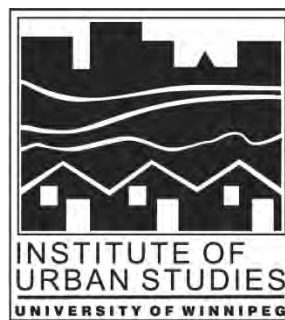


Off Campus: Developing Co-operative Housing for Students

Occasional Paper No. 8

by Marianne Wade, David Linton & Vijay Sharma
1984

The Institute of Urban Studies





THE UNIVERSITY OF
WINNIPEG

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PREFACE

This report is based upon the study, Off Campus: A Report on the Feasibility of Developing Co-operative Housing for Students Near the University of Winnipeg, which was completed in September, 1984. The purpose of the study was to investigate housing conditions and needs among full-time students; to explore possibilities for creating additional accommodation through the development of co-operative housing; and to investigate the financial, administrative, locational and practical considerations of establishing co-operative housing near the University of Winnipeg. This report will present only a portion of the research findings.

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1.0 INTRODUCTION

Inadequate student housing is currently perceived as a problem in Canada, and the situation facing students at the University of Winnipeg is no exception.

On-campus housing at the University presently consists of two dormitories, Graham Hall and Sparling Hall, which accomodates 120 men and women. Off-campus, high rental costs, rising utility and transportation prices as well as a decline in vacancies have forced many students to either share accomodations, settle in unsuitable premises or to continue living with their parents while attending university.

Although the University of Winnipeg Students' Association (UWSA) provides a housing registry to assist students in locating suitable accomodation, the increasing number of students, combined with the decreasing supply of affordable units and inadequacies of existing student accomodation, has led to student dissatisfaction.

2.0 A HISTORY OF CO-OPERATIVE HOUSING

Since the beginning of civilization, human societies have embraced ideas of co-operation as well as competition. People have always found it necessary to work together in order to achieve the common goal of survival. Even in ancient history, "co-operation or associationism promoted greater progress than sheer individualism."¹ From this we may suggest that the tradition of co-operative development is as old as civilization itself.

A co-operative is

...an association of people who have united to co-operatively provide themselves with goods or services of many kinds. They get together as a group to accomplish something they could not do individually. The individual members share equally in all privileges and responsibilities, allow for complete and democratic control by the membership, patronize the venture and mutually share the benefits of their co-operative activity.²

Historically, Canadian co-operatives have emerged in order to fulfill the socio-economic needs inadequately addressed by existing market enterprises. The concept of co-operatives in Canada has mainly been utilized in five major economic sectors: consumers and produce (food outlets), marketing, services (housing) and finance (credit unions).³

The concept of co-operative housing has been practised in Canada since the 1930s. In the context of housing, co-operatives have become a viable option, especially in metropolitan areas where increasing land costs and housing rents have made it difficult to obtain adequate housing, even for

persons of moderate income.

According to the Co-operative Housing Foundation of Canada, co-operative housing is a

...term used to describe housing constructed or obtained by a group of people to be owned collectively by those who will occupy it. The group may be large or small and is usually incorporated as a co-operative under provincial law. The main purpose for co-operative housing is to provide good housing at cost price.⁴

There are two types of co-operatives in Canada: building co-operatives and continuing co-operatives.⁵ The building co-operative consists of a small number of families that construct or have built for themselves a number of homes, with ownership reverting back to the individual member at some point. In contrast, a continuing co-operative consists of share-holders who are residents of their collectively developed and constructed housing units, where no one person owns their housing unit.⁶

The first continuing co-operative housing development in Canada was known as Campus Co-operative Residence Inc. (CCRI) which was built in 1936 by students at the University of Toronto's Victoria College.⁷ The first urban continuing housing co-operative project was built in Winnipeg in 1964. Willow Park was established on land leased from the city and received financing from the Central (later Canada) Mortgage and Housing Corporation (CMHC). Since then, "408 co-operatives comprising more than 1700 units have been opened across the country, with additional units

under construction."⁸

Co-operative housing has grown in quantity and popularity in urban centres over the past decades. The main reasons for this development may be attributed to the following: "Limited rental accommodations due to high building costs as well as rent controls; high mortgage costs for individual home ownership and favourable financing for housing co-operatives."⁹ While there was legislation for assisted housing, it was infrequently used until the mid 1960s. Between 1945 and 1966, 0.1 per cent of all housing starts (71,000 units) were for social housing.

In summary, it is against the stated socio-economic circumstances that co-operative housing came into being in Canada. Concerned citizens collectively pooled their energies in an effort to provide themselves with affordable housing. Co-operative housing in Canada is a relatively recent and expanding phenomenon.

3.0 STUDENT HOUSING CO-OPERATIVES

The role of student co-operative housing in Canada began at the University of Toronto's Victoria College in 1937. Providing housing through co-operatives, however, has only recently been a common practice of students of Canadian universities. Co-operative housing expanded in the 1960s and 1970s to universities such as Dalhousie, Queen's, Toronto, York, Guelph, Alberta and Simon Fraser.

This expansion was due to major amendments to the National Housing Act (1964) which allowed for more assisted housing programs. A result of these programs was a significant upswing in social housing activity. (See Table 1).

Each student housing co-operative has the purpose of providing low-rental housing for university students. The differences between the various co-operatives are: 1) method of management, 2) student-operated versus professionally-managed, or 3) joint ventures (students and university staff both operate and manage the co-operative).

The available literature indicates that the majority of student co-operative housing projects were established prior to the mid-1970s, reflecting the changes in public sector priorities. Up to the mid-1970s the federal government widely promoted its financial support policies for student housing as found in NHA-7 Loans for Student Housing.¹⁰ These policies stemmed from the 1964 revisions to the NHA which included provisions for "funds for acquisition and conversion or construction of co-operative housing."¹¹

Since the mid-1970s, however, CMHC housing assistance has been directed toward family households and the public at large rather than a special focus on students. During this period the federal government also changed its role as a direct funding agent to one of loan guarantor and shifted responsibility for development and delivery/operation to

TABLE 1

Co-operative Housing Production Under Federal Housing Programs, 1971-1983

New Construction (Units)

Program	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	Total
Section 15 * Entrepreneur	11,059	8,470	4,311	2,015	10,150	--	--	--	--	--	--	--	--	36,005
Section 34.18 Co-operative	--	--	191	615	1,365	948	1,565	654	--	--	--	--	--	5,338
Section 56.1 and 6 Co-operative	--	--	--	--	--	--	--	--	--	226	1,902	4,711	3,892	10,731
Existing (Units)														
Section 15 * Entrepreneur	448	327	215	529	745	--	--	--	--	--	--	--	--	2,269
Section 34.18 Co-operative	--	--	--	387	116	737	313	804	2	--	--	--	--	2,359
Section 56.1 and 6 Co-operative	--	--	--	--	--	--	--	--	1,152	2,222	1,823	1,928	1,396	8,521

Source: CMHC. Canadian Housing Statistics. 1971-1983.

* Entrepreneur includes non-profit and co-operative housing units.

provincial and municipal governments and community-based groups.

To determine the viability of a student housing co-operative for the University of Winnipeg, the research team contacted various public and private housing agencies in Winnipeg. Both positive and negative responses were received. Concerns were expressed by CMHC and City of Winnipeg officials. They felt that student co-operatives would be financially unsound and generate many problems in regard to administration. Support was received from provincial departments, Core Area Initiative staff and resource groups. They believed that students were faced with a housing problem and that a co-operative would overcome the problems facing the group.

Due to the success of University of Manitoba's student co-operative, College Co-op Inc., the research team were convinced that the negative factors could be overcome. The following statement by A.B. Gellatly, made in 1967, captures this more encouraging attitude:

All in all, student co-operative housing development is sound. There will continue to be problems which only experience will eliminate. I have no hesitation in recommending that you consider student co-operative housing as one of the solutions to the housing shortage on university campuses.¹²

The research team determined that a joint venture with local community residents would overcome some of the negative views associated with exclusively student housing while creating a housing project which

would benefit from closer ties to the community. To cope with problems of administration and lack of experience, the research team undertook an inventory of Canadian university student co-operatives. From these projects, information on Board and staff management, financing, and membership were elicited. Five housing co-operatives are reviewed here.

3.1 Campus Co-operative Residence Incorporated

Campus Co-operative Residence Incorporated was established by the students of the University of Toronto's Victoria College in 1937. This student co-operative, Canada's first continuing co-operative housing project, has 27 houses. Similar to other co-operatives, it is the policy of CCRI to adhere to the Rochdale principles. It must be noted that CCRI is completely owned and operated by University of Toronto students and has no affiliation with the University's administrative structure.

Structure of CCRI

CCRI's organizational design consists of four different bodies: General membership; Board of Directors and its committees; Division Councils; and Central office staff. The following should be noted:

- CCRI's general membership is comprised of 316 members. This is the highest decision-making body in the co-operative.

- The Board and the Division Councils are selected democratically by the general membership. They are completely accountable to the general membership. The co-operative committee members are appointed by the Board of Directors and are accountable to the Board.
- The central office staff is comprised of a general manager, a membership secretary and a bookkeeper. Staff members are hired either by the Board of Directors or by the general membership.

The following further illustrates the responsibilities and duties undertaken by these respective bodies:

Board of Directors - directs the general manager and other staff, the five Divisions (North, South Lowther, Sussex and Annex), the central (office) budget, and the Board committees. It also oversees implementation of Board decisions. In accordance with the co-operative by-laws, the Board of Directors sets out policies and procedures for the co-operative. It establishes standing committees in an effort to facilitate the policy-making process. The standing committees' primary concern is to investigate, report or act on any matter referred to them by the Board or the general membership. This body is important as it allows the concerned member to voice his views on the operation of the co-operative.

There are four standing committees operating at CCRI:

Education Committee - educates new members; undertakes co-operative advertising; plans methods to keep members informed and involved in making decisions.

Maintenance Committee - oversees the maintenance program of each division and recommends maintenance-related programs and policies to the Board.

Policy and Planning Committee - re-examines present policies of the co-operative; studies and creates new policies; it also has the responsibility of future plans for the co-operative.

Finance Committee - reviews the fee structure and works with the Board of Directors and division councils on budget planning and other financial matters.

Division Councils - consist of five divisions: North, South, Lowther, Sussex and Annex. Each can be considered a mini co-operative. The Division Council oversees the division's financial budget, gives directions and supervises division employees. Division employees are usually made up of student members of the co-operative who are elected or hired, and are paid by an honorarium as a token of appreciation. The North and South Divisions have a qualified cook who is responsible to the kitchen unit manager, who in turn is responsible to the council manager, purchasing manager and work schedule manager.

Central Office Staff - are comprised of full-time staff:

General Manager - supervises the office staff, advises the Board of Directors in decision-making process and co-ordinates day-to-day co-operative affairs.

Membership Secretary - handles inquiries coming into the office, maintains the co-op files, types co-op correspondence, and does other clerical duties.

Bookkeeper - handles member accounts and keeps a full set of accounting books up to date.

General Membership

"An applicant must deposit \$35.00 with his application before it will be considered and such sum will be considered to be his membership loan when he becomes a member, or returned to him promptly if he does not become a member," (CCRI Deposit, Application, Cancellation and Fee Payment).

A member of a co-operative has to re-apply for each fall-spring and summer term if he/she wishes to stay. After the co-op's application deadline, applications are processed on first-come basis.

3.2 Neill-Wycik Co-operative College

Neill-Wycik is a 650-member high-rise student co-operative located in Toronto. This student co-operative has been in operation since 1970. Most of the residents are students of the Ryerson Polytechnical Institute and

the University of Toronto. Neill-Wycik Co-operative is completely owned and operated by the resident members with no affiliation with any university.

The co-operative is owned and operated by its members through:

The Board of Directors - consists of 12 members elected by the general membership. Six directors hold office for two-year terms and the remainder for a one year period. This promotes continuity and experience on the Board of Directors. The Board formulates the co-operative's policies and is mainly responsible for representing the co-operative on a legal level.

To receive further assistance, the Board establishes a number of standing committees. These standing committees assist the Board and the membership in the following capacities:

Education Committee - is responsible for educational functions and facilities. This committee sponsors yoga, poetry reading, lectures and community get-togethers, but the primary focus is to educate the members in the operation of the co-operative.

Management Committee - is responsible for all financial matters. This committee's eight members are also responsible for preparing the annual budget in consultation with the Board of Directors and other standing committees, and for reviewing and analyzing financial statements such as vacancy losses and co-operative investments.

Upkeep Committee - reviews renovation proposals and works at ways of improving the upkeep of the building.

House Committee - consists of five individuals, including a chairman and four group co-ordinators. The chairman is the head of the committee, supervising the co-ordinators. The co-ordinators are responsible for building management. They also have to make sure that clean-up and other complementary activities are efficiently scheduled.

Membership Committee - composed of members of the Board of Directors and members at large. The primary duties performed by this committee are:

- acceptance of new members.
- conduct group interviews with prospective members.
- educate prospective members about co-operative ideology and to promote Neill-Wycik Co-operative.

Personnel Committee - responsible for developing and monitoring staff policies and ensuring all work is performed efficiently and properly. The Personnel Committee is also responsible for administering:

- sick leave allowances.
- overtime allotments.
- staff working agreements.

Neill-Wycik Co-operative's budget is developed on a non-profit basis. Non-profit budgeting means income equals expenses, with provision of a buffer surplus for emergency and long-term needs. Items such as mortgage payments, realty taxes, heat, electricity, water, and so forth are primary areas of the budget.

The Co-operative also offers the following facilities to its member residents: sewing, exercise, laundry, sauna, lounge, cafeteria, sun deck, steam room, party room, dance floor, dark room with photograph developing facilities, TV lounge, woodshop and a small library.

3.3 Science '44 Co-operative

Science '44 Co-operative is a student co-operative that began through the foresight of a group of engineering students attending Queen's University in 1941 -- hence the name "Science '44 Co-operative." The co-operative consists of 21 houses, all within five minutes' walking distance from Queen's University and a ten-minute bus ride to St. Lawrence College. While most of the co-operative membership consists of students attending Queen's University and St. Lawrence College, membership is open to anyone.

The 21 houses are divided into three divisions, each consisting of seven houses. These divisions are: East Division - east of the Queen's campus; Central Division - two blocks north of the Queen's campus; and the North Division - four blocks south of the campus.

Administrative Structure

The Board of Directors consists of eleven individuals elected at the beginning of the year at a general meeting. The Board meets once every two weeks to provide future directions and discuss services, maintenance, the meal plan and any other matters concerning the co-operative.

Each division has a Division Council, which decides on the level of services they wish to provide to the division members. The division council is under the charge of an elected Division Manager. The Division Managers automatically become members of the Board.

Permanent Staff

The following positions form the co-operative's permanent staff:

General Manager - responsible for the daily operation of the co-operative and supervision of other co-operative staff.

Business Manager - handles the co-operative's books and accounts.

Property Manager - runs the maintenance program and responds to the repair orders made by the member residents.

Kitchen Manager - runs orientation programs for member cooks and prepares fresh bread and baked goods in the co-operative's bakery.

Student Kitchen Managers - hired at the beginning of the academic year for a period of eight months and are paid half room and board for their efforts.

Services Offered to the Membership

A meal plan is under the direction of a professional kitchen manager. This service provides a variety of hot lunches and dinners. Upon consultation with the membership, the co-operative also offers an equipped dark room for its members and a video club entertains the members on weekends.

3.4 College Housing Co-operative Limited

College Housing Co-operative Limited was formed in 1968 by concerned University of Manitoba students who recognized the lack of married students' housing. To meet this need, a non-profit 90-unit housing co-operative was established. CHCL is not responsible to or affiliated with the University of Manitoba.

Administrative Structure

Nine members from the co-operative are elected to comprise its Board of Directors. Some of the directors are elected to one-year terms while others are on two-year terms. The Board sets the co-operative's objectives and goals and makes decisions on various other matters concerning the co-operative. It also is responsible for appointing committees.

There are two types of committees appointed by the Board: Standing committees (newsletter, welcoming and social committees, to work on ongoing projects) and *ad-hoc* committees (formed where required to work on short-term projects). The following are the established committees at College Housing Co-operative Limited:

Welcoming Committee - educates new members about the co-operative.

Social Committee - promotes a social atmosphere and provides physical amenities for Univillage members. This committee also generates funds for the co-operative through the vending machines.

Newsletter Committee - provides a medium to make the reader feel a part of the community, and informs and entertains (CHCL Pamphlet).

The Board of Directors is also responsible for electing four members as the officers of the co-operative. The four officers elected by the Board are: President, Vice-President, Secretary and Treasurer. To operate the co-operative on a daily basis, a manager and the required staff are hired. The manager is responsible for the general maintenance of the property.

College Housing Co-operative Limited is controlled by a holding company -- College Housing Holding Inc. The holding company is comprised

of seven members, five of which are citizens of the community, and the other two members are current Board members.

The holding company is to ensure the continued viability of the co-operative. The holding company controls the repair contingency, tax and trust accounts, and meets with the co-operative manager at least twice a year.

Services Provided by the Co-operative

Babysitting Services - provides babysitting services for its members at no cost. There is no exchange of money but rather an exchange of time. This babysitting service is only open to current members.

Rec Room and Study Halls - contains the following entertainment: table tennis, croquet, a colour television, and so forth. Separate study halls are provided for smokers and non-smokers.

Univillage Student Day Care - priority is given on a first-come first-served basis to members with a full course load. Fees are based on net family income, with available government subsidy.

3.5 Guelph Campus Co-operative

Guelph Campus Co-operative (GCC) has been serving the university and the Guelph community since 1913. The co-operative provides its members with three bookstores, food services, a gift shop, student housing, member investment programs and a pharmacy. Membership in the co-operative is extended to the community at large as well as the university community.

The housing division of the Guelph Campus Co-operative came into operation in 1966. The main thrust of the housing division is to provide low cost accommodation to the student population at the post-secondary level. The housing division consists of six houses and five apartment buildings, all located within walking distance of the University.

The co-operative houses consist of furnished rooms and shared kitchen and laundry facilities. These units are rented out on a semester basis. The apartment division includes one- and two-bedroom units. These units are unfurnished and are leased on a twelve- or eight-month basis.

4.0 GOVERNMENT POLICIES AND PROGRAMS

The public sector has been fairly active in promoting co-operative housing developments in the City of Winnipeg. Under the following programs, six agencies and three levels of government have influenced local development activities.

4.1 The Federal Government

Provisions for federal funding of co-operative housing are currently found in Section 56.1 of the National Housing Act (NHA). They are administered by Canada Mortgage and Housing Corporation (CMHC). The following is a brief history of CMHC programs directed towards the co-operative housing sector:

- In 1938 the federal government, under the NHA, offered preferred interest long-term loans of up to 90% to companies involved in providing housing to low and moderate income households.
- In 1949 NHA amendments introduced a cost-sharing arrangement between federal and provincial governments to collectively meet the inadequacies faced by the public in the housing sector.
- In 1964 loans of up to 90% (for operating and capital expenditures) were made available to non-profit organizations, including those owned by provincial and municipal governments.
- In 1968 the federal government provided further assistance by increasing the government loan percentage to 95% from 90% (1964), as well as expanding loan availability to any organization or corporation wishing to undertake provision of low rental accommodation.¹³
- In 1973 CMHC provided loans of up to 100% of the lending value of the project; and a grant of up to 10% of the capital costs of the project.¹⁴
- In 1978 the federal government amended the NHA in an effort to reduce the public deficit. Provisions for the co-operative housing program were revised and removed from Sections 15.1 and 34.1 to 56.1. Under the new system, the federal government makes available annual assistance equal to a reduction in the interest rate to as low as 2% over a 35-year term on approved capital costs, up to a per unit maximum. Project developers have to obtain their capital financing from approved lenders rather than the government.¹⁵

CMHC also allocates grants to non-profit housing groups under the umbrella of alternate programs. For instance, if new construction is not required, then the group may qualify for assistance under the Residential Rehabilitation Assistance Program (RRAP). Through RRAP, CMHC offers forgivable loans of up to \$5,000 per unit or \$6,500 for units for the disabled.

The program considered to be most important to co-operative groups is the Start-up Program (Section 37.1 of the NHA). The intention of the program is to assist groups in establishing the feasibility of their projects. Section 37.1 stipulates that:

Where a person advises the Corporation that they wish to undertake a project for individuals or families of low income for which project a contribution or loan may be made under this Act, and satisfies the Corporation that they require financial assistance for any purposes related to the development of proposals for the project or the initiation thereof, the Corporation may make a contribution for that purpose, subject to such terms and conditions as it considers proper.¹⁶

In summary the following CMHC programs are presently applicable to the co-operative housing sector:

Start-up Program - Financial assistance to develop the housing proposal to the point where a loan application can be made.

Loan Insurance - for up to 100% of the agreed cost of the project when mortgage financing is obtained from lenders approved by CMHC.

Financial Assistance - to subsidize mortgage payments from the going market interest rate to as low as 2%. This has the effect of reducing rents, especially for low income tenants.

Funding for Repairs - and modifications where existing housing is acquired - Residential Rehabilitation Assistance Program.

4.2 Manitoba Policies and Programs

Manitoba Housing and Renewal Corporation (MHRC), created in 1967, is the means through which the Province of Manitoba implements its housing

policies. MHRC has:

concentrated its efforts at providing assistance to Manitobans of low income. Its public housing program, which is a subsidized rental program for low income families and elderly persons, is by far its main area of activity.¹⁷

As a means of assistance to co-operative organizations, MHRC offers land to housing groups at minimal cost through its land banking services.

Such land is offered to a housing co-operative by way of long-term leasing arrangements which calls (sic) for an annual rental equal to only 5% of the cost of the land per annum. In exchange for such favourable terms, a housing corporation must agree to set aside programs for low income families.¹⁸

Financial assistance of 5% under the capital grants program is also available to non-profit housing groups. (Incidentally, this 5% capital grant is issued in conjunction with the CMHC grant.) The intention of this grant is to help reduce the monthly rental below the current market rate, although it must be noted that MHRC requires certain conditions to be met by co-operative housing groups prior to granting the funds. They are:

- 1) The co-operative organization is a bona-fide co-operative organization duly registered and acceptable to CMHC and the Department of Co-operative Development of Manitoba.
- 2) CMHC accepts and approves the co-operative's application with respect to design, building code requirements, unit and square foot costs.
- 3) The project will be viable and reflect reasonable rental rates in accordance with rental market conditions.¹⁹

Another provincial government agency involved in promotion and education in the field of continuing co-operative housing is the Manitoba Department of Co-operative Development (MDCD). MDCD was created in 1971 with a mandate encompassing the areas of retailing, agriculture, housing, day care and various other community affairs.

MDCD provides consultation (group organizations, organizational structure, design, etc.) to co-operative organizations and assists them in submitting their incorporation papers. MDCD insures that the applications of incorporation and the proposed charter by-laws are in accord with the Manitoba Co-operative Development Act.

4.3 The Municipal Government

The City of Winnipeg does not provide financial assistance to housing groups but does influence the actual development of a co-operative housing project. The influence that the City of Winnipeg exerts on the development of a co-operative or non-profit housing is of a "regulatory agency" nature - zoning or subdivision approvals and the issuance of building permits. This regulatory activity can have important effects on the progress of a proposed project. For example:

A study which was done in 1975 indicated that the average time required for a typical subdivision to venture through the various stages of implementation (i.e. from the subdivision design stage to the housing construction and marketing stage) ranged from 43 to 59 months. Of this total, a development apparently takes some 20 to 27 months to go through the City's

subdivision plan approval process and its housing design approval process.²⁰

The City may also become involved in co-operative housing projects through other means such as leasing city-owned land or property for an extended period of time at a subsidized cost. For example, the City leased 13 acres of land in north-west Winnipeg to New Village so that it could develop a housing co-operative. This land was leased to the co-operative through a subsidized 60-year lease.²¹

4.4 Municipal Non-profit Housing Corporation

Non-profit corporations such as Winnipeg Housing Rehabilitation Corporation (WHRC) also have been instrumental in assisting co-operative housing groups. Assistance is not provided in terms of direct funding but rather in the form of consultation.

WHRC policies contain a two-fold objective - to increase the supply of affordable housing in the City's older neighbourhoods while concurrently upgrading existing units. To accomplish this:

- 1) WHRC buys property for renovation through the use of private and public funds; then, in turn, leases the property for a five-year period.
- 2) WHRC's assistance to housing groups is of a consultative nature. The Corporation assists the group in areas such as co-operative education, group organization and organizational structure.

4.5 Winnipeg Core Area Initiative

One other source providing assistance to non-profit housing groups is the Winnipeg Core Area Initiative Program (CAI 1981-85). This initiative is a concerted effort of the Federal Government, the Province of Manitoba and the City of Winnipeg to remedy the social and economic ills of the core area of Winnipeg. The working budget of this initiative is about \$96 million, requiring each of the partners to contribute a sum of \$32 million over five years.²²

Non-profit housing groups may qualify for financial assistance from the allocated budget of \$4.5 million for Program 2: Housing.²³ The object of the Housing Program is to:

rehabilitate about 4,000 existing housing units and build about 400 privately-owned units; to the end of 1983 some 1,639 existing units had received RRAP grants, 31 new homes had been built, and 228 existing units had been purchased with the assistance of a \$5,000 Core Initiative grant for each unit.²⁴

The Core Area Initiative Program also includes a component to assist in conversion of available warehouses into residential units. Therefore, co-operative housing groups are strongly recommended to explore this avenue of funding. After consulting with CAI and provincial housing officials, there seems to be an indication that financial assistance may be available to co-operative housing groups, depending on the nature of the project.

5.0 ESTABLISHING A CO-OPERATIVE: MANITOBA CASE

In establishing a housing co-operative, all that is required by the Manitoba Department of Co-operative Development is a group of five to ten committed people. This group will be educated and advised by the department's resource group in terms of what is a co-operative and how to develop a co-operative. Six steps are involved.²⁵

Step I: Introduction to Co-operatives

- 1) evaluate local housing needs.
- 2) examine co-operative principles.
- 3) visit an existing housing co-operative or see an audio-visual presentation.
- 4) receive printed material regarding co-operatives.
- 5) study the various rolls and responsibilities of members, the different forms of administration and operation.
- 6) get on mailing lists for co-operative newsletters.
- 7) make a decision to form the group as a co-operative, or to pursue other housing interests, or to remain as an informal informational group.
- 8) inform the resource person that the group wishes to proceed and wants to incorporate.

If the group decides to proceed, then it may incorporate. Co-operatives are not required to incorporate, however, many do so to achieve legal recognition and facilitate their operations in the community.

In Manitoba, a co-operative organization must satisfy the criteria for incorporation as defined by the Department of Co-operative Developments Registrar and as required under the Manitoba Co-operatives Act. The Registrar requires the group to:

- 1) show a common need or want with sound co-operative objectives.
- 2) show a knowledge of co-operative principles.
- 3) provide an economically viable proposal.

The advantages of incorporation are:

- 1) it allows the name "co-operative" or "co-op" to be used.
- 2) it provides a legal status for the operation.
- 3) it clarifies the taxable position of the operation.
- 4) it allows for protection of the co-operative and its members.
- 5) it allows for limited liability if desired.
- 6) it generally provides for regulatory assessment and in some instances, continued development assistance.

Step II: Organizing the Co-operative Group

- 1) determine and make the down payment or membership fee. This will show the serious intent of the potential members.
- 2) prepare the by-laws and articles which may mean merely studying and modifying the sample document provided by the resource person (Manitoba Department of Co-operative Development). These documents specify the basic operating and decision-making process of the co-operative.
- 3) designate a volunteer co-ordinator (a Board member or their community person).
- 4) obtain evidence of inability to obtain conventional credit.
- 5) begin recording discussions and decisions (minutes and agendas).

- 6) select attorney for assistance with incorporation (Manitoba Department of Co-operative Development may be able to provide this service).
- 7) establish committees, such as land, planning and design, finance, social services and so forth.
- 8) select name of corporation and elect officers.
- 9) submit documents to the Department of Co-operative Development for review if necessary.

Step III: Developing the Housing Proposal

In Step III obtaining a site for the co-operative is the major concern. In order to select an appropriate site, the following steps should be followed:

- 1) investigate land costs and select lot or lots.
- 2) check zoning requirements and feasibility of any given lot.
- 3) analyze accessibility and obtain approval for services (water, sewer, electricity and gas).
- 4) have preliminary title search made by the Land Titles Office (Province of Manitoba). Attorney or a resource person can arrange this.
- 5) arrange for financing of initial costs, these may be covered by the down payments, through start up grant, or interim financing through public sector housing agency.
- 6) maintain ongoing and specific contact with housing officials and related municipal officials such as building and planning departments.
- 7) obtain option on land (for a conversion project this and some other steps are necessary).
- 8) notify the resource person that the group is ready to proceed to the next step.

Step IV: Preparing Detailed Housing Plans

The cost of new construction or rehabilitation as well as operating costs are investigated in Step IV. These listed steps are undertaken:

- 1) group estimates housing materials costs.
- 2) unit designs are sketched for either new or rehabilitation construction.
- 3) decisions are made as to the kind of unit, kind of construction (i.e. single vs multiple units).
- 4) density and size of units are determined.
- 5) plans and drawings are developed through the group and architect.
- 6) budget for operations.
- 7) arrange long-term mortgage (submit CMHC application for mortgage Interest Assistance Program as noted in 56-1 of the NHA).
- 8) make decisions regarding contractor - built or self-help construction.
- 9) inform the resource person that the group is ready for the next step.

Step V: Housing Construction

During this phase, the group has the option to construct co-operative housing projects through the means of self-help or professional contractors. If the group decides to employ the self-help means, then these steps should be followed:

- 1) study various phases of construction.
- 2) establish systematic controls for expenditure of funds for materials.
- 3) establish system for sharing of work.

- 4) obtain insurance - public liability, fire and theft and bonding.
- 5) obtain permission to begin expending funds.
- 6) begin construction or reconstruction.

Step VI: Establishing Management

In this Step, the group's goal is to develop an administrative structure for the maintenance and operations of the co-operative. The process of education, in the areas of bookkeeping and repayment of mortgage are undertaken by the group.

- 1) assign living units.
- 2) activate accounting systems.
- 3) activate maintenance systems.
- 4) commence repayment of mortgage.
- 5) clarify legal documents, rules, regulations and management system of the co-operative.
- 6) arrange for independent annual audit and review of books, corporation tax filings and other related matters.

Upon completing Step VI, the group will have developed a co-operative housing scheme. Even after the establishment of the co-operative, the group is recommended to further educate themselves and the member residents in the operations of a co-operative housing project.

6.0 THE POTENTIAL FOR A UNIVERSITY OF WINNIPEG STUDENT HOUSING CO-OPERATIVE

The potential for a student housing co-operative in a proximity to the

University of Winnipeg is very promising based on the results of the research team's survey. There were 38 interested persons out of 736 students surveyed. If further surveying were carried out with part time students, a greater need and interest for co-operative housing would be predicted. Both the survey response plus the positive support received from provincial departments and local resource groups encourage the establishment of a co-operative in the community adjacent to the University of Winnipeg.

Presently, students as well as community residents are faced with a housing problem. The need for low cost, suitable housing by the students was indicated by the survey results. Students can overcome this problem by organizing and joining with community residents and utilizing the available resources to develop and implement a co-operative.

NOTES

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5. Introduction to Co-operative Housing (Ottawa: Co-operative Housing Foundation of Canada, 1982), 4.
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7. Campus Co-operative Residence Inc. (undated Brochure), 3.
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12. A.B. Gellatly, Co-operative Residences Report (Presented at C.A.U.B.P. Conference in 1967), 9-10.
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18. Ibid., 60.
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