

# **A Strategy for Self-Help Housing and Renewal**

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**by Lloyd Axworthy  
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**The Institute of Urban Studies**





THE UNIVERSITY OF  
**WINNIPEG**

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A STRATEGY FOR SELF-HELP HOUSING AND RENEWAL

by

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## A STRATEGY FOR SELF-HELP HOUSING AND RENEWAL

For several years now there has been frequent attacks on the conventional government approach to urban development and low-income housing by advocates of citizen participation. According to this new breed of urban populists, government activity has been too interventionist, too paternalistic, too insensitive to the needs of the people that were to be served. The failure of urban renewal as it was practiced in Canada up until its cancellation in 1970, and the inadequacies of public housing, stand in testimony of how centralized, bureaucratic programs don't work.<sup>1</sup>

One alternative seen by the activists of the citizen participation movement is to return the power of decision-making to the people - to let those in need of better housing or improved neighbourhoods author their own solutions. Citizen self-help housing and development has become the formula for achieving planning and programs that fit needs, and encourages an individual's sense of achievement and satisfaction. The basic hypothesis has been well stated as follows:

"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 people have no control over nor responsibility for key decisions in the housing process, on the other hand, dwelling environments may instead become a barrier to personal fulfillment and a burden on the economy."<sup>2</sup>

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1. See, Federal Task Force on Housing and Urban Development, Queen's Printer, Ottawa, 1969.  
Michael Dennis and Susan Fish, Programs in Search of a Policy, (Toronto: A.M. Hakkert, 1972).
  2. Robert Foster, John F.C. Turner, Peter Grennel, "The Meaning of Autonomy", in The Freedom to Build, (ed.), John F.C. Turner, (New York: Macmillan, 1972).

The question now is -- will such an approach work? Will there be a response to this legislative invitation to citizen organization and can the self-help activity become a major ingredient in the low-income housing market? If it does, it will mark a major turning point in the citizen participation movement, proving that citizens can take constructive action on their own behalf and are not just a negative force. On the other hand, if there is a failure in the program, and the citizen housing and redevelopment groups fail to act upon the new legislation or fail in its execution, then the critics who have denied the capacity of citizens to successfully achieve meaningful solutions to their problems will be proven right. Of equal importance, if the program fails, it will be the last opportunity to develop more effective means of planning and supplying housing to low-income groups and of renewing neighbourhoods. The inadequacies of highly centralized government has been shown. If the self-help concept also fails, there will be few techniques left to try.

#### AMERICAN EXPERIENCE

It is important, therefore, to assay quickly what should be done to promote the successful application of the self-help provisions of the new Act. One source of suggestion is the American experience. Since 1968, they have had major programs for stimulating non-profit, or self-help housing. Recently, however, this program has come under increasing criticism, and in a recent move, Richard Nixon has frozen the program. Apparently the program neither added substantial low-income units to the housing stock, nor was very

Some progress has been made in testing the hypothesis and across Canada there have been increasing examples of self-help activities and citizen-sponsored enterprises in housing and neighbourhood improvement.

Of equal importance has been the increasing acceptance by government policy-makers of the idea of giving back to citizens more responsibility for executing programs of self-help. The Local Initiatives Program and OFY have had a major impact in stimulating private citizens to act in their own behalf and create new community enterprises.

Now there are the new amendments to the National Housing Act which offer a real test of whether private citizens can indeed be given responsibility for solving their own housing needs. The strengthened provisions for non-profit and co-operative housing, the direct grant program for housing rehabilitation, the inclusion of citizen involvement in the neighbourhood improvement program all point to a major shift in emphasis of federal housing programs. There is now an onus on voluntaristic citizen-sponsored activities compared to the former reliance on public housing programs of provincial housing corporations. As Ron Basford, in explaining the Bill to provincial housing Ministers said:

"An important principle underlying these proposals is the need not only to make housing accessible to people with low income, but to give these people some choice about the kind of housing they will occupy and the form of tenure."<sup>1</sup>

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1. The Hon. Ron Basford, Statement: Federal-Provincial Conference on Housing, January 22, 1973, p. 3.

successful in enlisting citizen involvement.<sup>1</sup> What is quite clear is that the expectations set for the self-help citizen sponsored programs were not immediately achieved. On the other hand, some observers point out that the inadequacies of the program lay in the poor framing of the legislation and the lack of proper support and resources that were necessary if the program was to have worked.<sup>2</sup> For example, Richard Spohn points out that HUD officials administering programs for non-profit groups were hostile or indifferent to the program.<sup>3</sup> Other studies indicate the inadequacy of professional resources available to low-income groups to help make the programs succeed. They lacked advice on real-estate and financial techniques, management and housing maintenance, thus could not control costs.<sup>4</sup> This suggests that serious attention for those interested in self-help housing and urban development enterprises must center on this issue of execution. Legislation is not enough; there must be proper procedures, structures and resources in place to produce the desired results.

It is also important to take note from the American experience of the benefits that derive from self-help housing efforts that go beyond simply

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1. See Michael Stegman, "The New Mythology of Housing", Trans-Action, January 1970, pages 55-22.

"Private Investment and Public Housing", Urban Affairs Quarterly, Vol. 8, No. 7, December 1972.

2. See Turner, et. al., op. cit.

3. Ibid.

4. Hans H. Harms, "User and Community Involvement in Housing", Ibid.

the provision of new shelter. There is a demonstrable effect upon the people who become involved in terms of an up-grading of skills, new found confidence and motivation, the development of a sense of community responsibility.<sup>1</sup> In other words, a by-product of the self-help housing effort can be a substantial degree of human renewal for the individuals involved. Thus, when it comes to measuring the results of a program of self-help housing, it is necessary to use criteria other than numbers of units produced, or economic costs of the units. Self-help housing should not be expected to produce vast numbers of housing, at least under its present form. The benefits it does provide are more in terms of its involvement of residents and an opportunity of developing housing that has a human scale. It can only be one element in a multiple-approach to the problem, though it may have prospects of being the forerunner of a more extensive activity by non-profit groups.<sup>2</sup>

#### THE WINNIPEG EXPERIENCE

These assessments from the American program in self-help housing are corroborated by an analysis of a series of experimental housing projects in Winnipeg involving aspects of self-help housing and citizen-sponsored re-development. They were assisted by a university research center and monitored by that group, so there is fairly accurate data on the performance of each of the activities. In brief, the projects are:

1. See "Government Programs to Encourage Private Investment in Low-Income Housing", Research Note, Harvard Law Review, Vol. 81, April 1968, No. 6.
2. For an examination of how the private non-profit sector in Europe is being used as a major supplier of low-income housing, see Irving Welfeld, "That Housing Problem", The Public Interest, No. 27, Spring 1972.



--A non-profit housing corporation operated by a group of native people, called Kinew Housing Corporation, which, up to the present, has purchased over 50 older homes, rehabilitated them, and made them available to urban Indian and Metis families. The corporation was initiated jointly by a local friendship center and the university-based research group. The corporation is now self-managing, although still relying on outside professionals for certain services.<sup>1</sup>

-- A neighbourhood development corporation called the People's Committee for a Better Neighbourhood, Inc., operating in an inner city neighbourhood which originally purchased an apartment block, and rehabilitated it to provide low-cost housing. The People's Committee is now engaged in purchasing older homes in the inner city. It too is independent but relied upon outside support from professional groups in its early stages and still uses the university center for assistance.<sup>2</sup>

-- A limited home repair company called The Winnipeg Home Improvement Project, composed of poorly-educated, unskilled men which has undertaken the repair and rehabilitation of over one-hundred older homes, inhabited by low-income people (the men receive a training wage, supplied through the Work Activity provisions of the Canada Assistance Plan.).<sup>3</sup>

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1. See David Henderson, "Kinew Housing Corporation", in The Citizen and Neighbourhood Renewal, (ed.) Lloyd Axworthy. Publication of the Institute of Urban Studies, 1972.

2. See Lloyd Axworthy, "Roosevelt Park", Ibid.

3. See Bruce Proctor, "People's Repair Corporation", a research note, IUS.

-- An infill housing project, jointly sponsored by a local association of house builders and the university research center, and involving a local group of residents who assisted in developing and designing the project.<sup>1</sup> Four experimental housing units have been built and others are planned.

While it is not possible to detail each of these projects, it is possible to make certain observations from these experiences that relate to the issue of self-help efforts in Canada and the feasibility of the new legislation.

#### RESOURCES AND SUPPORT

To begin with, each case required in its early stages substantial assistance in the way of technical and professional services. These services ranged from community organizing in the early stages to design and conceptual guidance, to such prosaic advice as how to fill out forms and draw proposals. With the Kinew Corporation, they have relied heavily upon professional real estate advice and legal assistance in selecting properties and have had a good deal of assistance from local and regional CMHC offices. As its portfolio of housing stock has grown, new problems have appeared, requiring new skills in property management, accounting procedures and tenant relations.<sup>2</sup> These are now being dealt with by the staff of the Corporation utilizing again different outside services from the university, community college and a Winnipeg

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1. See "Infill Housing - Phase II", a research note of IUS, March 1973.

2. See "Kinew Housing Evaluation", a research note.

based philanthropic Foundation.

The home repair company grew out of an idea developed by a staff architect at the university who also spent a good deal of time in the organization of the company. As the company grew, it has continually relied on outside people to help with management problems and has now, on its Board of Directors, representatives from business, government, the university and social agencies, each of whom contribute certain skills of critical importance to this project is the staff skills used in training men, especially those of trained carpenters who act as foremen. This shows that the skills required are often not organizational or management, but also craft and technical in nature.

In all cases, the resources available were not short-term or transitory, but were available over a period of time. They were also multi-disciplined, and came from different groups such as private professionals in the city and government officials as well as from the university group. Thus, one criteria necessary for the success of self-help enterprises would appear to be the availability of needed services supported, supplied on a consistent basis.

This is not to suggest that it is the professional advisors or support people who are the only element that make the program work. The citizens and participants are the major operators of the project. They spend a good deal of time, apply many skills and exercise judgement and control over

the enterprise. But they do need help and if the program of self help is to grow, it cannot be supplied in an ad hoc fashion.

Thus, one major area of investigation required in each city is to assess how such community-related groups as settlement houses, social planning agencies, the CYC, universities and community colleges might be helpful, as would professional groups and business associations. Resource centers should be developed that would connect these resources to the self-help operations. Each major city, in fact, should have a Housing Advisory Centre, jointly supported by government and private industry, providing a range of skills and assistance for self-help housing operations.

#### GOVERNMENTAL RELATIONS

One of the chief conditions for success or failure noticed in the Winnipeg projects was the degree of responsiveness of the different levels of government. A self-help group is very susceptible to the decisions of government officials, ranging in level from the local building inspector to the Minister responsible for Housing who must sign an order in council for a grant. This puts a serious responsibility on government officials to respond in an understanding way and to respond quickly.

The experience in Winnipeg provides many examples of both expeditious and sensitive handling of citizen applications, on housing and just as many opposite examples of indifference and tardiness. For example, in the case of

the People's Committee, where a loan approval was promised by CMHC by January 1, 1973, the group went ahead and took options on houses and informed families of the impending move, prompting many of them to give notice. The loan application, however, was held up in Ottawa because of a backlog of applications and because the loan was not large enough to be of real priority. But, it was a priority for the local group and the time delay caused them severe hardship and frustration. On the other hand, in the case of Kinew Corporation, they were greatly assisted by CMHC and the total time between their submitting a proposal, working out details on the mortgages and having it approved was no more than three months.

What this indicates is that CMHC will have to develop both special organizational and procedural techniques for processing its non-profit housing and co-op provisions and train special personnel in ways of effectively coping with the program. A start in this direction has been made with the social development officers assigned to each regional branch, and it appears that the proposed plans for reorganization will also decentralize operations more. Within each regional office there should be a special group, called "Citizen Housing", if you like, dealing specifically with this form of housing, utilizing the services of other corporation officers, such as appraisers, but having the power of approval for loans of limited size. A key to making self-help housing work is having a group of government officials assigned the specific duty of making the program work.

Also important is marking out specific financial procedures and arrangements that would serve to support self-help groups. The acquisition of a reserve fund, the timing of mortgage payments, the use of funds to develop off-shoot housing enterprises are all areas requiring careful organization.

There will also have to be a major response from local and provincial officials, both in policy terms and administrative terms. One crucial problem faced by the self-help groups is the availability of land and property. City government in Winnipeg owns land in the inner city, as well as a number of homes that have been expropriated pending future developments, or received for tax purposes. Until recently, they have been reluctant to give these properties, or use their public power to acquire property for non-profit or co-op groups. Yet, there are significant advantages in having the city provide the land or the property, but allow the private groups to do the building, the rehabilitation and manage the project.<sup>1</sup>

Another way in which local government can complement and facilitate the efforts of private non-profit or self-help groups is to work in tandem with such groups in improving neighbourhood facilities and services. Joint arrangements can be made where the non-profit groups might purchase and rehabilitate a block of older homes in a certain community while the city

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1. It would be very useful if the new system of tri-level meetings would place on their agenda the issue of how to promote and assist citizen sponsored housing and redevelopment efforts.

improves the lighting, the sidewalks and roads. This kind of approach would again require from city planners and administrators some new organizational forms and certainly the application of different techniques. It is no different, however, than agreements that city government now make with private developers, except, that it is working with a different sort of client.<sup>1</sup>

Provincial governments also have an important role to play, in fact, a critical role. One of the weaknesses of the non-profit housing system is the lack of a scheme of subsidized rental. The rental that must be charged for housing is several cuts above similar rentals for public housing. For example, the Kinew Corporation has as tenants either those above the \$6,000 annual income line, or those who receive direct welfare assistance. To develop non-profit housing as an alternative to public housing, obviously some form of rent supplement is necessary.

Presently the Province of Ontario is operating a rent supplement when they sign a five-year lease with private developers, agreeing to make up the difference between the rent afforded by a low-income family, based on 25% of income, and the economic rent. Fifty-per cent of costs of this program, presently involving some 1700 units in the province, is shared by the federal government. If such a program were to be offered to non-profit groups, then their capacity to reach a range of families on the lower income scale would be enhanced, and their own financial position improved.

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1. For an examination of how municipalities can assist in this way, see Morton J. Schunshien, "Why We Have Not Built More Houses", The Public Interest, No. 19, Spring 1970.

Further, provincial government, through the activity of their housing corporations, could also become involved in developing an effective housing and advisory service, either through their own resources or by bringing together and organizing private resources.

#### RESEARCH, ORGANIZATION AND TRAINING

An important lesson gleaned from the Winnipeg projects is the need for careful consideration of the internal organization and the management procedures that are employed by a citizen group that becomes involved in a housing project; or a renewal enterprise. Normally, the first instinct is just to have people organized and a good deal of thought and effort on the part of organizers goes into the mobilization activity. But, not nearly enough consideration is given to questions of structure, powers and rights, membership and financial management techniques. Should the group become a non-profit group or a co-op? What should be the basis of membership? Who should sit on the board, and what kind of training is given to citizens to enable them to operate an enterprise?

In the first organizing days of the Kinew Corporation a number of meetings were held between university staff and the prospective housing groups, going through the different steps involved in incorporation. Then, a real estate professional was added as an advisor to the board. The Board itself has had a high rate of turnover, which has limited in some ways the development of experience of the board members. On the other hand, original board members of Kinew and some of their staff have been instrumental in



beginning other native-sponsored activities.

In the housing repair company, the men recruited for the project were immediately brought into positions of major decision-making forming a majority of the Board of Directors, and being members, along with the staff on the operations committee which managed the project day by day. This caused problems, however, in the relations between staff and the men, as it confused the question of where decisions should be made. Training foremen found it difficult to apply discipline to the men on projects as they felt they could always countermand orders through a board decision. As well, not sufficient training was given to the Board itself, so there was often a misinterpretation of its role.

In the infill housing project, one problem also centered on the issue of where the right of decision-making lay, and the university group found itself continually acting as a go-between the builders and the citizens group.

What all this indicates is that a major area of testing and development is required to determine how the self-help concept can be employed. The nature of citizen organization may not be crucial if the strategy is one of confrontation or political activism. But, if it is directed towards the achievement of some tangible goals, then the form and nature of organization is important. The increasing use of non-profit companies and community development

corporations as legal vehicles for the carrying out of self help activities can be expected, therefore, more should be known about how these instruments should be designed, what are the powers that can be exercised, what should be the membership requirements. In other words, there is a pressing need for organizational innovation to develop new machinery for solving urban problems.<sup>1</sup>

Similarly training in different skills is very important to self help groups. This is an area presently neglected by most organizations interested in citizen organization. Yet, education in skills of management for self-help operations is essential for their success.

Research is also critical for the success of these operations. More needs to be known about the economics of non-profit housing, new kinds of housing design and tenure, the kind of organizational modes that should be applied. There are many questions yet unanswered about self-help operations which need answers soon.

This again raises the question of from where this research, the knowledge, the training, the institution innovation and instruction for developing appropriate organization is to come. Again it points to the need for developing a network of resources specifically oriented towards the problem of self-help action to aid the group assembling an effective mechanism and determining good strategy for their project.

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1. See Richard Rosenbloom, Robin Marris (eds.), Social Innovation in the City, Harvard University Press, 1969.

BENEFITS

Finally, from the Winnipeg experience, it is possible to set out the kind of benefits that derive from the emergence of citizen-run enterprises in the housing and renewal field. From the evaluations carried out so far, these can be seen as follows:

- A. Alternative forms of housing management are available that eliminate some of the problems associated with public housing.
- B. A wider range of flexible instruments are created to undertake tasks of rehabilitation, dispersed, infill housing.
- C. New job opportunities are created for inner city, unskilled people.
- D. New skills and a sense of motivation is engendered on the part of those involved.
- E. A number of private resources can be recruited to work on behalf of the community at little public expense.
- F. Helps to preserve declining neighbourhoods by giving people a sense of being able to effect change and combat deterioration.

Taken together it can be seen that these are multiple benefits from self-help housing activity and they are mostly in terms of economic, social, psychological renewal as compared to strict additions to the housing starts. Yet it can and should be argued that this is the most important stimulus for renewal and improvement in our cities. To give one example, studies by John M. Orbell and Toru Ornu demonstrate the connection between

neighbourhood deterioration and the sense of self-help that exists. Movement out of a neighbourhood that is experiencing problems of aging and decline comes from the strongest and most highly motivated residents. Once they go it is very difficult to arrest the decline. Their decision to move is prompted by a sense of futility of being able to do anything effectively to make improvement. If there is an opportunity to undertake successful neighbourhood action, however, these strong residents will be more inclined to stay and work for improvement.<sup>1</sup> Thus a strategy for neighbourhood renewal should include ways of providing incentives for strong residents to stay in an area and undertake action on their own behalf -- in other words, a self-help strategy.

Furthermore, the self-help strategy adds new weapons in the efforts at renewal and better housing. In one Winnipeg neighbourhood there is now a citizen-run corporation to purchase older homes, an in-fill program and a housing repair group, as well as other citizen organizations involved in recreation, health, and consumer activity. They interact with one another. For example, the housing repair group works on the older homes purchased by the housing company. What has been created in effect is a set of renewal instruments involving citizens that could undertake a number of the necessary work involved in a renewal project. All that is needed is

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1. See John M. Orbell and Toru Ornu, "A Theory of Neighbourhood Problem Solving: Political Action vs Residential Mobility", American Political Science Review, Vol, LXVI, June 1972, No. 2, pp. 471-489.

complimentary activity by local government. Thus, in planning an approach to renewal that avoids major intervention by government agencies, the different but related tasks of a network of self-help organizations can become an essential and constructive part of the program.

#### REQUIREMENTS FOR A SUCCESSFUL STRATEGY

To make a strategy of self-help successful, however, a range of resources and support are needed -- organizing, management, training, planning, financial advice, design and construction. One suggestion would be to establish in each major city a form of community housing corporation\* that would act as a non-profit entrepreneur, providing technical and advisory services to help self-help groups and helping them to undertake new housing and renewal activity. Such corporations could be formed through a partnership of public and private groups, and could be supported by funds from both government and private sources.

As stated at the outset, the advocates of citizen involvement who see the need for different approaches to housing and renewal in our cities now face a test. The new legislation provides legislative framework, within which self-help activity can work. What is needed now is the necessary support and stimulation to see that it does work, and work successfully. The opportunity for creating a different system of housing and strengthened movement of citizen involvement now exists, if the right kind of non-profit entrepreneurship can be put to work.

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\*An interesting model would be Action, Inc., a non-profit housing group in Pittsburgh sponsored by private business which initiates a variety of housing programs and supports the self-help activities of a number of low-income groups.