰ (pages 101 and 102) demonstrates, the total amount of financial assistance provided to co-operative housing societies is severely limited and, in comparison with monies allocated to the public housing program, almost microscopic.

The start-up funding program is also a problematic area. Although the legislation permits funding to a maximum of \$10,000, the average amount allocated is well under \$5000. Initially, funding was provided almost exclusively through grants but, in the past few years, C.M.H.C. has demonstrated a predilection towards increasing the loan portion of the start-up contribution and

Table 4.1 C.M.H.C. Grants, Contributions, Subsidies,
By Program, 1968-1977
 (in millions of dollars)

Program	1968	1969	1970	1971
Social Housing				
Public Housing Subsidies	4.4	5.4	9.4	17.1
Non-Profit Assistance	-	-	-	-
Co-operative Assistance	-	-	-	-
Rural and Native Housing	-	-	-	-
Sub-Total	4.4	5.4	9.4	17.1
Market Housing				
Assisted Home-Ownership Program	-	-	-	-
Assisted Rental Program (Interest Forgiveness)	-	-	-	-
Sub-Total	-	-	-	-
Land Assembly and Municipal Infrastructure				
Land Assembly and Leasing	-	-	-	-
Sewage and Water Loan Forgiveness	6.1	6.2	6.9	14.3
Municipal Incentive Grants	-	-	-	-
New Communities	-	-	-	-
Sub-Total	6.1	6.2	6.9	14.3
Community Revitalization				
Neighborhood Improvement Grants	-	-	-	-
Residential Rehabilitation Grants	-	-	-	-
Urban Renewal Grants	13.0	24.0	23.4	22.3
Sub-Total	13.0	24.0	23.4	22.3
Home Insulation Grants	-	-	-	-
Real Estate Operating Losses	-	-	-	-
Interest Rate Losses	-	-	-	-
Other	3.8	5.4	4.3	8.7
TOTAL	27.3	41.0	44.0	62.4

1972	1973	1974	1975	1976	1977
30.0	46.2	63.4	87.0	117.2	141.1
-	-	6.4	11.4	17.1	24.6
-	-	-	1.8	3.9	5.4
-	-	5.7	5.9	6.6	4.3
30.0	46.2	75.5	106.1	144.8	175.4
-	0.7	5.0	10.1	21.7	29.3
-	-	-	0.2	2.6	9.9
-	0.7	5.0	10.3	24.3	39.2
-	-	-	-	-	0.1
23.1	37.8	25.7	31.3	51.2	78.6
-	-	-	-	2.1	36.3
-	-	0.1	0.1	0.1	0.1
23.1	37.8	25.8	31.4	53.4	115.1
-	0.1	2.7	6.3	12.5	21.7
-	-	1.2	10.2	28.7	62.6
20.7	13.9	13.5	10.1	6.7	7.5
20.7	14.0	17.4	26.6	47.9	91.8
-	-	-	-	-	43.4
-	-	5.8	9.6	10.3	11.3
-	-	4.1	8.5	11.6	27.2
8.0	12.2	16.0	53.7	20.2	20.4
81.8	110.9	149.6	246.2	312.5	523.8

Source: Central Mortgage and Housing Corporation,
Annual Report 1977, Ottawa, 1978, pp.84-85.

decreasing the amount of grant.¹¹

C.M.H.C. has also altered the criteria for the granting of start-up funds since 1973. At the outset of the program, monies were allocated fairly generously to groups which demonstrated an interest in creating a co-operative housing development. As the program evolved, however, groups were expected to have done a substantial amount of preparatory work before any funding would be allotted. This creates a dilemma for the embryonic group.

"Groups will be required to do a substantial amount of project preparation well before receiving financial assistance from C.M.H.C.... Groups are expected to accomplish this on their own, yet what resources they have are held against them later when it comes to the assessment of their financial needs for funding under the start-up program. Groups must have the resources to establish their credibility but, at the same time, the more resources they have, the less they can expect in the way of financial support from the start-up program, as their needs, according to C.M.H.C., will be less.... Consequently, the ability of groups to survive through the long development stages of a project is seriously reduced."¹²

Even if start-up funding is acquired, it is insufficient for most groups. In a study conducted by Christopher Haire in 1975, it was found that architects' fees alone could swallow up all of the funding, thereby

leaving the group with no finances for legal fees and the like. Haire also found that nearly half of the groups which did receive start-up funds were having difficulty persevering and meeting costs integral to the development of a successful co-operative housing project.¹³

Groups that have managed to acquire sufficient start-up finances cannot look forward to an easier road on their way to the completion of the development. Approval of a loan is a time-consuming process, delays being due to a number of factors all stemming from C.M.H.C. regulations. The most stifling of these is that requiring that eighty per cent of the units must be purchased by co-operative members before any loan is forthcoming.

"The method chosen is exceedingly stringent and means that the applicant must obtain agreements to purchase (units) from persons of modest income, at a point in time when the cooperative is in its formative stages, cannot show prospective members the housing to which they will be entitled, and may not yet have a site which it can show them."¹⁴

As well, project costs must be agreed upon, the services which the co-operative is to provide must be evaluated in terms of C.M.H.C.'s own priorities and, to assure itself of the economic benefits of the developments, C.M.H.C. requires that the projected monthly charges be shown to be below current market

rates for comparable housing. All of this preparatory work must be conducted by co-operative members, since C.M.H.C. offers no technical, legal, or advisory assistance.¹⁵

The problem of interim financing is also serious. A committee established to advise the Minister of Housing for the province of Ontario declared in its final report that, "the biggest problem facing the third sector is the lack of interim financing and working capital."¹⁶ Oftentimes, the timing of advances by C.M.H.C. does not meet the requirements of the contractor and, if the work is to be continued, the co-operative group is forced to seek expensive interim financing from other sources.¹⁷

A further financial problem faced by co-operative housing groups is that they must purchase land on the open market. As compared to the Scandinavian countries, where land is sold or leased to co-operative housing groups by the government at a reasonable cost, Canadian groups must fend for themselves in a market of escalating land costs. In being required to purchase land in this manner, the co-operative faces increased costs which will reflect in the monthly charges levied on its members.

This problem is exacerbated by the lengthy negotiations period. Land options held by a group

may expire during negotiations with C.M.H.C., and their renewal is an added expense. There is also the additional possibility that the asking price on the land will have increased during the negotiations. In addition, the lack of a firm cost estimate may be reason for C.M.H.C. to refuse the loan approval altogether.¹⁸

In looking at the ten per cent capital grant provided by C.M.H.C. to co-operative housing groups, the Canadian Council on Social Development has concluded that, even in those provinces (British Columbia and Ontario) where the grant is matched by the provincial government, it is insufficient to allow for low-income residency in a development. In fact, the Council has estimated that deeper subsidization is required if even moderate-income households are to take advantage of co-operative housing.¹⁹

Although the non-profit nature of the co-operative housing sector allows for lower costs for tenants than does renting in the private market, the overall costs of establishing a development are high. Legal, architectural, construction, and land costs are significant. Although a ten per cent capital grant lowers these costs somewhat (in terms of the monies to be repaid), it is not sufficient to reduce charges to a level affordable to the lower-income populace. Federal-provincial arrangements which allow for rent-to-income subsidies

are restricted in application covering, at maximum, twenty-five per cent of the units in a development.

In summation, it is evident that the financial restrictions inherent in the government policy approach to co-operative housing act as a serious impairment to the development of a strong co-operative housing movement in Canada. Start-up funding is difficult to acquire and, if received, often inadequate in terms of covering initial costs. The process required for attaining a loan is time-consuming and the acquisition of interim financing is often difficult. The amount of subsidization offered by the various levels of government is inadequate in terms of the provision of housing for low-, or even moderate-, income citizens and, as Table 4.1 illustrated, the overall amount of funding provided is limited.

Yet, the difficulties of acquiring sufficient financial support from governments are not the only obstacles which impede the progress of co-operative housing groups. Administrative arbitrariness on the part of C.M.H.C. officials is an equally significant obstacle. As a study conducted by Louise Clarke has pointed out, C.M.H.C. officials often enact new regulations as a housing development is attempting to form, and conflicting viewpoints and interpretations of regulations are offered by different C.M.H.C. officials. In one instance, Clarke cites a case in which funding had

already been promised to a co-operative group based in London, Ontario for the establishment of a project in the downtown area. Within a short period of time, however, C.M.H.C. officials decided that a suburban location was more propitious, and the co-operative group was informed that its funding would be withdrawn if it did not comply with the C.M.H.C. decision to change the location of the development.²⁰

A lack of positive guidance from C.M.H.C. representatives compounds the difficulties faced by co-operative housing organizers. Since the organizers themselves possess limited expertise in this new area of housing, outside advisory assistance is often required. Yet, as Clarke discovered, such assistance is rarely forthcoming from C.M.H.C.

"The chief complaints about government officials, including C.M.H.C., concern their lack of openness and unwillingness to involve themselves in anything outside their precise jurisdiction....

People (from the government and C.M.H.C.) tended to respond in as few words as possible or would merely say why a particular thing was impossible. No one could or would lay out exactly what was required."²¹

In concluding her survey of co-operative housing groups, Clarke wrote,

"In summary, the profiles indicate that there is a considerable commitment in the third sector and, after their

experiences, a growing body of capable people. There is also considerable frustration. Unless C.M.H.C. makes visible efforts to make the programs more economically viable and the process less arbitrary, capable people will continue to be lost to the movement....

If C.M.H.C. wishes to increase third sector production while still emphasizing the social benefits of the program, they (C.M.H.C. officials) must consider a facilitator-advocate position as an essential key."²²

Overall, therefore, it could be concluded that Central Mortgage and Housing Corporation has played merely a filtering role in the development of the co-operative housing sector in Canada. It has not facilitated the expansion of the movement to any substantial degree. Rather than playing the role of advocate, that government agency has contented itself with allowing the co-operative sector to evolve on its own while providing financial assistance only, assistance which, as we have seen, is woefully inadequate if co-operative housing is to serve the needs of the poor. Technical, legal, and advisory assistance must be sought elsewhere by co-operative groups and such outside assistance, while beneficial, also serves to increase the costs of development.

Undoubtedly, reforms to the program, and to its implementation, must be introduced if it is to become

a more viable vehicle for low-income accommodation.

Our recommendations will be promulgated in the concluding chapter of this study. For now, however, it is essential that the proposed legislative changes to the co-operative housing program be analyzed in order to ascertain their potential effectiveness in terms of the development of a more comprehensive co-operative housing program.

The Proposed New Program

On May 5, 1978, the Honourable André Guellet, Minister of State for Urban Affairs, announced the federal government's new low-income housing program as one of a series of releases entitled "New Directions in Housing Policy." In its most general terms, the program proposed that the federal government pull out of the provision of capital funds and replace it with a subsidized interest rate. Borrowers would have to turn to the private sector for the acquisition of capital. Originally intended to be made effective on the date of the announcement, the actual date of implementation was postponed due to the opposition of two forces, the Co-operative Housing Foundation and the provincial ministers in charge of housing. At the time of writing, a continuing dialogue between C.H.F. officials and representatives of the federal government is in progress,

and no firm decision as to the future of the proposed legislation has yet been reached.

Provincial opposition to the program is based on a belief that the new legislation, if implemented, would prove to be much less advantageous to the co-operative housing sector than the old arrangements established in 1973.²³ Voicing their opposition at the June 1978 federal-provincial conference on housing, the provincial ministers persuaded the federal Minister of State for Urban Affairs to postpone implementation of the program until some modifications and clarifications were introduced.²⁴

The Co-operative Housing Foundation also expressed an intense opposition to the proposed legislation. Before undertaking an examination of its specific criticisms, however, it is imperative that we examine the contents of the proposed program.

Under the terms of the program, co-operative groups would have to acquire capital funding on the private mortgage market. The capital grants previously provided by Central Mortgage and Housing Corporation would be replaced by a system of annual operating grants with the level of subsidization being calculated using the rent-geared-to-income concept. Each household in the co-operative development would spend twenty-five per cent of its gross income for the accommodation and,

if the co-operative had a surplus, the excess monies would go to C.M.H.C. If, on the other hand, the co-operative had a deficit, C.M.H.C. would provide an operating subsidy, up to a certain maximum level. If the maximum subsidy was not sufficient to cover costs, the co-operative would be forced to turn to its members for the additional funding, thereby increasing the members' shelter/income ratios above the twenty-five per cent level.

As well, co-operatives would be urged to purchase existing housing. Rehabilitation would be stressed over construction, and an emphasis was to be placed on small co-operative ventures.

The maximum level of start-up funding would be increased from \$10,000 to \$75,000. However, the amount of initial work required from the co-operative group to obtain such funding would also be increased.

The proposed legislation would also do away with the federal-provincial rent supplementation scheme as it related to co-operative housing. No longer would twenty-five per cent of the residents of a co-operative housing development receive extra subsidization from the government to allow them to reside in co-operative housing.

Central Mortgage and Housing Corporation presented a number of reasons to justify the proposed changes in

policy, the primary ones being:

1. To minimize C.M.H.C. direct lending by using private capital funds for mortgages;
2. To separate the federal and provincial roles and minimize cost-sharing programs;
3. To utilize the large stock of unsold or unrented, privately-built housing units by encouraging non-profit groups to purchase them.²⁵

Not only would the implementation of the proposed program be more disadvantageous to the co-operative housing movement than the 1973 program in financial terms, but it would also serve to limit the decision-making capabilities of a co-operative housing society. Co-operative groups would be allowed to exercise little control over the location and type of housing which would eventually be owned. In being urged to purchase existing housing, the co-operative would be acquiring property which, for reasons of poor location, poor design, poor construction or projected high operating costs, could not sell on the private market. As well, the individual members of the co-operative would not be able to set the basic goals and objectives of the group with respect to the actual design and location of the development. Any chance of user participation at this stage of the project would be curtailed.

As it relates to financial matters, the proposed

legislation would serve to erode the whole basis of cooperation. In establishing that all residents must spend a minimum of twenty-five per cent of their gross incomes for housing charges, the legislation would eliminate the co-operative objective of working together to reduce costs. Any surplus savings which could result from self-management, doing one's own maintenance, reducing utility costs by conserving, and so on would go to C.M.H.C. The members themselves would not realize any tangible benefits for there would be no possibility of reducing one's shelter/income ratio. The only possibility which would exist is that of having the ratio increase, which would occur if the levels of subsidization were not sufficient.

What are the implications of this as it pertains to the utilization of co-operative housing for low-income accommodation? According to the Co-operative Housing Foundation,

"...if the maximum subsidy has been used and the co-op still has a deficit, the co-op will get no more. The residents will have to pay more than 25 per cent of gross income in such a case. This will require the co-op to closely monitor the income ranges and to make sure that there are always more upper income members so that the income profile cannot drop during the year. This will have severe implications on membership selection....

If someone in the upper income left

and could not be replaced with another upper income member, those in the lower incomes would have to pay more than 25 per cent of their gross income to make up the difference. The program thus creates an incentive for co-ops to ignore the low-income households and only take moderate to upper income members to make the co-op viable."²⁶

With the termination of the federal-provincial rent supplementation program, the poor would not be allowed to acquire extra subsidization. At minimum, therefore, twenty-five per cent of their gross incomes would be spent on shelter and, if the levels of overall subsidization offered by C.M.H.C. were not sufficient or, if an upper-income member left the development and could not be replaced with someone who earned a comparable income, the twenty-five per cent ratio would increase. Whereas under the old program, the potential for a twenty-five per cent low-income residency existed, under the proposed program the needs of the poor could not be served at all.

Interestingly enough, the proposed program is virtually a carbon copy of American legislation. In 1968, the American Congress enacted section 236 of the Housing Act, a section which established a minimum twenty-five per cent shelter/income ratio for co-operative housing inhabitants and provided annual operating grants to co-operative housing developments. From 1968 to 1978,

"more than 20,000 co-op apartments were built under Section 236, but it has not been as successful as other programs. The basic problem is that all families who move into Section 236 co-operatives pay a minimum of 25 per cent of their net income. But rising operating costs may require them to pay a higher percentage should their incomes not keep up. So, many Section 236 developments are in deep trouble..."²⁷

Surely, some lessons can be learned from the American experience. If the program is failing south of the border, where the co-operative housing sector is small, what are its chances of success in this country?

In examining government policy as it relates to the co-operative housing sector, it becomes evident that it is not a conducive policy for the development of a strong co-operative housing movement in Canada. The policy first enunciated in 1973 is burdened with problems—lack of adequate overall capital funds, insufficient start-up funds, administrative arbitrariness, insufficient subsidization, and a lack of guidance and advice from government and C.M.H.C. personnel,—and the proposed policy of 1978 represents a retrogressive step. It would not only place co-operatives in a financially unstable position, but it would also erode many of the basic principles of co-operative endeavour—working together to reduce costs, user participation, as open a

membership as possible, and so on—and further reduce the potential of co-operative housing as a means of providing good housing at an affordable cost. Such policy orientations are, of course, nothing less than a reflection of the government's overall lack of commitment to the co-operative housing sector.

Conclusion

Since the creation of the Willow Park development in Winnipeg in the mid-1960's, the continuing co-operative housing sector in Canada has steadily expanded, but its overall presence is still minimal. As Table 4.2²⁸ (pages 118 and 119) shows, as of September 1978 there were only 110 co-operative housing developments in existence in this country, with a few others under construction and a small number in the planning stage. These developments provide accommodation for only 7554 families, out of a total Canadian population of well over twenty million.

Few of the existing units are occupied by low-income households. This is not due to a reluctance on the part of the poor to acquire co-operative accommodation, but rather is the result of a government policy which prohibits co-operative housing costs from lowering to a level which the poor could afford. As our analysis of government policy has illustrated, there

Table 4.2

Co-operative Housing Developments in
Canada, By Province, 1978

Province	Occupied		Under Construction	
	Co-ops	Units	Co-ops	Units
Nova Scotia	8	130		
New Brunswick	1	272		
Quebec	11	633	1	13
Ontario	39	2743	8	791
Manitoba	13	1238	1	159
Saskatchewan	3	145		
Alberta	10	646	1	23
British Columbia	25	1747	3	107
Canada	110	7554	14	1093

Planned		Unknown		Totals	
Co-ops	Units	Co-ops	Units	Co-ops	Units
6	85			14	215
		1		2	272
1		55	31	68	677
28	842	4		79	4376
6	558			20	1955
				3	145
2	114			13	783
11	390	2		41	2244
54	1989	62	31	240	10667

Source: Co-operative Housing Foundation,
Directory of Housing Co-operatives,
 Ottawa, September 1978.

is no firm ~~commitment~~ on the part of government to actively encourage the evolution of a healthy co-operative housing sector and, as a result, the movement's expansion has been limited.

Government initiative is a prerequisite if the movement is to flourish and realize its true potential. As we saw in the third chapter, the governments of the Scandinavian countries played a facilitator role in the development of co-operative housing in those countries, and have relied on the movement to provide low-income housing. In the Canadian situation, the government turned instead to public housing, a program so burdened with problems that it is in need of curtailment. If the Canadian government could adopt a similar advocate role to that employed by the governments of Sweden, Denmark, and Norway, then the co-operative housing movement in this country could become as firmly entrenched in indigenous housing practices as it has become in Scandinavia. If the government fails to adopt such an approach, the Canadian co-operative housing sector will have to continue to slowly evolve on its own, and limit itself to the provision of housing for middle- and upper-income households. The potential for low-income residency is certainly there, but will it be realized?

As will be demonstrated in the next chapter of this study, users of co-operative housing express

a higher degree of satisfaction with their accommodation than do the residents of public housing. As will also be pointed out, the co-operative housing dwellers are from a higher-income bracket than are the inhabitants of public housing. The poor could also realize the same levels of satisfaction if they could experience the co-operative alternative but, unfortunately, this possibility is limited because of the limited nature of government initiative in the co-operative sector.

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CHAPTER FIVE

A CASE STUDY

"Because of the nature of the (co-operative) undertaking, the period of previous education and preparation, and the environment of the project once it is established, there is a strengthening of the ideals of neighbourliness, self-help and mutual aid."¹

So wrote the members of the Advisory Committee on Reconstruction Housing and Community Planning in their Report to the government in 1944. Basing its observations on the co-operative housing experience in Europe, the Curtis Committee, as it was more popularly known, demonstrated a clear recognition of the social benefits which could accrue from the development of a strong co-operative housing movement. As a result of this cognizance, the Committee recommended that the federal government of Canada enact legislation which would facilitate the growth of such a movement.²

Unfortunately, however, the Canadian government decided to ignore the recommendation and chose instead to implement a program of public housing as the means of aiding the poor in their quest for affordable accommodation.

Since 1944, a plethora of other government advisory groups have adopted similar positions to that of the Curtis Committee and have promulgated identical recommendations. Most notable among these was the Hellyer Task Force on Housing and Urban Development which, in 1969, announced its support for the co-operative housing movement and stated that, "there seems no doubt that it can and should be of wider benefit in meeting the country's housing needs."³ In 1972, Central Mortgage and Housing Corporation's low-income housing study group, headed by Michael Dennis, enunciated a similar belief⁴ and, in the following year, the Advisory Task Force on Housing Policy for the Province of Ontario followed suit.⁵ Yet, when legislation in relation to co-operative housing finally was enacted by the federal government in 1973, the benefits which it offered fell short of expectations. As we saw in the fourth chapter of this study, the government's co-operative housing program, as it now exists, is weak in terms of both the financial benefits which it offers and the method in which it is implemented. The proposed program, also examined in the previous chapter, is unlikely to fare any better if implemented. Indeed, from our analysis, it appears that it would prove to be even more disadvantageous for purposes of low-income accommodation.

As a result of such government reluctance to commit itself fully to the co-operative method of housing, the poor in Canada are left with only two options in endeavouring to meet their housing requirements. They can either continue to acquire accommodation on the private market or they can choose to reside in public housing. If they opt for the former, they must face the economic consequences of maintaining a high shelter/income ratio. If, on the other hand, they decide on the latter choice, their shelter/income ratios will decrease but they will have to endure the problems associated with public housing. No other option is open to the poor.

However, if the government could adopt more of a facilitator approach to co-operative housing, a third option would present itself. Through the enactment and implementation of a strong co-operative housing program, the poor of Canada would be allowed to take up occupancy in a mixed-income co-operative housing development. By pursuing such a course of action, the government would be enabling the poor to reside not only in affordable accommodation, but also in an environment which would produce greater satisfaction than that of a public housing project.

In presenting the results of a case study conducted by this writer, this chapter will clearly

demonstrate that the occupants of co-operative housing are much more satisfied with their environment than are the residents of public housing with theirs. Prior to presenting our findings, however, reference should be made to two other studies which have pursued identical considerations. Although both of these studies are centred in the United States, they merit attention because of the extant similarities between the public housing programs of that country and of Canada and because, in both countries, the various levels of government involved in the housing sector have demonstrated an unwillingness to fully support the co-operative method of housing.

The first of these studies, Cooperative Housing and Community Development, provides a comparative evaluation of a low-income public housing project (Jefferson) and a moderate-income co-operative housing development (Franklin Plaza), both located in the East Harlem area of New York City. Its author, Donald Sullivan, found that many of the criticisms of the public housing program were justifiable, and that the residents of the Jefferson project expressed a low degree of satisfaction with their housing environment.⁶

In relation to the Franklin Plaza co-operative housing development, Sullivan found a high degree of

user satisfaction. The majority of the residents of Franklin Plaza had, prior to moving into the development, resided in private rental accommodation and, of these, fully eighty-two per cent felt that co-operative housing offered a better way of life. The primary reasons cited for the holding of such a belief were the democratic nature of co-operative housing and the high level of responsibility exercised by fellow residents.⁷

Sullivan also found that the residents of the co-operative housing development took better care of their property than did the occupants of the public housing project. He felt that this was due to the fact that the residents of Franklin Plaza perceived themselves as being owners while the inhabitants of the Jefferson project realized that they were merely renters. As a result of such perceptions, the co-operative dwellers exercised more responsibility than did the public housing tenants and, in so doing, produced a cleaner and healthier living environment.⁸

The results of his study led Sullivan to the conclusion that,

"The strongest evidence in support of the greater social effects of cooperative tenure was the greater sense of responsibility toward the maintenance of common property and the apparent pride derived from residency in Franklin Plaza."⁹

The second study, From Rental to Cooperative,

Improving Low and Moderate Income Housing, by J.E. Zimmer, examines the viability of transforming public housing projects and private rental developments into co-operatives. In analyzing ten instances where such a conversion process took place, Zimmer found that, after the conversion, residents began demonstrating a deeper concern for the physical appearance of the grounds, and of their own respective units, they became more involved in the decision-making processes of the development, the incidences of rent delinquency decreased, and the rates of vandalism dropped, especially in those cases where the conversion had been from public housing to co-operative housing.¹⁰ Overall, the residents expressed a higher degree of satisfaction with their environment after the conversion had taken place than they had prior to conversion, leading Zimmer to the conclusion that,

"The case studies presented in this paper showed that cooperative conversion can have a very positive and dramatic impact on the financial performance and general liveability of low and moderate income housing developments."¹¹

Both of these studies demonstrate the high degree of user satisfaction experienced by co-operative housing inhabitants. In both instances, satisfaction was greater than that experienced through private rental accommodation or through public housing tenancy.

Equally important is the fact that the high levels of satisfaction with co-operative tenure were based predominantly on social factors as opposed to economic considerations. The social benefits which accrue from the co-operative method of housing not only led to cleaner properties, but also resulted in lower rates of vandalism and rent delinquency. Such are the results of a process which allows for the exercise of responsibilities and a voice in policy matters.

The results of our case study, conducted in the city of Ottawa, point to similar conclusions. Utilizing the oral questionnaire technique, ten residents of a public housing project and ten residents of a co-operative housing development were asked, in August of 1978, to give their impressions of their respective housing environments. The questions asked concentrated on eight different areas of habitation: overall degree of satisfaction, management, costs, efficacy, design, stigmatization, neighborliness, and cleanliness. The entire questionnaire is reproduced in the appendix of this paper.

Prior to pursuing an analysis of the responses, however, it is imperative that a brief background to the two housing environments utilized be given. The public housing project in which the survey was conducted is located in the Sandy Hill district of Ottawa. A

large development, comprised of numerous low-rise apartment buildings (with approximately sixteen to twenty units per building), the project is administered and managed by Central Mortgage and Housing Corporation. Originally constructed in the late 1940's and early 1950's to house veterans returning from the second World War, the project is situated along the bank of the Rideau River and is in close proximity to a large park which offers recreational facilities. As well, there is an abundance of greenery within the boundaries of the project itself.

The individual buildings have a pleasant external appearance and they are well-spaced from one another. However, the interiors of the buildings are characterized by such unpleasant features as peeling paint, missing lightbulbs, and broken stairway handrails. The stairways themselves are quite noisy since sounds from the individual apartments easily filter through the doors. It should also be pointed out that the development can be easily recognized as a public housing project by a large sign, located at its main entrance, which identifies it as being thus.

The co-operative housing development, Parc Beausoleil, is located in the Lower Town East area of Ottawa. The first occupants of Parc Beausoleil took up residency in 1973 upon completion of construction.

There are fifty-five units in the development, all in the form of row housing. Parc Beausoleil is managed by a Board of Directors, comprised of co-operative members, which is elected annually by the members.

The co-operative development is also located in close proximity to a large park which offers recreational facilities. Similar to the public housing project, it also is characterized by an abundance of greenery within its boundaries and externally pleasing structures. Its design is comparable to that of the public housing project except for the fact that, in the co-operative development, there are blocks of row housing whereas, in the public housing project, there exist blocks of apartment buildings.

The two housing developments are located approximately one mile from each other and their geographical proximity was one reason for choosing them as the survey sites. Since both are located in the core of the city, there is a mutual convenience of location which eliminates the possibility of complaints from the residents in relation to the disadvantages of marginal location. The similarities in design were also instrumental in the selection of the two sites. Parc Beausoleil was also chosen because of the fact that it has been in existence for five years and is therefore the oldest co-operative housing development in Ottawa.

This allows for a long-term assessment of its habitability by the residents. As well, it must be pointed out that the selection of a public housing site was limited by the fact that the Ottawa Housing Authority refuses to allow surveys to be conducted on its properties and, as a result, we were forced to turn to a project managed by Central Mortgage and Housing Corporation. Taking into account this limitation, we chose a site which was geographically close to Parc Beausoleil and which was characterized by similarities in design.

The survey questionnaire itself is based on the one utilized by Sullivan in his study.¹² However, only certain aspects of the Sullivan questionnaire were utilized since that study was much more exhaustive in detail, exploring a plethora of different relationships. Any amendments which were introduced were insignificant and therefore not worthy of elaboration.

The respondents were selected in a random manner. The method utilized consisted of going to individual units and asking the occupants if they would mind answering the questionnaire. In both housing developments, the respondents were selected from different areas of the projects. Such an approach was required in order to attain as objective a result as possible.

That is, by adopting such a method of selection, the possibility of choosing respondents in the worst or best areas of the respective developments, and thereby affecting the overall results, was eliminated.

The questionnaire was administered in an oral manner. The respondents were asked the questions, and their choice of responses was then presented to them. If they desired to elaborate upon their responses, they were free to do so and their comments were noted by the interviewer. In the Parc Beausoleil development, the first ten people approached volunteered to answer the questions whereas, in the public housing project, the residents manifested a reticence to participate. Nineteen people were approached before ten respondents were found. Although not all of those who refused to participate gave reasons for their decisions, three did state that they felt that their participation could jeopardize their future residency in the project. This in itself is of some significance in that it demonstrates a certain fear which some residents of public housing may possess. If they are fearful of expressing criticisms to an outside, objective observer, then it is likely that they would be even more hesitant to present complaints to the management in the fear that they would be labelled as "troublemakers" and, consequently, evicted from the premises.

As is often the case with studies of this nature, limitations do exist which serve to limit the conclusions which are arrived at. As author of this study, it must be stated that a cognizance of these limitations is extant and a brief examination of the major limitations appears to be imperative.

We are well aware of the fact that the sample size utilized in our study is small. It is difficult to derive concrete conclusions from a questioning of only twenty respondents. At the same time, however, it must be pointed out that the ten respondents from the Parc Beausoleil co-operative housing development do constitute approximately twenty per cent of that development's total population. In relation to the public housing project, a sample size of ten constitutes a representation of approximately five to ten per cent of the project's population. Thus, although the actual number of respondents is small, it is representative of a significant proportion of the two developments' combined populations.

Differences between the two housing developments may partially account for the differences in the users' perceptions. Although we did attempt to locate two projects which were roughly comparable, differences do exist in the age of the dwellings and in the basic form of the housing (apartment and row housing). These differences may affect the degree of satisfaction expressed

by the inhabitants.

The different socio-economic characteristics of the two groups of respondents may also account for some of the differences in responses. Generally, the co-operative housing development's residents have higher incomes, higher levels of formal education, and better occupations than the public housing occupants have. These factors may also partially account for the different levels of satisfaction expressed by the respondents.

Other problematic areas, such as the need to assume that the respondents are being truthful in giving their answers, are also extant but, by and large, these cannot be controlled in any conceivable way. One can only assume that the respondents are being as honest with you as you would like them to be.

Overall, however, it must be reiterated that the housing developments which were utilized are as similar as any that could be found in the Ottawa area. It must also be stated that the questionnaire was administered in as objective a manner as possible. Limitations do exist, but it should also be stressed that the survey was not intended to be overly elaborate in nature. The sole purpose of the questionnaire was

to acquire the residents' impressions of their respective housing environments, taking into account the limitations of such an approach, not to derive hybrid correlations between a number of dependent and independent variables. We feel that the questionnaire which was utilized was sufficient for this purpose and that the results which were attained are significant in terms of the objective which we sought.

A brief profile of the respondents will serve as a prefix to our analysis of the data as it pertains to the eight major areas of concentration enumerated above. In most instances, the data are self-explanatory and any detailed examination would simply be superfluous in nature.

Profile of the Respondents:

Of the ten respondents who resided in the public housing project, seven had lived there for a period of less than five years. The remaining three individuals had resided in the development for a duration of between six and ten years. In all ten cases, previous accommodation was stated as being apartment/rental.

Seven of the ten respondents were employed when the survey was conducted. In no instances were both

the respondent and the spouse employed. Three of the respondents were manual labourers, three held clerical positions, and one was only periodically employed. In terms of total family income before taxes, five of the households garnered incomes in the \$10,000 to \$11,999 range, two earned between \$4000 and \$5999 annually, a further two were in the \$8000 to \$9999 income bracket, and one household listed its annual income as being between \$6000 and \$7999 per year.

Of the ten co-operative housing respondents, all had resided in the development since its genesis in 1973.¹³ Seven had previously resided in an apartment, while the remaining three households had previously owned their own homes.

Seven of the respondents were employed. In all ten cases, at least one of the heads of the household was employed and, in four instances, both the respondent and the spouse were working. Government administrative positions accounted for ten of the respondents' and spouses' occupations. A further two were employed as manual labourers and the remaining two occupied clerical posts. Nine of the households reported total family income before taxes as exceeding \$15,000 per annum, with the remaining household citing an income in the \$10,000 to \$11,999 bracket.

Of particular relevance in this profile is the fact that the annual household incomes of the co-operative housing respondents far exceeded those of the public housing tenants. Parc Beausoleil appears to be inhabited predominantly by middle-income families, whereas the clientele of the public housing project tend to garner incomes in the low-income range. These data seem to support the hypothesis that co-operative housing cannot serve as a means of low-income accommodation under the terms of current government legislation.

Overall Degree of Satisfaction:

In responding to the question, "Do you enjoy living in the project/development?", all ten of the public housing respondents listed "somewhat" as their reply. In comparison, nine of the ten Parc Beausoleil respondents answered "very much", with the remaining individual listing "somewhat" as his reply.

Six of the public housing residents surveyed felt that the project had remained the same since they had first moved in. The remaining four opined that it had deteriorated in quality, and all four cited poor maintenance as the primary cause. In relation to the co-operative housing development, seven of the respondents stated that the development had improved since 1973. Improvements in landscaping and maintenance work, and the development of a more co-operative atmosphere were

cited as the main reasons for the holding of such an opinion. The remaining three respondents stated that the development had changed little since they had first moved in.

In being asked to evaluate the project on an overall basis, six public housing respondents stated that it was a "good" place in which to live, while four rated it as being "so-so". Four respondents felt that it was an improvement over their previous accommodation, while one stated that, for the low rent being paid, it was adequate shelter. Of the Parc Beausoleil respondents, four rated the development as being "excellent", five replied that it was "good", and one stated that it was "so-so". Of the four individuals who evaluated the development as "excellent", three cited the friendliness and community spirit which co-operative housing fostered as being the main basis for their high evaluation.

Generally, therefore, it appears that the residents of the co-operative housing development are much more satisfied with their environment than are the occupants of the public housing project with theirs. They enjoy living in the development, perceive it as improving in time, and offer a high overall evaluation of their accommodation. The public housing tenants, on the other hand, are more ambivalent about their

environment, perceive it as deteriorating in time, and offer a less praiseworthy overall evaluation of "home".

Management:

In relation to the management criterion, eight of the public housing respondents expressed an awareness of the fact that their project was being managed by Central Mortgage and Housing Corporation. The other two respondents did not know how the project was being managed. In rating the management in terms of its overall responsiveness to their individual needs, six respondents stated that it was "so-so", two evaluated management as "good", and two condemned it as "bad". Three respondents cited poor maintenance work as a flaw in management, two simply stated that management was not responsiveness at all, two offered the opinion that repairs were done quickly, and one stated that C.M.H.C. did the best that it could.

All ten of the Parc Beausoleil respondents were aware of how the co-operative was managed. Indeed, all ten fully elaborated on the structure of management, citing the election of a Board of Directors and the establishment of numerous committees as the basis of management. Six rated management as "good", and four labelled it "excellent". All of the respondents opined that management was very responsive, and six added the

stipulation that it had to be so for it could only act according to the wishes of the members.

From the preceding, it can be stated that management is more responsive in the co-operative development than it is in the public housing project according to the perceptions of the residents. This may be due to the fact that, in the co-operative environment, management is directly responsible to the members (as six of the respondents pointed out), whereas in the public housing milieu, management (C.M.H.C.) is not held accountable for its actions.

Costs:

Interestingly enough, the shelter/income ratios maintained by the public housing respondents were higher than those maintained by the Parc Beausoleil respondents. All ten of the public housing respondents had a shelter/income ratio of twenty to twenty-five per cent, and all evaluated the rent as being "reasonable". In comparison, all ten of the co-operative housing respondents spent under twenty per cent of their incomes on shelter and, like the public housing tenants, evaluated their housing costs as being "reasonable", although three added that the costs were too low when compared to what they were paying, and receiving in return, on the private market.

This is significant because, taken in conjunction with our other findings, it demonstrates that the users

of co-operative housing are experiencing a high degree of satisfaction with their environment whilst spending a low percentage of their incomes on the upkeep of that environment. The co-operative method of housing is therefore both economically feasible (for middle-income earners) and socially and aesthetically pleasing. In comparison, the public housing users are spending a higher percentage of their incomes on shelter and are residing in an environment which produces lower levels of satisfaction.

Efficacy:

All ten of the public housing respondents expressed a low degree of efficacy in responding to the question, "To what extent do you feel that you affect the policies concerning the project?". A unanimous answer of "not at all" was offered by the tenants. Comments such as, "Central Mortgage and Housing Corporation makes the decisions...nothing much I can do", and "I don't even know who I could talk to" were uttered by many of the respondents.

The co-operative housing respondents, on the other hand, expressed a high degree of efficacy. In response to the same question quoted above, eight replied "very much" and two answered "some". Many of the respondents made comments to the effect that, "Everyone has a say...We all decide how things are to be run."

In perceiving themselves as having an input into the making of decisions which determine how their development is to be run, the residents of co-operative housing can feel more responsible and can take pride in the accomplishments of the co-operative. The psychological benefits of such a perception are significant, as we saw in the third chapter, and are conducive to the development of a healthy self-image. The tenants of public housing possess no such perception and, in expressing a low degree of efficacy, are demonstrating a knowledge of the fact that they have no control over their environment. As such, they cannot garner the benefits which accrue from user participation and control over one's milieu.

Design:

In being asked to give their impressions of the design of the project (architecture, aesthetic value), six public housing respondents stated that it was "so-so", three evaluated it as being "bad", and one replied that it was "good". Four of the respondents claimed that the units were too close to one another, and four opined that the construction work was poor, resulting in thin walls and a noisy environment in which the noises from next door could be easily heard.

Seven of the ten co-operative housing respondents evaluated the development's design as "good", with the

remaining three labelling it "excellent". Most of the respondents felt that they possessed adequate indoor and outdoor space, and stated that the overall environment was a "pleasant" one in which to live (six respondents).

Thus, the Parc Beausoleil dwellers expressed a deeper satisfaction with the overall design of their development than did the public housing tenants with the design of their project. They were much more complementary in evaluating the aesthetic value of their environment and issued fewer complaints than did the public housing respondents.

Stigmatization:

In responding to the question, "Do you think that the people who live in the surrounding area are different from the people in the project?", six of the public housing respondents answered in the affirmative. In being asked how they were different, the most common reply was "they make more money" (five responses). Four respondents answered with "they own their own homes", three stated "they have nicer places to live in", and one offered the opinion that "they have better jobs". In comparison, none of the co-operative housing respondents answered the question in the affirmative.

Thus, it would appear that the public housing

tenants do suffer from a self-imposed stigmatization while the co-operative housing residents do not perceive themselves as being different in any way from others in the community. The public housing respondents expressed a cognizance of the fact that they were poorer and lived in less adequate accommodation than did the surrounding population. An awareness of this sort can only have dysfunctional effects, making the tenants of public housing ashamed of their accommodation and their low-income status. The fact that their residency in a project labels them as being "poor" to the surrounding neighborhood can only exacerbate their already low feelings of self-esteem and self-respect.

Neighborliness:

In reply to the question, "Does the project help people here get along with each other?", five of the public housing residents answered "no" and the remaining five stated "so-so". Of the latter five, all qualified their responses by stating that it was really up to the individual to get to know his neighbors.

All ten of the Parc Beaugoileil respondents answered the question in the affirmative, and all ten stated that the co-operative held a number of social activities each year, organized by a social affairs committee, in order to allow the residents to become acquainted with one another. As well, six of the

respondents pointed out that an awareness of one's neighbors was attained simply by attending meetings and serving on committees. Indeed, two of the respondents stated that they had become acquainted with other members before the co-operative was even built by way of attending the early organizational meetings of the co-operative.

It would therefore appear that the co-operative method of housing fosters a community spirit and a sense of neighborliness which is somewhat foreign to the public housing environment. Through the holding of meetings and formation of committees, co-operative members are made aware of who their neighbors are and this awareness is heightened by the holding of social events especially designed to develop a sense of togetherness. The tenants of the public housing project experienced no such social affairs.

Cleanliness:

Five of the public housing respondents rated the cleanliness of the project as "so-so". Four others offered the opinion that it was "dirty", and one evaluated it as "very dirty". Three of the respondents stated that the inhabitants of the project did not try hard to see that the project was kept neat and clean, while seven stated that some people did try and others did not.

In comparison, all ten of the Parc Beausoleil

respondents rated the cleanliness of the development as "very clean". Three felt that all of the inhabitants worked hard to keep the co-operative neat and clean, while seven respondents felt that some people did while others did not. Out of these latter seven, however, six stated that the vast majority of residents did contribute their share and that there existed only a few exceptions.

The majority of the co-operative housing respondents therefore felt that they resided in a very clean housing environment and that most of their fellow residents worked hard to keep it that way. Most of the public housing occupants, by way of comparison, perceived their housing milieu as being "dirty" and suggested that few people really contributed much in the way of improving the conditions. The benefits of ownership, as opposed to rental tenure, may contribute to the greater degree of contribution on the part of co-operative dwellers and thereby ensure a cleaner, healthier housing environment.

In a general question, each of the respondents was asked to list some advantages and some disadvantages in relation to their respective housing environments. The ten public housing respondents all listed more disadvantages than they did advantages while, in the case of the Parc Beausoleil respondents, the reverse

occurred with the advantages far outweighing the disadvantages. Indeed, three of the co-operative housing respondents did not cite any disadvantages at all.

According to the public housing tenants, two advantages accrued from residency in the project: low rents (listed by all ten respondents), and good location (cited eight times). The most commonly voiced disadvantage was that pertaining to the dirtiness of the project and the overall lack of good maintenance work. This problem was expressed by nine respondents. Other problems were: poor construction work and the subsequent noisy quality of the accommodation (six listings), the lack of social activities and the difficulty in making acquaintances (cited six times), and the lack of recreational facilities (listed twice).

In relation to the Parc Beausoleil development, five primary advantages were cited by the respondents, the most popular one being the neighborly atmosphere inherent in such a development (seven respondents cited this advantage). Five people listed the good location of the development as an advantage, four stated that they liked the way in which co-operative accommodation helped people to get along with one another, three cited the low costs as an advantage, and three simply stated that it was an enjoyable way of life.

As disadvantages, two of the respondents stated that the houses were constructed too closely together,

two stated that some minor problems were extant but they failed to elaborate on these, one felt that the streets were too narrow, and one opined that there was a scarcity of greenery in the environment.

A number of conclusions may be derived from the preceding material. First of all, it can be seen that the problems which the public housing tenants attributed to their accommodation are of a much more substantive and serious nature than are the disadvantages cited by the co-operative housing respondents. The public housing project also generated more complaints from its users than did the co-operative housing development from its residents, while eliciting fewer positive attributes.

Secondly, in relation to such specific criteria as management, design, and cleanliness, the co-operative housing development received a higher evaluation from its residents than did the public housing project from its tenants. The Parc Beausoleil respondents also expressed a higher degree of efficacy than did the public housing respondents and, in relation to the issue of stigmatization, they did not perceive themselves to be different in any way from the surrounding population, while the public housing residents did perceive themselves as being different. On one final issue, that which we have termed "neighborliness", the results of the survey

demonstrated that the co-operative method of housing generates a sense of community which the public housing method does not.

Thus, on an overall basis, the residents of Parc Beausoleil demonstrated a greater degree of satisfaction with their housing environment than did the tenants of the public housing project. They enjoyed living in the environment, evaluated it highly in all matters, and believed that it had improved over time. The public housing respondents, in comparison, were more ambivalent about their accommodation (witness the incidence of "so-so" responses), stressed the disadvantages, and offered a viewpoint that things were deteriorating with time.

One other finding should be stressed at this time. In listing the perceived advantages in relation to their accommodation, few of the Parc Beausoleil respondents cited the economic advantage. Instead, the social benefits of co-operative tenure were stressed— the neighborly atmosphere, and the way in which that form of habitation helped people to get along with one another. This is a salient finding for it not only demonstrates the importance of undertaking a solid program in education, but also proves that co-operative housing is seen, by its residents, to be more than inexpensive accommodation. The social benefits of co-operative tenure are recognized

and brought to the forefront, while the economic advantages are relegated to a less important position.

Apart from those questions which were asked to both groups of respondents, the questionnaire also included some questions which were asked only to one group or to the other. The co-operative housing respondents were asked how often they exercised their rights to vote on policy matters. Seven replied that they voted all of the time, and the remaining three members replied that they voted most of the time.¹⁴ Thus, it would appear that the majority of co-operative dwellers exercise their participatory rights and welcome the opportunity to contribute to the overall development of their housing environment. They wish to exercise control over their accommodation, and co-operative housing allows for such a control to be realized.

Asked as to how they first found out about co-operative housing, five of the respondents stated "from a friend", while the remaining five cited their primary source of information as being the Citizen's Committee of Lowertown. None of the respondents had acquired their information and been introduced to this new form of habitation from the government, at any level, or from Central Mortgage and Housing Corporation.

The public housing respondents were also asked

a series of questions relating to co-operative housing. Four of the respondents were not familiar with the concept at all, while the other six expressed some familiarity ranging from "a lot" (one respondent) to "some" (three respondents) to "not very much" (two respondents). Of the six who expressed some awareness of the co-operative method of housing, three had acquired their information from friends, two could not remember their sources, and one had read about it in a newspaper. Once again, the absence of any government or C.M.H.C. information is conspicuous.

In asking the six respondents who were aware of co-operative housing to some degree if they would like to live in a housing co-operative, five replied in the affirmative and one in the negative. In being asked to cite reasons for their answers, three replied that co-operative housing would teach people to work together for a common cause, three replied that it would facilitate the meeting of neighbors, and two felt that it would be advantageous in that it allowed for the ownership of property, as opposed to rental accommodation. The one respondent who replied in the negative stated that he did not wish to reside in a housing co-operative because he doubted that it would succeed.

In being asked if they would like to see the public housing project converted into a housing co-operative,

five respondents answered in the affirmative, the sixth in the negative. The same reason was cited for the negative response as that given above. Those who responded in the affirmative felt that such a conversion would make the residents more responsible (three respondents), it would promote a more neighborly environment (three respondents), and it would allow the residents to exercise some control over their environment by enabling them to contribute to the making of decisions (one respondent).

Thus, the public housing residents manifested a strong desire to see their accommodation converted from public housing tenure to co-operative housing tenure. As well, they demonstrated a recognition of the social benefits which would accrue from such a conversion, stressing the points that it would lead to increased feelings of responsibility and aid in the development of a more neighborly environment. In deriving an implication from such responses, it could be said that these results would, in turn, produce a cleaner housing environment and a development which would make the residents proud of, rather than ashamed of, their accommodation. The results of our survey, as they relate to the high degree of satisfaction expressed by the Parc Beausoleil residents, would seem to add credence to the derivation of just such an implication.

Conclusion

The results of our survey clearly demonstrate that the users of co-operative housing are much more satisfied with their accommodation than are the users of public housing. On a general overall basis, and in relation to such specific features as management, cleanliness, and efficacy, co-operative housing dwellers expressed a higher degree of satisfaction with "home" than did the residents of public housing. Such a finding concurs with the findings of other studies, such as those of Sullivan and Zimmer, which were briefly examined at the outset of this chapter.

From our analysis of the public housing program in the second chapter of this study, and from the results of our survey, it can be readily ascertained that the program is riddled with problems which fail to make it a suitable form of accommodation for the poor in Canada. Although some of the problems, such as poor construction and location of sites, can be solved, many others cannot be, especially those which relate to the issue of stigmatization. Any program which calls for the physical segregation of the poor from the surrounding neighborhood will have an inherent disadvantage of creating stigmatization which will subsequently produce alienation and a poor self-image on the parts of its users. The public housing program is such a program and, as we have seen, its

results are recognizable even by the tenants themselves.

Yet all of the disadvantages of the program could be eradicated if the poor could be allowed to reside in co-operative housing. The residents of co-operative housing do not feel in any way different from their neighbors. They do not have to cope with an unresponsive management which allows the property to deteriorate in quality. They do not live in a housing environment in which their needs are dictated to them and in which they demonstrate low levels of efficacy. Instead, they reside in a milieu over which they exercise control and responsibility, and thereby create a clean, neighborly environment free of stigmatization and alienation. The poor could inhabit such an environment, but this is impossible until the government introduces, enacts, and implements legislation which would be conducive to the occurrence of such an action. Until these changes take place, the benefits of co-operative housing will continue to be realized only by middle-income households.

What forms should such government action take? Our recommendations as to how the government, and Central Mortgage and Housing Corporation, could facilitate the utilization of co-operative housing for low-income accommodation will be presented in the following chapter.

ENDNOTES

1. Advisory Committee on Reconstruction Housing and Community Planning, Report, March 24, 1944, Ottawa: King's Printer, 1946, p.269.
2. Ibid.
3. Federal Task Force on Housing and Urban Development, Report, 1969, p.36.
4. Michael Dennis and Susan Fish, Programs In Search of a Policy: Low Income Housing in Canada, Toronto: Hakkert, 1972, p.261.
5. Advisory Task Force on Housing Policy, Report, Toronto: Queen's Printer for Ontario, 1973, p.83.
6. Donald Sullivan, Cooperative Housing and Community Development, New York: Praeger Publishers, 1969, p.10.
7. Ibid., p.147.
8. Ibid., p.149.
9. Ibid., p.172.
10. J.E. Zimmer, From Rental to Cooperative: Improving Low and Moderate Income Housing, Beverly Hills: Sage Publications, 1977, pp.24-25, 61.
11. Ibid., p.60.
12. Sullivan, op. cit., pp.181-205.
13. Parc Beausoleil maintains a low turnover rate. Since 1973, only four households have left the development and, of these, three were precipitated by job transfers which forced the households to leave Ottawa. This information was acquired from the President of the Board of Directors of the Parc Beausoleil Co-operative in an interview on August 29, 1978.
14. According to the President of the Parc Beausoleil Board of Directors (Interview, August 29, 1978) approximately forty-five votes are cast at an average policy meeting. The maximum number of possible votes is fifty-five since each unit is entitled to one vote.

CHAPTER SIX

A PROPOSED CO-OPERATIVE HOUSING PROGRAM

"The corporate form of ownership coupled with the non-profit feature ensures that no individual or household will make large speculative gains at the expense of housing for others. Just as important, this form of housing (co-operative housing), with some government assistance, can be made available to all income groups, thus partially blunting the stigma generally associated with public housing."¹

Our contention, as expressed throughout this paper, has been that the public housing program has generally failed in its endeavour to create a viable form of accommodation for the poor of Canada and, therefore, that it should be curtailed and replaced by a program which is more propitious in terms of alleviating the housing plight of the lower-income stratum. The alternative program which we have proposed is that of co-operative housing, a program which, with proper government assistance, could viably serve as a means of low-income accommodation.

In pursuing such a contention, we commenced our study with an examination of the housing situation of the poor in Canada. As our analysis in chapter one

clearly demonstrated, a direct relationship does exist between household income and housing conditions. The lower the household income, the poorer are the housing conditions of the household. As well, our examination showed that a direct relationship does exist between household income and the shelter/income ratio. The lower the household income, the higher is the shelter/income ratio. The first chapter also presented a few tentative conclusions in examining the relationship between housing and physical and mental health, conclusions which implied that a positive relationship does exist between good housing and good health.

Chapter two provided an analysis of government housing policy. As well as demonstrating the deficiencies of the Assisted Home Ownership Program, the Neighborhood Improvement Program, and the Residential Rehabilitation Assistance Program, the chapter also examined the weaknesses of the public housing program. It was concluded that the public housing program is burdened with serious problems of both a physical and a social nature. These problems are so multitudinous that talk of reforming the program must be considered superfluous in nature. Any program which has as its primary objective the construction of housing solely for the poor will have serious social consequences and, as such, it can serve no purpose within the Canadian housing

environment.

The third chapter endeavoured to acquaint the reader with the basics and principles of co-operative housing. In so doing, it outlined the social assets which accrued from this form of habitation. More specifically, it was shown how democratic control and user participation allow for the exercise of responsibility which, in turn, allows for a sense of control over one's environment and the subsequent development of a healthy self-image. As well, chapter three demonstrated, by examining the Scandinavian housing situation, the viability of utilizing co-operative housing as a means of providing accommodation for the poor.

Government legislation as it pertains to the Canadian co-operative housing sector was the area of analysis in the fourth chapter. As our analytical examination pointed out, current government policy is beset with problems of both a financial and an administrative nature and these problems are hindering the development of a strong co-operative housing movement in this country. In addition, current policy is not conducive to the utilization of co-operative housing as a means of low-income accommodation. The proposed changes to the legislation, according to our analysis, would be of an even more detrimental nature, if implemented, in terms of allowing the impoverished to make use of

co-operative housing.

In briefly examining other studies and in presenting the results of our case study, chapter five demonstrated that the users of co-operative housing are much more satisfied with their housing environment than are the users of public housing with theirs. On a general overall basis, and on certain specific features such as management and cleanliness, the residents of co-operative housing were much more complimentary, and issued fewer complaints, about their housing than were the tenants of public housing. Our case study also pointed out that the residents of public housing are in favour of co-operative housing and express a willingness to reside in such accommodation.

However, such a willingness cannot readily be transformed into action under the terms of current government policy. If the co-operative housing sector in Canada is to expand and begin to truly serve the housing interests of the poor, changes to the legislation and to its method of implementation must be introduced. Otherwise, the poor will continue to be forced to resort to the use of public housing as the only means available to them of acquiring affordable shelter.

What types of changes are required? This concluding chapter will serve as an avenue for the presentation of our own recommendations as to how the legislation could be amended so as to allow for the

expansion of the co-operative housing sector and increase its utilization in the field of low-income accommodation. In addition, we shall also present our recommendations on the role that Central Mortgage and Housing Corporation should play in this process.

Prior to undertaking such a task, however, it is imperative that we mention some of the problems which could develop in a housing co-operative once it has been established. Up to this point, we have painted a fairly complimentary picture of co-operative housing, one which it certainly is deserving of, but problems do occur and, if they are not handled in a proper manner, they could precipitate the disintegration of an entire development. According to Alexander Laidlaw², there exist three common problematic areas and we will now briefly deal with each of these.

The first of these problematic areas revolves around the role of management.

"Sometimes there are problems associated with management in a large housing co-op, particularly when a manager forgets the kind of organization in which he is employed. While he must be firm on many occasions, he must never adopt the attitude of running the whole show; he is not a manager of ordinary social or public housing, but of housing owned by the residents. On the other hand, of course, he cannot be pushed around by everybody, and in the area of his particular responsibilities he is always in charge."³

The problem of having too authoritarian a manager or, for that matter, a board of directors, can have serious repercussions on the operation and continued viability of a housing co-operative. If management acts according to its own needs and desires, and ignores the majority wants of the resident-owners, the entire co-operative concept of democratic control is placed in jeopardy. Not only will the needs of the inhabitants remain unfulfilled but, in all probability, a hostile relationship will develop between management and occupant and, subsequently, the healthy social fabric of the housing environment could be jeopardized.

Problems could also emerge in the area of rule-making and rule-implementation. Rules are obviously needed in a housing co-operative, regardless of its size, to ensure its smooth operation. The rules which are instituted by management must reflect the wishes of the members and, just as importantly, the members must abide by those rules. According to Laidlaw, it occasionally becomes necessary to expel a member of a co-operative if he has failed to honour the regulations by which the development is governed although, "this is a rare occasion in a cooperative in Canada and happens only in extreme cases."⁴ Nonetheless, the problem of un-co-operative or irresponsible members is a serious one when it does occur and it could seriously jeopardize the smooth functioning of a development.

Financial difficulties on the part of co-operative housing members pose an equally serious threat to the continuance of a development. When any member has financial problems which could prevent him from meeting his monthly charges, these soon become problems for the corporation itself. It could find itself unable to meet its monthly mortgage payments or unable to pay the expenses involved in its day-to-day operation. Such financial difficulties could eventually lead to a declaration of bankruptcy and the disintegration of the housing project.

In order to circumvent such an occurrence, many co-operatives encourage their members to join a credit union or to form one if one cannot be found in their immediate vicinity. As well as encouraging the members to save, the credit union can serve the purpose of providing loans to those individuals who find themselves in a position of financial hardship. In this way, the co-operative can be assured of a regular payment of charges by its members and this, in turn, allows for the financial stability of the development.⁵

As for the first two problematic areas outlined above, those of an authoritarian (or unresponsive) management and irresponsible membership, it would appear that they too could be avoided through the implementation

of a thorough educational program in the initial stages of the development of the housing co-operative. As was pointed out in the third chapter of this study, the principle of education is integral to the co-operative concept and the effectiveness, or lack of effectiveness, of the education program could precipitate the success or failure of the entire housing project. When applied to the two problematic areas with which we are dealing, it can be seen that if both management and member have been thoroughly educated in the processes of co-operative housing, then the problems of authoritarianism and irresponsibility need not arise. Management would be aware of its role and its duty to respond to the needs and wants of the members and the members, in turn, would be cognizant of the responsibilities which they undertake as members of a co-operative housing development.

Thus, it can be seen that the problems which could emerge in a co-operative housing project, though serious in nature, can be circumvented and completely avoided. If this is the case, then the development should be assured of a long and stable existence.

If the poor of Canada are to benefit from the existence of a stable co-operative housing movement, however, changes must be introduced to the legislation as it pertains to co-operative housing and, just as importantly, to the method by which that legislation

is implemented. With this in mind, we shall now present our recommendations as to what these changes should entail. In so doing, we shall commence by dealing with the legislation itself. This will be followed by recommendations relating to the implementation of housing policy by Central Mortgage and Housing Corporation. It must be understood that, if the co-operative housing sector in Canada is to truly realize its potential, changes must be introduced at both the legislative and the implementation levels. Changes at one level, without concomitant changes at the other, will not allow for the sector to reach its apogee within the Canadian housing environment.

Recommendations

(i) Legislation:

As Table 4.1 in chapter four demonstrated, the total amount of funding provided to the co-operative housing sector in Canada is quite limited in nature and is microscopic when viewed in terms of the overall expenditures allocated in the field of housing. In general terms, therefore, it is recommended that the amount of monies which is provided be greatly increased. Without such increased financial support from the federal government, the co-operative sector will not have the potential to expand.

More specifically, it is recommended that the maximum amount of funding available under the start-up program be increased from its current level of \$10,000. A ceiling of \$75,000, as was to be instituted under the proposed program, appears justifiable. However, the initial amount of work required from the co-operative group before start-up funding can be allocated should be reduced, although a certain degree of preparatory work should still be required. Such work should simply serve to demonstrate the serious intentions of the group which is applying for funding.

Such an increase in start-up funding would ensure that the initial expenses of the group, those predominantly in the architectural and the legal areas, could be met. As well, it would afford the group the opportunity to acquire the best services possible, rather than those which it could afford within its limited financial capacity.

The overall amount of subsidization offered by the federal government should also be increased. As was pointed out in chapter four, the ten per cent capital grant which is provided is insufficient in terms of lowering costs to a level which would allow for low-income residency. It is therefore recommended that the ten per cent capital grant be increased to twenty per cent,

as is the case in Denmark. With some provincial assistance, even a ten per cent grant, this should lower the amount of mortgage repayment to a level which would reduce monthly charges to a rate which the poor could afford.

However, if no provincial assistance is forthcoming or if the twenty per cent grant is not adequate, then the rent supplementation scheme should be continued. A certain percentage of the units in a co-operative housing development should be subsidized to a degree which would allow for low-income residency. It is recommended that this percentage be increased from the present maximum of twenty-five per cent to a maximum of forty per cent. This would not only allow for increased low-income tenancy, but it would also serve to maintain a mixed-income milieu which is imperative if a co-operative development is to avoid the stigmatization associated with housing projects which are solely inhabited by the poor.

In the Scandinavian countries, co-operative housing groups are entitled to purchase or lease land from the government at a reasonable cost. It is recommended that co-operative housing groups in this country be entitled to do likewise whenever possible. This, too, would serve the purpose of lowering costs and thereby lowering the amounts to be paid by members

as monthly charges.

As well, it is recommended that the federal government continue the practice of providing one hundred per cent of the funding required for the development and construction of co-operative housing developments and that it continue to provide this funding at a subsidized interest rate with a long amortization period. If more monies are allocated to the co-operative housing sector, as we recommended above, then more groups could take advantage of this one hundred per cent funding and the co-operative movement would be able to expand.

In summation, therefore, it is recommended that:

- (i) the federal government continue to provide one hundred per cent funding at a subsidized interest rate and with a long repayment period;
- (ii) twenty per cent of this funding take the form of a non-repayable grant;
- (iii) a maximum ceiling of \$75,000 be instituted in the start-up program and the requirements needed for the acquisition of such funding not be overly oppressive;
- (iv) subsidized land be made available to co-operative housing groups whenever possible;
- (v) the overall amount of funding provided to the co-operative housing sector be greatly increased; and
- (vi) a rent supplementation scheme be implemented which would ensure that forty per cent of the units in a co-operative housing development would be reserved for low-income habitation.

Without proper implementation by Central Mortgage and Housing Corporation, however, none of the benefits which would accrue from the amended legislation could materialize. As we saw in chapter four, the inadequate implementation of the current program by C.M.H.C. officials has retarded any potential growth of the co-operative housing sector. Thus, as well as improving the legislation, it is imperative that the method of implementation also be improved. With this in mind, we will now present our recommendations in relation to the role which C.M.H.C. should play in the implementation of an improved co-operative housing policy.

(ii) Implementation:

As our previous analysis pointed out, Central Mortgage and Housing Corporation has failed to adopt a facilitator-advocate role in the development of the co-operative housing sector in Canada. If this sector is to expand, C.M.H.C. officials must adopt such a role and make visible efforts to make the process less arbitrary and less frustrating to co-operative housing groups.

Apart from making less strenuous demands on groups applying for start-up funding, C.M.H.C. must also ensure that interim funding is available when it is needed. If this could be achieved, co-operative groups would no longer be forced to acquire such funding from expensive outside sources.

The criteria for loan approvals should also be amended in such a way that recognition would be made of the social benefits which accrue from co-operative habitation, as well as taking into account economic factors. Although it is imperative that the co-operative society demonstrate its financial stability before any funding is granted, this should not be the sole criterion for the approval of a loan. C.M.H.C. officials should also take into account the fact that co-operative housing provides much in the way of social benefits and that these benefits cannot have a dollar sign readily affixed to them.

The lengthy negotiations period should also be considerably shortened. The amount of time required for a loan approval from C.M.H.C. has acted as a source of frustration to many co-operative housing groups and it has done nothing in terms of creating a healthy environment between the representatives of the two groups. Another negative by-product of a lengthy negotiations period has been increased costs and these, too, could be avoided if the time period required for a loan approval was shortened.

The problem of administrative arbitrariness on the part of Central Mortgage and Housing Corporation officials must also be eliminated for it too serves as a source of frustration to co-operative members.

It is therefore recommended that program guidelines be consistently administered throughout the country, that the rules and regulations affecting co-operative housing be uniform, and that C.M.H.C. officials cease the practice of instituting new guidelines and regulations whenever they see fit to do so. This is of special importance at the time since C.M.H.C. is currently in the process of decentralizing and granting increased autonomy to its regional offices.

It is also recommended that C.M.H.C. embark on a program of information dissemination. Improvements to the co-operative housing program cannot realize fruition if few people are aware of what co-operative housing actually is. Involved in this information program would be the sending of C.M.H.C. officials into the low-income neighborhoods of Canada's major urban areas where they would disseminate information on co-operative housing and answer queries on the concept, government legislation in relation to it, and its implementation.

It is also recommended that C.M.H.C. begin to offer more in the way of technical, advisory, and legal aid to co-operative housing groups. Instead of being forced to turn to private, and expensive, sources of assistance, co-operative housing groups should be allowed to acquire such assistance directly from C.M.H.C. at a

reasonable cost, or at no cost at all. For example, at present groups must acquire the services of a lawyer to write up their applications for incorporation. This is both an expensive and a time-consuming process.

C.M.H.C. could provide lawyers to undertake the same task and provide the service at a nominal charge to the housing society. In addition, C.M.H.C. could offer much more in the way of accounting, architectural, and technical assistance. The provision of such services by C.M.H.C. would help the housing group reduce its costs dramatically.

To briefly outline our recommendations as they pertain to the role of Central Mortgage and Housing Corporation, we believe that C.M.H.C. should:

- (i) ensure that interim financing is available when required;
- (ii) amend the criteria for loan approvals so as to take into account the social, as well as the economic, factors involved;
- (iii) shorten the period of time required for negotiations with co-operative housing representatives;
- (iv) adopt uniform rules and regulations affecting co-operative housing and ensure that these rules and regulations are consistently administered throughout the country;
- (v) embark on a program of information dissemination on the concept and practice of co-operative housing; and
- (vi) begin to offer increased advisory, technical, and legal assistance to co-operative housing groups.

In short, we are recommending that C.M.H.C.

abandon its current passive role in the field of co-operative housing and adopt more of a facilitator-advocate position. If such a change is introduced, then much of the frustration which currently characterizes co-operative housing groups will dissipate and, taken in conjunction with amendments to the legislation as outlined above, the co-operative housing sector in Canada will be allowed to mature and expand and thereby truly begin to serve the housing needs of the Canadian poor.

Conclusion

Can such a program as we have recommended in this concluding chapter be economically viable in such times of government spending austerity? We believe that it can be. If the hundreds of millions of dollars which are annually allocated to the public housing program in Canada were channelled into the co-operative housing program, the co-operative housing sector would be allowed to expand and serve as an avenue of low-income accommodation. It is doubtful that, in light of the immense expenditures in the field of public housing, large infusions of extra capital would be required. True, this would entail the cessation of the public housing program but, as our analysis throughout this

study has demonstrated, co-operative housing has much more to offer to the poor than does public housing. In return for this re-channelling of funding, and of priorities, the government of Canada could rest assured that the impoverished were finally residing in accommodation of both an economic and a social healthy nature.

Economics are, however, the least of our concerns. Our primary concern is with the poor and their right to affordable, and pleasant, shelter. As citizens of this country, the poor deserve better than life in a "project" where they will be stigmatized and ostracized by the surrounding neighborhood. They deserve to be an integral part of that neighborhood and it is their right to enjoy the benefits which accrue from residence in a healthy social milieu. Such is the milieu produced by co-operative housing.

Of course, improving the housing situation of the poor will certainly not eradicate poverty, but it will undoubtedly make it a little less oppressive.

Perhaps this is all that we can ask of a society which is structured on the economic foundations of capitalism. Yet, we must never forget that, even in such a society, the poor have rights and that these rights must be realized. This is as true in the housing sphere as it is in any other sector of social activity. Surely,

these rights can better be fulfilled in a co-operative housing environment than in a public housing environment. The implementation of a strong co-operative housing program seems to be the least we could do for the poor.

ENDNOTES

1. John Graham, "Reflections on Non-Profit Housing: Will the Potential be Realized?", Housing and People, Vol. 5, Nos. 2,3, Summer/Fall 1974, p.14.
2. Alexander F. Laidlaw, Housing You Can Afford, Toronto: Green Tree Publishing Co. Ltd., 1977, chapter eleven.
3. Ibid., p.164.
4. Ibid.
5. Ibid., pp.170-171.

APPENDIX
SURVEY QUESTIONNAIRE

For Both Co-operative Housing Residents and Public Housing Tenants:

1. How long have you lived in Ottawa?
2. How long have you lived in this co-operative/project?
3. What type of housing did you live in previously?
 - Public Housing
 - Apartment/Rental
 - Private Home
 - Other (Specify)
4. Are you currently employed?
 - Yes
 - No

Is your spouse currently employed?

 - Yes
 - No
 - Not Married
5. What is your occupation?
What is your spouse's occupation?
6. Do you think the co-operative/project has improved, remained the same, or gotten worse since you first moved in?
 - Improved
 - Same
 - Worse

Why?
7. Do you enjoy living in the co-operative/project?
 - Very Much
 - (-Somewhat
 - Not At All

8. Would you say that the co-operative/project is an excellent, good, so-so, bad, or very bad place to live in?

- Excellent
- Good
- So-So
- Bad
- Very Bad

Why?

9. Could you tell me how the co-operative/project is managed?

10. How would you rate the management in terms of its overall work and its responsiveness to your needs?

- Excellent
- Good
- So-So
- Bad
- Very Bad

Why?

11. What percentage of your income do you spend on monthly charges/rent?

- Under 20%
- 20%-25%
- 25%-30%
- Over 30%

12. Do you think the monthly charges/rent is too high, reasonable, or too low?

- Too High
- Reasonable
- Too Low

13. To what extent do you feel that you affect the policies concerning the co-operative/project?

- Very Much
- Some
- Not At All

14. What are your impressions of the design (architecture, aesthetic value) of the co-operative/project?

- Excellent
- Good
- So-So
- Bad
- Very Bad

15. Does the co-operative/project help people here get along with each other?
-Yes (How?)
-So-So
-No
16. Do you think that the people who live in the surrounding area are different from the people in the co-operative/project?
-Yes (How?)
-No
17. What is your opinion of the cleanliness of the co-operative/project?
-Very Clean
-Clean
-So-So
-Dirty
-Very Dirty
18. Do you think that the people here try hard to see that the co-operative/project is kept neat and clean?
-Yes
-Some Do; Some Do Not
-No
19. What do you feel are the advantages in living in a co-operative/project?
What do you feel are the disadvantages in living in a co-operative/project?
20. Which of these groups comes nearest to your total family income before taxes?
-Under \$2000
- \$2000-\$3999
- \$4000-\$5999
- \$6000-\$7999
- \$8000-\$9999
- \$10000-\$11999
- \$12000-\$14999
- Over \$15000
-Refuse

For Co-operative Housing Residents Only:

21. As a member of the co-operative, how often do you exercise your right to vote on policy matters?

- All Of The Time
- Most Of The Time
- Sometimes
- Never

22. How did you first find out about co-operative housing?

For Public Housing Tenants Only:

21. Have you ever heard of co-operative housing?

- Yes (Source?)
- No

22. How much do you know about it?

- A Lot
- Some
- Not Very Much

23. Would you like to live in a housing co-operative?

- Yes
- No

Why or why not?

24. Would you like to see this project turned into a co-operative?

- Yes
- No

Why or why not?

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