



HOW CAN WE MAKE AFFORDABLE HOUSING WORK

HOW CO-OPERATIVE HOUSING CAN CREATE
SUSTAINABLE MIXED COMMUNITIES





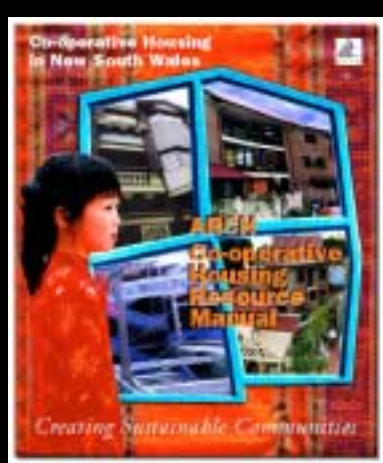
What is Co-operative Housing ?

A housing co-operative is a democratically controlled enterprise formed to meet the housing needs of its members.

People unite voluntarily to meet common economic, social, and cultural needs and aspirations.



THE CO-OPERATIVE HOUSING MODEL IN NSW



- ◆ Tenant members have chosen this model of high participation and self-management, they present as a small community
- ◆ Up to 65% must be DOH eligible at the time of approval, up to 35% need not be (some have mixed incomes, others not).
- ◆ Importantly, co-ops select other members and the income mix
- ◆ They play an active role in selecting the location and dwellings where they live (though this is now becoming more limited)
- ◆ Over 40% of Co-ops are from NESB
- ◆ Members represent a diversity of backgrounds, skills and incomes (with high proportions in both low and moderate pc)
- ◆ Co-ops rent and manage DOH capital stock, without equity
- ◆ Rent covers all land and property outgoings
- ◆ Volunteer labour covers the cost of administration
- ◆ Tenant members receive up to 2 years training prior to being housed - they are only funded if they can prove future viability.



Social Mix and Sustainable Co-op Communities

- Income and skills mix in a co-op is selected by members
- It's a deliberate choice that helps with ongoing economic sustainability
- The co-operative housing sector in NSW is extremely diverse, targeted primarily to high needs, but also reflecting people with a high level of drive and aspiration
- **Co-operators strength lies in their sense of solidarity**, in creating linkages or Networks of social cohesion, support and mutual benefit



- The literature highlights that **Co-operatives** are concerned not simply with housing, but with creating what Sazama (2000) refers to as “new **human institutions**”
- Co-operatives provide opportunities for creating networks of trust and reciprocity, (**social capital**) and in this way contribute to long term sustainability

Social Mix and Sustainable Co-op Communities



- Within a co-operative it is unlikely that you can tell who is of what social or economic mix.
- **Social/income mix within co-operative communities represents a more egalitarian structure.** The polarity is less marked. Every member is expected to contribute; higher rent payers cross-subsidise lower rent payers
- Communities are based on reciprocity and mutual alliances between strong and weak



Factors Influencing Success and Ability to Deliver Broad Community Benefits include:

- ➔ The opportunity to recruit socio-economically diverse tenant groups with a genuine desire to participate
- ➔ Adequate financial and organisational support
- ➔ Approaches that manage risk whilst recognising autonomy
- ➔ Government structures that support and acknowledge the distinct contribution of models



Dr. Joe Barraket
ACCORD, for
ARCH 2001

Contributing to viable and sustainable communities :



- ▶ **Collaboration within Co-op Communities extends well beyond economic benefits: bulk shopping, cleaning bees, transporting kids, sharing garden produce, caring for those less vulnerable, sharing meals**
- ▶ **Creating sustainable housing environments relies to some extent on the degree to which people anchor into a community, identify with networks and collective activities, participate in the growth and direction of broader community decisions and concerns**
- ▶ **Co-ops members are often proactive in actively engaging in local activities : contributing to educational and environmental issues, school P &C's, Council Greening activities, local politics, religion, music and public art.**
- ▶ **Raising greater awareness with neighbours**



Mixing into the Broader Community

- Co-op members are often strongly committed to their locations of choice, identifying with social or cultural networks, with key **infrastructure and opportunities** otherwise not available
- Proximity to jobs, transport, education and relevant infrastructure are critical to members identification and integration with the values of that community.
- **Security of tenure, affordability, a capacity for continuity within identified locations of choice form a vital link to ongoing sustainability** and a commitment to that community.
- **Stigmatisation works against integration and sustainability.**
- For integration to occur within mixed communities it is critical that **social housing tenants' status and housing are not demarcated as "different"**
- **That housing should blend with the local environment**
- It is also important that people are able retain a degree of privacy and anonymity and to exercise a degree of control over their environment without loss of dignity, or disclosure



Recognising Diversity as a Key to Future Success

- In Canada and Northern Europe mixed income co-ops have created long term housing sustainability through viable partnerships between Government and financial institutions
- Financial viability has depended on income mix and on addressing both housing affordability and housing need
- Co-ops have been successful at enabling people who cannot afford to buy their own home to achieve some of the benefits of ownership.
- Social mix programs can be successful by addressing both broader affordability issues with the needs of potential public housing tenants.
- In order for mixed models of this nature to succeed and become sustainable, appropriate incentives of title and equity need to reflect volunteer effort and the level of financial contribution that is made towards sustainability
- Whilst partnerships with Government and financial institutions can mobilise finance for future housing development, we should also be looking at incentives where surpluses are traded for equity-shares and where people's skills and efforts in management are appropriately rewarded
- In seeking to enhance existing program opportunities that allow for social mix, genuine partnerships between government and the sector need to be developed, and an effective balance between risk factors and community autonomy must be struck. In this way Affordable Housing can work and can be created through sustainable mixed communities, co-operative or otherwise.

Thank You!



➡ From the NSW Co-operative Housing Sector