

Local Experiences of Cooperative Formation:
A Hamilton Case Study

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Abstract

By examining the local experiences of one of Hamilton's housing cooperatives, this research paper analyzes and explains the actions of those who were involved with the cooperative and shows two main aspects of the cooperative. First, in forming and locating the cooperative, an opposition minimizing strategy was employed to minimize external opposition to the cooperative. Second, problems experienced in program delivery were found to have a detrimental effect upon the members of the cooperative, problems that need to be addressed to ensure the survival of the cooperative.

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Chapter One

The scope of this study is housing cooperatives and in particular analyzing the experiences of one housing cooperative. What makes housing cooperatives so important is that in this era of reduced state social expenditures, housing cooperatives are becoming one of the few means for increasing the supply of affordable housing and as such housing cooperatives must be fully examined.

1.0 Introduction

Marxist theory suggests that one of the primary purposes of the state is to maintain the necessary conditions for capital accumulation, and that through the various state apparatuses the state is able to intervene in times of crisis to assist in the continued accumulation of capital. As such, the state operates primarily in the interests of the ruling class and through various programs and policies (eg: health care, education), the state's policies tend to favour the existing dominant class relations in the state and society (Chouinard, 1986).

One important aspect of Canadian society and the economy is housing. Socially, housing serves not only as a basic human need, but also serves as a status symbol--as a reflection of an individual's financial success (or lack of success), as well as being important to an individual's sense of identity and sense of belonging. The provision of adequate accommodation, of a place

that an individual can call home, is very important in Canadian culture. Economically, housing is very important to the Canadian economy. Unfortunately, the housing market has traditionally failed to meet the needs of low and moderate income groups, especially in recent years as little new construction of affordable rental units has occurred. Also, the ability of many Canadians to purchase a home is increasingly becoming difficult (Andrews and Bresauler, 1976). In response to these economic difficulties the Canadian Government through the Canada Mortgage and Housing Corporation (CMHC) and through provincial governments have sought to provide housing to low and moderate income Canadians through non-profit and cooperative housing programs in an effort to help maintain the existing class relations. These programs are organized under Section 56.1 of the National Housing Act but are jointly administered with the provincial governments.

1.1 Non-profit housing co-operatives

As a de-commodified form of housing, non-profit housing cooperatives exist as an oddity in the Canadian housing market. Residents of the cooperative jointly own the development without actually owning the unit they reside in. Membership in the cooperative is a necessary condition for residency within the cooperative project. The monthly housing charge is used to cover the operating expenses of the cooperative, where the cooperative operates on a non-profit basis. Thus, housing cooperatives do

not engage in the accumulation of capital. Housing cooperatives, by virtue of being non-profit and involving group participation provide an attractive, secure and relatively inexpensive alternative form of housing (Carter, 1981) but have met with opposition from the state and other quarters (eg neighborhood groups) over the years (Chouinard, 1986). Although cooperatives have been researched and described from a descriptive point of view (Hausmann, 1975; Rheume, 1977), a need exists to study housing cooperatives in an effort to understand how and why housing cooperatives are formed, and to evaluate the effect of delivery of the cooperative on the residents of the project. The descriptive accounts of the cooperatives have failed to provide an indepth analysis of the experiences of those who have been involved with delivery of the cooperative project. As a consequence, there has been a deficiency in the existing body of research as to why housing cooperatives are formed, to document the locational search strategy of cooperatives and ultimately to document the effects of project delivery upon the members of the housing cooperative.

In documenting the experiences of a housing cooperative, Marxist theory was employed for two primary reasons. First, Marxist theory aids in providing an explanation concerning the links that exist between structures in society and the corresponding political characteristic of places. The second reason is that Marxist theory encourages an historically specific analysis of state development (Chouinard, 1986). A case study

approach was employed so that the experiences of one particular housing cooperative could be documented, and that the experiences could be subsequently explained using a political-economic theory.

Cooperative housing projects for the state are a means for the provision of moderate cost housing for certain segments of the population through the provision of subsidized housing (either through direct subsidies to the users or through financial assistance to allow for the construction of non-profit accommodation). By providing some of the benefits of individual home ownership, housing cooperatives play a significant role in metropolitan housing markets (Hulchanski, 1986). While depending on state funds in order to be formed, housing cooperatives have become an effective means for the state to withdraw from the direct provision of assisted housing in that private financial institutions hold the mortgage on the cooperative while the state serves to guarantee the mortgage under the Section 56.1 program. Thus, the private sector now serves as the financing agent for cooperative projects. Through the use of maximum unit prices (MUPs), the state is able to control the size and location of housing cooperatives because rigid cost guidelines limit the potential sites a cooperative can consider for location. In 1983, CMHC concluded that although construction costs for cooperative projects were generally higher than similar private ventures, these costs were offset by lower land costs (CMHC, 1983). Therefore land, especially affordable land, becomes

of crucial importance to housing cooperatives. However, since the amount of available land suitable for construction is finite, land becomes transformed into a commodity through the process of production and exchange in capitalism. As a result of this, "the history of co-operative housing is a history of the efforts to secure land" (Schmid, 1983. p13). The search for a suitable site is of primary importance to the group responsible for delivery of a housing cooperative. Once a site has been secured, construction and subsequent occupation of the cooperative can occur. Currently, the Ontario government is committed to increasing the supply of affordable housing, where new construction, rather than conversion, is preferred (interview with M. Mascarrehas, Regional Coordinator, Ontario Ministry of Labour, January 13, 1988). Therefore instead of searching for existing units, housing cooperatives must seek out suitable sites upon which new construction can occur. However, in the search for a site and in the subsequent selection of a site, a housing cooperative can experience conflict from either the state or the local neighborhood. Local neighborhood groups can oppose a housing cooperative because they may perceive it as an "instant slum" (Hulchanski, 1986), where the cooperative is seen as a threat to the stability of family life in urban areas (Andrews and Bresauler, 1976). The cooperative may also be viewed as a barrier to the economic well being of the neighborhood (for an example of this see Chouinard, 1986 with reference to the DACHI cooperative). The struggle cooperatives have experienced with

the state have generally been over issues regarding funding and funding arrangements (Chouinard, 1986). At a local level cooperatives have often had to struggle in an attempt to gain the necessary approvals for construction (S.Collins interview, January 15, 1988).

1.2 Research design and methods

The focus of this research is twofold. The first aspect will be to explore the locational decision making process employed by the cooperative. It is hypothesized that a opposition minimizing strategy was adopted. The second hypothesis to be tested deals with local experiences where it is hypothesized that rather than uniting the cooperative, problems experienced in the delivery of the cooperative served detrimental to the cooperative in that it impedes the development of a collective spirit. Thus a struggle serves to reduce group spirit and fragment the group.

In order to evaluate these two hypotheses, a case study approach was employed. This study selected a relatively new housing cooperative for two main reasons. A new cooperative would probably have a higher proportion of original members, and consequently the early experiences of the cooperative would be easier to document through discussions with members of the founding group and the cooperative files. Second, it was necessary to select a cooperative with a relatively short history such that the records could be examined given the time

limitations of the study. It was for these two reasons that the West Hill Housing Cooperative was selected.

Data was collected by examining the cooperatives records to document the history of the cooperative with respect to the two hypotheses. As a complement to the cooperatives files, members of the resource group responsible for formation and delivery of the project were interviewed in an effort to expand on the information contained within the cooperative's files. Personal interviews provided an opportunity to document the personal experiences of those involved. Unfortunately, a legal action involving the firms responsible for the actual physical delivery of the project is currently occurring, and as so these parties were unavailable for comment or discussion on any matters relating to the West Hill Cooperative.

Subsequent chapters will provide an overview of theories on urban development and this will lead in to the history of the cooperative and the problems experienced during program delivery and the effects upon the cooperative.

Chapter Two

2.0 INTRODUCTION

Housing cooperatives comprise a segment of the urban environment and must therefore be considered in light of a larger national framework. The forces that affect the city will also ultimately affect a housing cooperative. Thus, before one can begin to study housing cooperatives one must consider urban development and housing in general.

2.1 Approaches to urban development and housing

Urban phenomena such as a continuing housing cooperative can be explained generally through the use of one of four geographical approaches: a behaviouralist approach, a technological change approach, a managerialist approach and a political-economy approach. Each of these four approaches has both its merits and its disadvantages.

2.1.1 The Behaviouralist Approach

The behaviouralist approach, concentrating on the individual, seeks to explain urban phenomena through the actions of individuals. This approach is primarily concerned with "the way in which people come to terms with their physical and social milieux" (Gold, 1980, p.4). As a consequence, the behaviouralist approach focuses on the individual rather than the social and

economic system in which the individual functions in in explaining urban phenomena. Thus, the behaviouralist approach views housing cooperatives as a result of a lack of residential choice. Andrews and Breslauer justify the existence of housing cooperatives as a result of,

a deep-seated (cultural) desire for home ownership...and...the increasingly apparent difficulty of achieving individual ownership within the present economic structure of Canadian society.

(Andrews and Breslauer, 1976, p.41)

The behaviouralist approach may provide insight into the why individuals are attracted to cooperative housing but this approach fails to provide any insight into the events that occur during the formation of a housing cooperative with respect to the actions of the state and private individuals.

2.1.2 The Technological Approach

A second approach in explaining urban phenomena is the technological change approach. This approach asserts that technological innovation (and subsequent change) helps to explain urban events. According to Borchert, urban change is a process of relative and ever changing locational advantages (and disadvantages) where "new technologies hastened obsolescence and transferred the locational and site advantages to other land" (Borchert, 1967, p.328). Consequently, areas were abandoned as new sites became more attractive. Residential mobility and preferences were dependent on which site was more attractive and those who could bid the most for a parcel of land would occupy the land. Less desirable sites were left to filter down to the

less affluent. However, the technological approach fails to explain the social, political and economic events that occur at a particular time. What the technological approach ignores is that development is the result of a set of complex social interactions and that technological change is only a small part of urban change, and that there exists a complex relationship between social relationships and outputs. This approach fails to consider the effects of political and economic activities upon the urban form (eg urban decay as a result of private disinvestment from the inner city).

2.1.3 The Managerialist Approach

A third approach to explaining urban phenomena is the managerialist approach. The managerialist approach focuses "on the relationships between different households and the key actors in the various institutions and agencies concerned with housing supply" (Knox, 1982, p.155). The managerialist approach seeks to explain urban phenomena through the roles of landowners, builders and developers, mortgage financiers, real estate agents, private landlords and public housing managers. Thus the managerialist approach seeks to explain urban phenomena as an outcome of the actions and policies of these urban agents. However, in reference to the activities of these urban agents, Knox indicates that the " 'managerial' decisions are subject to constraints determined by the wider economic, political and ideological structure of society and that there are forces completely beyond the control of the managers which exert a significant influence

on urban patterns" (Knox, 1982, p.166). Thus, the urban manager is subject to exogenous political and economic forces, forces which need to be considered when attempting to explain urban phenomena. However, the shortcomings of this approach (and the other approaches) are addressed in the fourth approach, the political-economy approach.

2.1.4 The Political-Economic Approach

Lee, in his review of political economy, defines political economy as being "primarily concerned with the social aspects of economics and ...with the...influences of economically and socially defined classes upon economic life" (Lee, 1981, p.349), where stress is laid upon the "social characteristics of capitalist society and on the imperative of accumulation" (Lee, 1981, p.350). By stressing the concept of capital accumulation (and subsequent crises as a result of this accumulation), the political-economy approach seeks alternative methods of actions that can be seen as a result of class struggle by considering the role of economic change and class struggle in urban development. Where class struggle can be viewed "as conflicts in which institutions and practices incompatible with dominant social relations are constructed" (Chouinard and Fincher, 1983, p.59). In explaining urban phenomena, political-economy defines capital as "the ability to command labour and to accumulate more wealth through the ownership of wealth" (Edel, 1981, p.22). The class which controls capital is referred to as the bourgeoisie, while that class which is forced to seek employment for economic

survival is referred to as the proletariat (Edel, 1981, p.21). The bourgeoisie, by controlling capital, are seen as the dominant class which seeks to accumulate more capital through commercial and industrial activities and influencing the state and state policies. In such a situation, where the state aids the bourgeoisie in accumulating more capital, the state becomes known as the capitalist state, where the capitalist state "is defined as the dominant political apparatus involved in regulating antagonistic class relations and practices" (Chouinard, 1987c, p.4). The state is primarily concerned with maintaining the status quo and attempts to do this through its administrative, legal and policy activities. By doing so the state is able to facilitate social reproduction (Chouinard, 1987a). The state's role is to maintain the existing economic system and this has resulted in the struggle experienced by various groups for the implementation of cooperative housing projects (Chouinard, 1986), and that this struggle has been primarily a class struggle.

Chouinard identified three stages in the development of a federal policy concerning non-profit and cooperative housing in Canada (see Chouinard 1986). Since this type of housing is in conflict with the capitalist system (due to its non-profit nature) there has been resistance on the part of the state towards funding these projects due to the state's emphasis on the construction of single unit homes in post-war Canada. The first stage lasted until the late 1960s and saw a virtual exclusion of cooperative housing projects from state finances. This first

stage can be described as the stage of exclusion. The second stage, the stage of competition, began in the late 1960s and ended in the mid-1970s, and witnessed the competition among housing cooperatives for federal funds. The third and current stage of federal funding is the stage of 'recommodification' as the state has attempted to reconvert cooperative and non-profit housing projects. The state, "through a series of measures...encouraged the 'recommodification' of relations in cooperative housing delivery and use" (Chouinard 1987c, p.7).

Cooperative housing projects in Canada have generally met with some form of opposition (Andrews and Breslauer, 1976), since they "represent a step away from the commodity form, and thus may pose new threats to the state and the economic structure by challenging the ideology of capitalist social relations" (Fincher and Ruddick, 1983, p.61). Thus the state, by reconvert cooperative housing under Section 56.1 of the Housing Act, has sought to preserve the capitalist system (Fincher and Ruddick, 1983).

2.2 Current Study and Study Significance

There has been little previous work concerning continuing cooperative housing projects by Canadian geographers and the majority of literature can be described as short, descriptive accounts of what housing cooperatives are. Examples of these short, descriptive accounts of cooperative housing are

Rutherford's work on the Convent of the Good Shepherd housing cooperative in Quebec City and Rheume's study of Ottawa's Quarry cooperative (Rheume, 1977; Rutherford, 1981). Rather than simply describing housing cooperatives, Chouinard has provided insight into the difficulty that individuals and groups have encountered in attempting to create a housing cooperative as evident in Chouinard's study of Toronto's DACHI cooperative which encountered stiff opposition from local community groups (Chouinard, 1986). The experiences of housing cooperatives formed during the recommodification stage still need to be documented in an effort to further understand the role of the state in the formation of a housing cooperative since this is the current phase of federal housing policy. This then becomes a reason for studying the West Hill Cooperative housing project in Hamilton, and through the use of a political-economy perspective it should be possible to evaluate the role the state played in the formation of a continuing housing cooperative.

This study has practical significance because by drawing upon these previous studies dealing with cooperative housing and the role of the state it will be possible to identify those measures which future housing cooperative projects can adopt to minimize the external opposition they encounter, and so it may become possible that more housing cooperatives will be formed to help relieve the current Canadian housing crisis. On a more academic level, in order to aid in the understanding of the geography of the city, the experiences of those involved in

housing cooperatives can be documented in an effort to discover what motivates people to become involved in housing cooperative delivery.

This chapter has attempted to locate housing cooperatives within a broader context of urban development and housing theory. By drawing upon Marxist theory, the subsequent chapters will attempt to explain the local experiences of those who were involved in the formation of the West Hills cooperative, with particular reference to the location strategy of the cooperative in order to gain an increased understanding of the effects of program delivery upon the cooperative.

Chapter Three

This chapter is comprised of two main parts: a history of the cooperative and an explanation of the events in the cooperatives history based upon political-economic theory. The explanation will essential deal with the testing of the two research hypotheses of a opposition minimizing strategy and second, that problems in delivery have had a negative effect upon the cooperative).

3.0 History of West Hills Cooperative Homes

The housing co-operative chosen for this research paper, West Hills Co-operative Homes Incorporated, is located in Hamilton, Ontario and was created by a non-governmental resource group known as the East Region Co-operative Homes. The West Hills Co-operative contains 48 units and occupancy of the project began in 1986. Located on the periphery of Hamilton near the intersection of Stone Church Road and Upper Paradise Drive (see Figure 1), the West Hills Co-operative was the cumulation of three years work by the resource group..

The resource group which initiated the West Hills Co-operative, the East Region Co-operative Homes, has had experience with other co-operative projects prior to their involvement with the West Hills project. East Region Co-operatives Homes was responsible for the delivery of the Red Hill housing cooperative, a co-operative which encountered stiff opposition from both local community groups and the state. The experience gained in the Red Hill project was invaluable in that the Red Hill cooperative

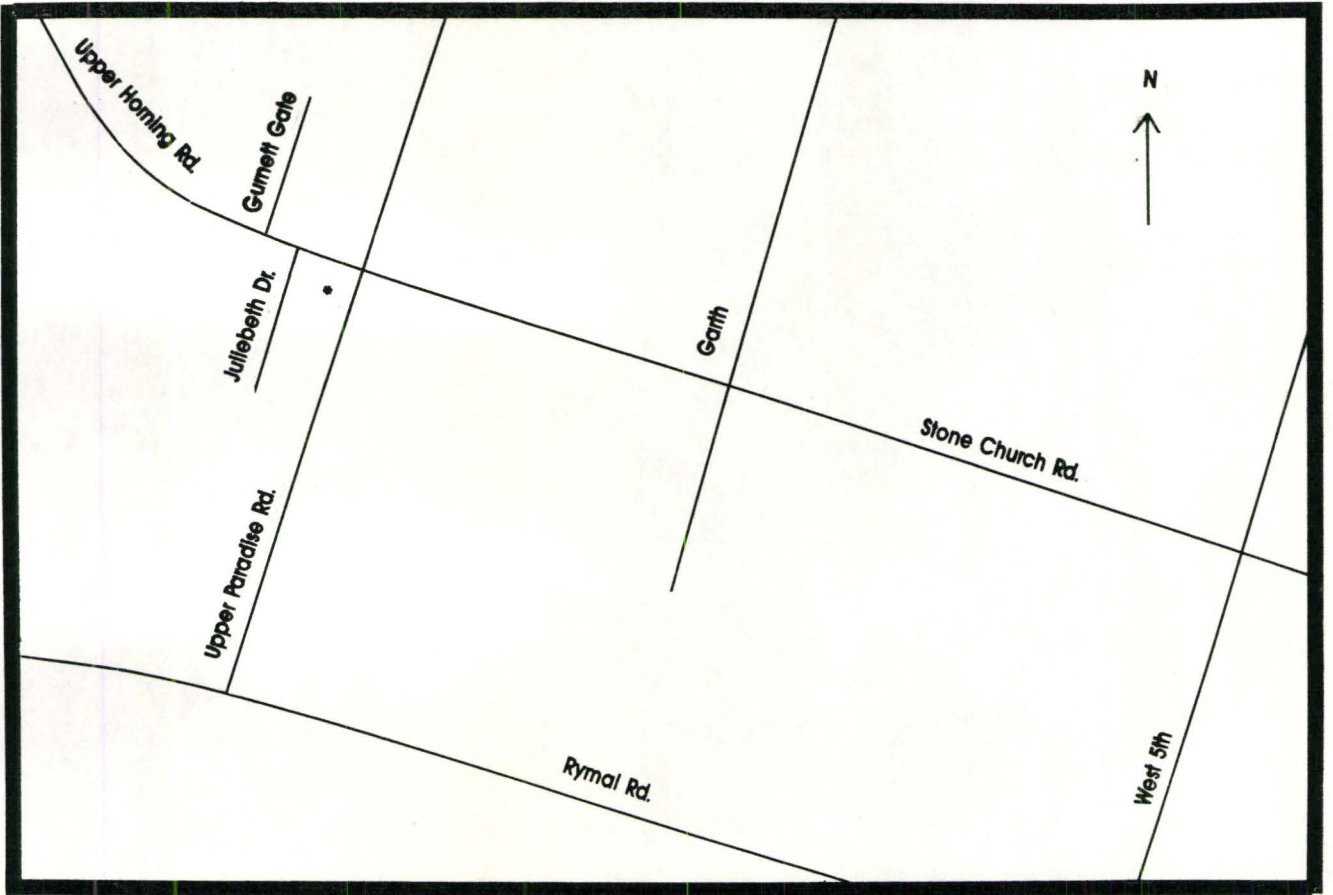


Figure 3.1 The West Hills Site

•Coop Site



showed the problems that can arise if the community is opposed to a cooperative project. Red Hill provided the bad experience that resulted in the resource group adopting the opposition minimizing tactics employed in the formation of the cooperative.

Initial funding for West Hills was received by the resource group in late 1983 to evaluate the feasibility of creating a co-operative project in Hamilton. During the first half of 1984 the primary activities of the resource group concentrated on the search for a suitable parcel of land such that a site with the necessary amenities could be secured (ie close to schools, parks, retail facilities while simultaneously being affordable). In August, 1984 the current site was secured and subsequently Urbex Management and Engineering was awarded the contract to construct the project with Markham Management overseeing the projec

3.0.1 Public Opposition

Unlike some co-operative projects which have experienced strong opposition from local community groups (eg the Red Hill Co-operative), West Hills experienced little, if any opposition, from the community. However, the delivery of the co-operative was not without problems. The single biggest problem experienced by the co-operative was with the actual construction of the project. Construction of the project was initiated 60 days behind schedule, and through a series of building delays the project ultimately ended up being completed four and a half months behind schedule. For the cooperative, it was found that even though satisfactory potential members could be identified,

it was difficult to get these individuals to commit to an unit after they had been shown their potential partially completed unit (Progress Report, February 27, 1986, from J.Holmes to the Board of Directors). Combined with the late completion of the project was that the quality of the construction work done on the project has been called into question, and in many cases deemed unacceptable. A prime example of this occurred during the winter of 1986-87 when the front bedrooms in all 48 units were found to be without heat.

The project delays resulted in cost overruns, overruns that CMHC refused to allow, and made the efforts of the management team and Board of Directors ineffectual with respect to membership recruitment and education (letter from A.Shelly to CMHC, March 3, 1986). Construction delays resulted in staggered occupancy of the project with members being asked to occupy units that were less than 100% complete. The fact that these members were compensated financially for this imposed an additional financial burden upon the cooperative.

The delivery of the cooperative involved the use of Markham Management, an engineering, architectural and construction consulting firm. Markham Management has been involved with other co-operative projects and individual members of the East Region Co-operative Homes had used Markham Management prior to the West Hills project. Markham Management served as a site supervisor and was responsible for paying Urbex Management and Engineering during the course of the construction. Markham Management played

three primary roles: corporate, secretarial and management services; financial management, construction processing and consulting services; and membership recruitment, education and development services. Construction problems forced Markham Management to concentrate on the construction aspect of the project and this has had a detrimental effect on the membership aspect of Markham's services. Membership programs became secondary to dealing with the construction problems as meetings were cancelled and membership turnout rates were low (eg the first membership meeting had a turnout rate of approximately 17 percent (Membership Education and Newsletter Committee Report, July 9, 1986)). In 1985, Jim Lyons of Markham Management feared that unless the construction problems were alleviated, it would result in "very unhappy members to contend with in the future, and a very difficult project to manage" (letter from J.Lyons to the Board of Directors, July 18, 1985).

As a result of the difficulties experienced by the cooperative in project delivery, legal action involving the cooperative, Markham Management and Urbex Management and Engineering has been initiated. Consequently, a feeling of uncertainty exists within the cooperative until the outcome of the legal action occurs.

3.1 Why was the Cooperative Formed?

The primary reason for the creation of the co-operative was

a response to the lack of affordable housing in Hamilton. A housing cooperative was viewed as the best option to the housing shortage because a cooperative was seen as an alternative to conventional landlord-tenant relations since members of the resource group realized the poor quality of some of Hamilton's rental stock and the extreme difficulty experienced by some individuals in dealing with the landlords (interview with S.Watson, February 1, 1988) and that once established, the cooperative would operate independently from the resource group. As such, the members of the resource group would be free to become involved with other cooperative projects as well as preventing any conflicts of interest between the resource group, their business relationships and the cooperative. Also, a co-operative was seen as not only providing the members with an opportunity for an improved economic status but also as providing a forum where the members could obtain a fuller personal life by having the opportunity to be involved in the decision making process regarding their home. Succinctly, in response to Hamilton's housing problems, the co-operative was created with the goal of providing a means for increasing the personal and economic position of its members (interview with J.Little, February 2, 1988).

3.2 Data Results

Based on the experiences of West Hills, this segment deals

with the research hypotheses: that an opposition minimizing strategy was adopted and that rather than uniting the cooperative, problems experienced in delivery has had a negative effect upon the collective spirit of the cooperative.

3.3 Opposition Minimization

Unlike the Red Hill co-operative which experienced considerable opposition, the West Hills Housing Co-operative experienced little opposition from either the state or the local community. It is thus hypothesized that due to the opposition experienced by other co-operatives, an opposition minimizing strategy was adopted by the resource group to minimize the potential sources of opposition to the co-operative. This is evident in the location of the co-operative, the legitimation of the co-operative and the downplay of potential negative aspects of the co-operative.

The location of West Hills is a compromise location. In selecting the site, it was necessary to balance the need to be close to the necessary amenities (ie schools, parks, retail facilities) with low land costs. The current site met these two requirements and at the time of site selection (December 1983-August 1984), the area was very much isolated. Much residential development has occurred since the time of site selection as numerous housing developments has occurred. The importance of this is that the site, at the time of construction an isolated

site, was immediately surrounded by few residential homes. Consequently, the probability of any local community opposition was minimized. Combined with this aspect of the site is that two other co-operative projects can be found within the greater area of West Hills. Thus, the community around West Hills is familiar with cooperatives and as such may not fear the unknown. As well, numerous private townhouse developments and recently two non-profit housing projects can all be found in the West Hills area. The combination of all these various housing projects, all geared towards low to middle income families suggests a concentration of individuals who will be least likely to oppose a housing co-operative in the area. As noted by Chouinard, the DACHI co-operative was opposed by a group primarily comprised of middle class individuals (Chouinard, 1986). The absence of a large middle class population from the area around West Hills greatly decreased the likelihood of community opposition to the co-operative project. Thus by locating on the periphery of Hamilton in an area characterized by low to middle income households can be identified as one means adopted by the resource group to minimize opposition to the location of a co-operative housing project.

The use of Markham Management in the delivery of the co-operative served to minimize external opposition to the project in that CMHC encourages the use of such firms in the development of a co-operative project. Markham Management also served as a liaison between the resource group and the community in an effort

to alleviate any community concerns with the project. Markham Management, by virtue of being employed to monitor Urbex, initially helped to alleviate CMHC's concern with cost overruns in the development of the co-operative, and thus minimize state opposition to the project.

An important member of the resource group was Shirley Collins. A local alderperson, she had both opposed and encouraged the development of housing co-operatives during her term as alderperson. She knew what aspects of co-operative projects would lead to a refusal for construction by city hall. Her experience in local politics helped to steer West Hills through the necessary channels. Of primary importance to the project was that she affiliated herself with the project in order to legitimize the project to the local government. Thus by recruiting an influential urban manager, East Region Cooperative Homes was able to reduce any potential opposition to the project by gaining increased legitimation to the state and society.

A fourth but very important strategy adopted by the cooperative was the down playing of any perceived negative aspects of the project. This was done in two ways. First, the cooperative has three units reserved as temporary (three month) emergency shelters. These units are available to individuals who are in need of temporary accommodations until they can find a permanent place to reside (eg a spouse who must leave his/her spouse due to domestic violence). These units are administered under a different organization within the cooperative known as

Special Services. By doing so, the cooperative is able to remove itself from being connected to the emergency units and thus insulate itself from any negative perceptions of these units. Thus, by administering the emergency units through a separate organization the cooperative is able to reduce a possible source of opposition to the cooperative.

An additional component of the downplay of negative aspects involved keeping the number of subsidized units below the level specified by the state (West Hills only has 33% of the units set aside as subsidized units whereas CMHC and the Ontario Ministry of Housing policy requires 40% of the units to be available as subsidized units). This was done because the resource group felt very strongly that the number of subsidized units must be kept low in order to prevent undue financial strain on the cooperative (interview with J.Little, February 2, 1988). Also, subsidized units can generate a negative perception in the community concerning the tenants of such units and this can ultimately generate into public opposition against a co-operative project. Thus by reducing the number of subsidized units the co-operative was able to reduce the possibility of negative opposition to the co-operative by reducing the fear that the cooperative would become an 'instant slum'.

Thus the lack of strong external and state opposition to the co-operative can be explained through these variables: peripheral site, use of private market consulting firms, influential urban managers and a downplay of negative aspects.

In minimizing the external opposition to the co-operative it was hoped that the co-operative would be able to function effectively. However, the delays in construction combined with the poor quality of the work has generated a whole new set of problems for the co-operative, a set of problems that have resulted in court action being initiated by Urbex and a counter suit being filed by West Hills in reference to damages and costs that are construction related. The relationship between the construction problems, the education of the members and the collective nature of the co-operative will be further explored in order to test the second hypothesis.

3.4 The Effects of Delivery Upon the Cooperative

The construction problems encountered by West Hills created a set of problems for the cooperative. During the construction process in 1985, Markham Management was fearing that the delays in construction would lead to a subsequent bottleneck in occupancy, and that

to have people move into an uncompleted unit or leave completion to the last moment is very disturbing to everybody concerned and will lead to many unnecessary hardships for new members. This should be avoided at all costs...(and unless the project returns to schedule) we (the cooperative) will have very unhappy members to contend with within the future, and a very difficult project to manage

(letter from J.Lyons to the Board of Directors, July 18, 1985).

Yet staggered occupancy of semi-completed units occurred, and for

the cooperative this has had some negative side effects. Financially, the cooperative reimbursed the members for occupancy of the semi-completed units, and at least one member of the cooperative felt that reimbursement in the early stages of the cooperative's existence was not in the cooperative's best interests, which indicates a lack of consensus within the cooperative.

For the cooperative, membership education (one of Markham Managements responsibilities) has been a problem. Education of the members with respect to cooperative housing is especially important since "one of the most important things that members of a cooperative have to do is to learn to cooperate with one another (Andrews and Breslaurer, 1976, p17). During the summer of 1986, numerous membership education meetings were scheduled but the response to these meetings were always low turnout rates (twenty percent or less) by the members (so low in fact that the second meeting was rescheduled twice in an effort to generate higher turnout of the members) (Membership Education and Newsletter Committee Reports, July 9, 1986 and July 26, 1986). It is difficult to ascertain the exact cause of this low rate of participation, but it is highly probable that the members were more concerned with having their unit deficiencies addressed (eg getting their unit painted). The importance of these meetings is that they are designed to generate a sense of collective spirit and to stress the importance of working together in the interests of the cooperative. However, the initial preoccupation of the

members with construction deficiencies has served to put a strain on the cooperative. The current president has been described as continuously 'putting out little fires' and coupled with this problem is the additional burden of the concurrent legal action (discussions with the coordinator).

As a symptom of the effects that the construction problems have had upon the cooperative, monthly housing charges illustrates how the lack of proper membership education has had a detrimental effect. The cooperative has suffered an ever increasing problem of late payments where these late payments result in increased charges for the cooperative as the mortgage is increased due to the interest charged on late payments. These late payments are not simply a result of financial difficulty since payments are often only a day or two late. Rather, apathy seems to be the problem (discussions with the coordinator). Late payments are detrimental to the cooperative, but are the result of a lack of education of the members with regards to cooperative living.

The education of the members regarding cooperative living was never completed by Markham Management. As such the "member education and committee training which are normally addressed in a cooperative's first year of occupancy, were not (performed) by Markham" (letter from D.Holand, coordinator of Waterloo-Wellington Non-Profit Homes to West Hill's Board of Directors, January 13, 1987). This has become a problem for the cooperative in that for a cooperative to survive the members must learn to

cooperate. The continued subordination of membership education due to the construction problems and subsequent legal action cannot continue indefinitely and as such must be addressed in order to guarantee the survival of the cooperative.

The delays in construction have had a negative impact upon the members of the cooperative, and this is seen in the members early preoccupation with having their unit deficiencies addressed and has recently become evident in the high proportion of late monthly housing charges. This trend must be reversed and the way to do so is in education of the members, however, the lack of early membership education may make this task difficult for the cooperative.

Chapter Four

4.0 Conclusions

The experiences of the West Hills Housing Cooperative represent a case in that the essential problem in program delivery dealt with the actual construction of the buildings. Rather than experiencing local opposition, the problems with construction had a detrimental effect upon the cooperative. The problems that arose still partially exist and must be addressed by the cooperative. This chapter will restate the research conclusions and offer some suggestions for future research.

4.1 Research Conclusions

This paper set out to explore two hypotheses. First, it was found that based on the experiences of other housing cooperatives, the resource group adopted an opposition minimizing strategy. These various tactics employed are of importance for future cooperative housing projects in that if they can be successfully applied in other projects, then the supply of affordable housing can be expanded. However, whether or not such measures should be employed is a reflection upon the state's role in the delivery of a cooperative, where the state prefers to let private interests deliver the project, and with the current

state's orientation towards reducing the deficit it is unlikely that the state will increase its role in the delivery of housing cooperatives.

The construction delays represented a unexpected set of problems for the cooperative, and are partially a result of a rigid state regarding cost overruns and occupancy dates that forced the cooperative to move members into partially completed units which impeded the development of a collective spirit. If the cooperative would have been allowed to complete the units satisfactorily some of the potential problems might have been avoided.

4.2 Future Research

Because of the experiences of the cooperative, especially the responses to the difficulties in program delivery that occurred, further research is needed to evaluate the effects of cooperative living upon the members. A question that arises is whether or not housing cooperatives do in fact result in a fuller personal life for the members or does it simply provide an economically attractive form of accommodation? Second, upon the completion of the legal action that West Hills is involved in, the effects of the settlement will have a major effect upon the cooperative regardless of the outcome, as such a follow up study is advocated to see if the cooperative can successfully address those problems that arose because of the problems experienced in

construction.

This study on housing cooperatives by virtue of being a case study only dealt with one example of Canadian housing cooperatives but nevertheless documents the experiences of cooperative living. There still exists a need for more research into housing cooperatives in an effort to increase the knowledge of housing cooperatives in an effort to increase the number of housing cooperatives, especially in this era of a federal government oriented to reducing expenditure on social programs and the repeated history of the failure of the private market to provide affordable housing for low and moderate income groups.

Appendix A

interview questionnaire

1. When did you first get involved with the West Hills Cooperative project?
2. What motivated you to get involved with the project?
3. How would you describe your role in the formation of the project?
4. What were some of the major problems you encountered in trying to deliver the cooperative project?
5. Is the current site of the project your first choice for the cooperative? If no, why?
6. What factors were involved in the selection of the site?
7. Did you experience any opposition from either the local politicians or neighborhood groups when the site was selected?
8. What effects did the various government regulations (eg MUPS) have upon the project?
9. What, if any, constraints did you experience with reference to state regulations?
10. How would you compare your experiences with West Hills with other cooperative projects?

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