

A large, white, serif capital letter 'R' is positioned on the left side of the top section. It is partially overlaid by a dark, textured rectangular area that also contains the beginning of the title text.

# RESEARCH REPORT

CONVERTING ALEXANDRA PARK INTO  
THE ATKINSON CO-OPERATIVE:  
AN EVALUATION OF THE PROCESS

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## **ABSTRACT**

Alexandra Park, a public housing project in downtown Toronto, is being converted into a non-profit residential co-operative, to be known as the Atkinson Co-operative. This research project was undertaken to evaluate the process by which the Alexandra Park public housing community is being converted into a co-operative. The study was based on a review of the literature and key documents in the conversion process, interviews with key informants and focus groups with residents. While the Atkinson Co-operative is very close to achieving an operating agreement with the Toronto Community Housing Corporation which now manages Alexandra Park, it has taken ten years to get to this point. The long delay is partly the result of major changes in the way social housing is managed in Ontario, as public housing was being devolved to the municipal level of government over the course of several years.

Despite the drawn out process, the experience at Alexandra Park has shown that it is possible for public agencies, residents and the co-operative sector to achieve agreement on the parameters for converting a publicly owned 100% rent-geared-to-income project into a housing co-operative. While the process was generally open and transparent and every effort was made to involve all groups in the community in decision-making, the ethnic diversity in Alexandra Park, under-funding and the lack of a roadmap for the conversion resulted in many challenges for residents and their co-operative management advisors, the Co-operative Housing Federation of Toronto. The findings of this study identifies several lessons for other public housing communities wishing to convert to a co-operative, including: use a needs assessment planning process that evaluates alternative management options; ensure that there is sufficient funding for the project; provide residents with an opportunity to register concerns in order to make informed decisions at key points in the process; provide particular assistance for dealing with ethnic diversity in the community development process; ensure that all tenants feel secure including those who decide not to become members of the co-operative; implement a program to cultivate leadership; and, involve all partners early on in the process.

## **ACKNOWLEDGEMENTS**

Throughout this study we have received ongoing support and assistance from many individuals who have participated in this challenging yet exciting experiment in public housing management.

We wish to thank Canada Mortgage and Housing Corporation for funding this study and to Vern Barkwell, the project manager at CMCH, who gave valuable input into the report.

We would also like to thank Tom Clement, Executive Director of the Co-operative Housing Federation of Toronto, and Mark Goldblatt, co-operative consultant, both of whom shared their documentation with us and enabled us to review the conversion process. We also acknowledge input received from local politicians, Rosario Marchese, M.P.P. and Olivia Chow, City Councillor. We also wish to thank the officials from the former housing authority (the Metropolitan Toronto Housing Authority), specifically, Francis Beard, Cyrus Vakili-Zad, Lou Canton and Albert Koke.

The study was guided by the involvement of the Steering Committee, composed of academic leaders in the fields of housing, community development and co-operatives – Professor David Hulchanski, University of Toronto; Professor Robert Murdie, York University and Jack Quarter, Professor, Ontario Institute in Studies for Education.

Lastly, the conversion and this study would not have been possible without the dedication of the leaders and residents of the Alexandra Park community. The residents shared with us their hopes and concerns about the conversion process. Special mention goes to Lynda Brunette and Cathy Brown and the rest of the co-op Board of Directors who supported the completion of this study. We also wish to thank those residents who participated in our focus groups. Finally, we wish to thank Sonny Atkinson for his vision and leadership in pursuing an alternative form of management for the residents of Alexandra Park.

# **EXECUTIVE SUMMARY**

## **BACKGROUND**

In 1990 residents of Alexandra Park, a public housing development located in downtown Toronto, began to explore tenant self-management. By 1993, with assistance from representatives from the co-op sector, and later more formally, the Co-operative Housing Federation of Toronto (CHFT) in 1995, residents started to take steps towards converting to a self-managing non-profit residential co-operative. More than 10 years later, in 2002, residents are much closer to their goal of becoming a co-operative. Agreements are still being negotiated between the Atkinson Co-operative (the new co-operative established to manage Alexandra Park) and the Toronto Community Housing Corporation that now controls the public housing development.

This study documents and evaluates the conversion process at Alexandra Park and identifies lessons that can be learned from this experience. The study used a variety of research methods including participant observation, a literature review, a review of all relevant documentation pertaining to the conversion, key informant interviews and focus groups with residents.

Alexandra Park, built in 1968, is home to over 1,800 persons living in 410 dwelling units – 263 townhouses and 137 units in two high-rise apartment buildings. All residents pay on a rent-geared-to-income basis and generally have low incomes. The population is a mix of Canadian-born and recent immigrants with the majority (60%) being born outside of Canada. While current estimates of the exact ethnic composition are hard to come by, a survey by CHFT indicated that the largest groups by language spoken are Chinese, Vietnamese, Spanish, Portuguese and Somali.

Alexandra Park has a history of resident involvement in community affairs. The prime mover behind the move towards a co-operative was Sonny Atkinson, a community leader and past President of the Alexandra Park Residents' Association (APRA) who died in 1997. To show appreciation for his contribution, the co-operative was named the Atkinson Co-operative.

## **OVERVIEW OF THE CONVERSION PROCESS: FROM CONCEPTION TO APPROVAL**

The impetus that led to the call for tenant self-management at Alexandra Park was a combination of concerns revolving around security, maintenance, tenant selection and maximum rents combined with a general desire to be more involved in the decision-making process. As residents began to call for more input into decision-making, two alternative models were considered – tenant self-management and a non-profit co-operative model. The co-operative model became the preferred option after Sonny Atkinson met with Mark Goldblatt, a member of a Public Housing to Co-op Conversion Working Group. This working group had already requested, and received support from, the NDP government elected in 1991, to undertake a pilot project in order to assess the viability of converting public housing into non-profit co-operatives.

A public meeting of residents was held in 1993 at Alexandra Park to discuss the potential conversion to a co-operative. At the meeting it was decided that there was enough resident interest to continue to pursue the idea and to develop a proposal to convert Alexandra Park into a housing co-operative. In order to gauge public support for the co-operative conversion, it was decided that there would be extensive community outreach and education leading up to a referendum in the fall of 1995. This undertaking had strong support from the local MPP, Rosario Marchese. After APRA received a grant from the Metro Toronto Housing Authority (MTHA), a community development worker was hired to educate residents about living in a co-operative and its potential benefits. As well, several information sessions targeted to specific language groups were held followed by several community information meetings. On April 22, 1995, APRA held a referendum on the question, “Do you support Alexandra Park becoming a housing co-op?” The vote was a strong endorsement of the co-operative option with 72% in favour.

In 1995, a new Conservative government was elected and the Minister of Housing requested the community to create a sound business plan for the conversion process. With the help of the co-op sector representative, a business plan was created which outlined the key elements of the co-operative:

- Management of the co-operative would be by a duly elected Board of Directors and by paid staff on a day-to-day basis;
- The units would remain targeted to low-income tenants paying on a rent-geared-to-income basis and vacancies would be filled from the public housing waiting list;
- Membership would be offered to all current residents and security of tenure would be offered to those who did not wish to become members;
- The co-op would obtain a long-term lease for the land and the buildings for a nominal sum;
- The co-op would obtain a financial commitment from the public housing authority to bring the property up to standards; and,
- An operating budget would be negotiated annually.

The Minister of Housing approved in principle the conversion of Alexandra Park to a co-op although no funds were allocated for the process. In 1998, following a request from representatives of the Ontario Housing Corporation and MTHA, a second vote was held. Of the 268 households that voted (65% of the total households), 79% were in favour of the conversion to a co-operative.

CHFT and the APRA Co-op Board (the earlier legal co-operative entity) started to recruit members for the co-operative. (By the spring of 2002 the proportion of residents in Alexandra Park who were members of the co-operative had reached 70%.) The Atkinson Co-op Board was established in 1999 and the first elections were held for the 14 member Co-op Board in November, 1999. The number of Board members was subsequently reduced to 11. At the first full meeting of the co-op in November, 1999, the members approved an organizational by-law. This was followed by an occupancy by-law which identifies the rights and responsibilities of members of the co-operative (similar to a lease agreement).

By 1999 an Alexandra Park Working Group was established to develop a plan for the process of transferring management responsibilities to residents. The Working Group consisted of a representative from the former Ontario Housing Corporation, three from the former Metropolitan

Toronto Housing Authority (later this became the Metropolitan Toronto Housing Corporation which was then transferred to the Toronto Community Housing Corporation), one from the co-op sector and several representatives of the Atkinson Co-op Board (initially the APRA Co-op Board) and CHFT. Finally, in 2001, the Metropolitan Toronto Housing Corporation endorsed a staff report that recommended the conversion of the Alexandra Park public housing project into a resident managed, non-profit housing co-operative and authorized staff to take the necessary actions to effect this. Staff were instructed to develop an operating agreement and make changes as required to protect MTHC's interests and to ensure proper delivery of management services to residents. Staff were also requested to evaluate the effectiveness of the non-profit co-operative management model as an alternative method of managing public housing before implementing similar projects in the future.

CHFT has worked extensively with the Board of Directors to establish an organizational structure for the co-operative and to provide necessary member education and training. Several standing committees were established such as the Rehab/Maintenance and Finance Committee, the Parking and Security Committee, the Welcoming and Member Education Committee, the Landscape Committee, Committee and the Newsletter Committee. (Another committee - the Alexandra Park Community Centre Committee was later disbanded and the Alexandra Park Community Centre continues to be a separate non-profit entity.) In addition, four special committees were also established at various times e.g., the Co-op Conversion Committee and the Transfer Review Committee.

In view of some internal political divisions that started to emerge regarding the conversion in the summer of 2001, in the spring of 2002, CHFT and the Board of Directors initiated additional community development work with financial support from the Toronto Community Housing Corporation. This work was designed to further educate the community about co-operative living, raise awareness of the ongoing conversion process and maintain momentum for the conversion to occur. The community development plan targeted the major language groups identified during the second referendum and subsequent outreach. Individual meetings were held with the different language groups and newsletters were printed in the major languages.

## **DEVELOPING AN OPERATING AGREEMENT AND FINANCING**

One of the key elements of the conversion process was to develop an operating agreement between the Atkinson Co-op and the managing housing agency. Developing such an agreement has taken several years in part due to concerns from the government but also as a result of political changes in governments and their priorities. The Co-op Board tabled an operating agreement in the Spring of 1999 that resembled agreements with other co-ops. After three years a final agreement is still being negotiated. During this intervening time, there was considerable change in the administration of all social housing in Ontario (including public housing). Public housing was eventually devolved to the City of Toronto which created the new Toronto Community Housing Corporation (TCHC) to manage its own portfolio of non-profit housing as well as the former public housing units managed by the Metropolitan Toronto Housing Corporation (previously the Metropolitan Toronto Housing Authority).



While the most recent version of the proposed operating agreement between the co-op and the TCHC is not available for review, one of the contentious issues has been the setting of the budget. Most co-operatives in Canada have some say in the establishment of annual housing charges (rents) which are based on the difference between the value of the subsidies they receive (to reduce market rents and subsidize lower income tenants) and expenses (operating and capital costs). However, in the case of the Atkinson Co-op, what is likely to take place is that expenditures will be divided between manageable (e.g., staffing and maintenance) and non-manageable expenses (such as property taxes and utilities). The manageable expenses will be based on the past 12 months' experience and the co-op will receive 12 monthly payments for such expenses. In addition, the co-op will collect rents and will receive revenue to cover non-manageable expenses on a "pass through basis" from the TCHC. The Atkinson co-op will thus be less independent in its financial management than most co-ops are.

Another issue that is being addressed is the establishment of a capital reserve. It has been estimated by studies prepared by CHFT that Alexandra Park is in need of \$2.5 million in capital repairs. According to sources, a proposed capital reserve fund will be based on the history of the capital funding for the property over the past 10 years – to be financed by the TCHC. The TCHC will continue to fund capital projects that it has committed for the first three years of the operation of the co-op, after which time repairs will be funded out of the co-operative's own reserve fund. At the time of writing this report, the status of the proposed capital reserve is unknown.

## **SUMMARY AND CONCLUSIONS**

In evaluating the process that was undertaken in the Atkinson Co-operative, it must be kept in mind that this conversion was one of the first of its kind in Canada. While a limited number of municipally owned mixed income non-profit buildings (in the City of Toronto) had been converted to co-operatives, conversion of a 100% low-income RGI public housing development was a new endeavour. There were no roadmaps for any of the parties involved.

This exercise has demonstrated that it is possible for public agencies and residents in public housing developments to achieve agreement on the parameters for converting a publicly owned 100% rent-geared-to-income development to a co-operative. The fact that the parties are so near an agreement at this time is testimony to the commitment of the residents of Alexandra Park and the co-op sector – given the drawn out nature of the conversion process.

Generally the conversion process has been open and transparent and over time there has been a substantial increase in residents and Board members participating in meetings. There was strong endorsement of the role of the Co-operative Housing Federation of Toronto and its involvement in the conversion process. The co-operative sector (particularly CHFT) has spent a lot of effort in education, outreach, and board training. However, as the process dragged on CHFT ran into resource limitations to deal with some of the issues that arose in the community.

Being the first such exercise, there are areas where improvements could have been made. For example, starting from the beginning, tenants did not adequately discuss alternative ways of being more involved in the management of their development. A decision was made early on by

a small group of community leaders to go the route of the co-operative model. In addition, despite the widespread efforts of the co-operative sector to explain the co-operative model to tenants, there has continued to be uncertainty among residents regarding what a co-operative housing model implies, particularly in the context of 100% rent-geared-to-income tenants. There continues to be concern from some tenants regarding security of tenure if they do not become members, even though they have been assured their tenure is guaranteed.

A major challenges experienced in the conversion was how to involve those with different ethnic and cultural backgrounds. While a lot of effort was made to have translators at meetings and to translate documents into different languages, still certain groups participated less than others. At times, divisions arose as some groups who were more organized became more active in the decision-making structure and this led to some suspicion and hostility. The ethnic and cultural mix at Alexandra Park required extensive skills not only in community development and organizing but also in managing diversity.

One of the major shortcomings of the whole process was inadequate government funding and support. The resulting lack of funding had to be made up by the co-op sector and volunteers. Converting to a co-operative requires extensive education and outreach and when such a process extends over a decade, the costs can be quite high.

## **LESSONS LEARNED**

The following lessons have been learned from this experience:

1. Use a needs assessment planning approach – when a public housing community is considering converting to a co-operative model, the community's needs should be assessed and a range of potential solutions need to be identified (including co-operative conversion) as well as the costs and benefits of alternative models of management.
2. Ensure that there is adequate funding- there has to be explicit government support throughout the conversion process to ensure there is enough money for the feasibility studies, outreach to local residents and appropriate training and education.
3. Residents must have an opportunity to register informed decisions– community support needs to be gauged at key points in the process. Such referendums should be held through secret ballots - at least at the beginning when decisions are made in principle and then later on once a more formal proposal has been developed for consideration.
4. Adopt a broader notion of community development –to build communities that work together to solve problems through participatory decision-making.
5. Public housing with diverse populations will need particular assistance –it is important to address issues around diversity early on and to develop a strategy to ensure that all groups are adequately represented in decision-making.
6. All tenants need to feel secure – some tenants may not want to participate. They need to be made to feel secure and welcome even if they choose not to become members.
7. Implement a program to cultivate leadership – resource groups need to work with residents to ensure there are sufficient residents with leadership skills to deal with issues that are likely to arise in co-operatives.
8. Involve all partners early on – government, residents and resource groups so they can develop agreements on co-operative conversions that are mutually beneficial.

# **CONVERSION DE L'ENSEMBLE ALEXANDRA PARK EN COOPÉRATIVE COOPÉRATIVE ATKINSON : ÉVALUATION DU PROCESSUS**

## **RÉSUMÉ**

### **CONTEXTE**

En 1990, les résidants d'Alexandra Park, un ensemble de logements publics situé dans le centre-ville de Toronto, ont commencé à s'intéresser à l'idée de l'autogestion. Dès 1993, forts de l'aide reçue de représentants du secteur des coopératives, et plus tard, en 1995, de l'aide formelle obtenue de la Co-operative Housing Federation of Toronto (CHFT), les résidants ont entrepris les premiers pas vers une transformation en coopérative d'habitation sans but lucratif autogérée. Plus de 10 ans plus tard, en 2002, les résidants ont presque atteint leur but. Les négociations pour en arriver à des ententes sont actuellement en cours entre la coopérative Atkinson (nouvellement créée pour gérer l'ensemble Alexandra Park) et la Toronto Community Housing Corporation qui administre actuellement l'ensemble.

La présente étude documente et évalue le processus de conversion à Alexandra Park et cerne les leçons apprises de cette expérience. Pour réaliser l'étude, on a employé différentes méthodes de recherche, y compris l'observation des participants, une recherche documentaire, une revue de tous les documents pertinents relativement à la conversion, des entrevues avec des répondants clés et des groupes de discussion composés de résidants.

Construit en 1968, l'ensemble Alexandra Park, loge plus de 1 800 personnes dans 410 logements, dont 263 maisons en bande et 137 logements répartis dans deux tours d'habitation. Tous les résidants paient un loyer proportionné à leur revenu et ils ont en général un faible revenu. La population est composée à 60 % d'immigrants récents et à 40 % de personnes nées au Canada. Bien qu'il soit difficile d'estimer sa composition ethnique précise, une enquête de la CHFT indique que les plus gros groupes, selon la langue parlée, sont d'origine chinoise, vietnamienne, espagnole, portugaise et somalienne.

L'ensemble Alexandra Park a une riche histoire d'implication des résidants dans les affaires communautaires. Le premier responsable du mouvement vers une structure coopérative a été Sonny Atkinson, un dirigeant communautaire et ancien président de l'association des résidants d'Alexandra Park (APRA), qui est décédé en 1997. En mémoire de sa contribution, on a donné son nom à la coopérative : la coopérative Atkinson.

### **SURVOL DU PROCESSUS DE CONVERSION**

Les résidants d'Alexandra Park se sont tournés vers l'autogestion en raison de leurs nombreuses préoccupations liées au domaine de la sécurité, de l'entretien, de la sélection des locataires et des loyers maximaux, jumelées à un réel désir de s'impliquer davantage dans le processus de prise de décision. Au fil de la participation grandissante des résidants dans le processus de prise de

décision, deux modèles de rechange ont émergés – l'autogestion par les locataires et le modèle de coopérative sans but lucratif. C'est ce dernier modèle qu'on a préféré à la suite d'une rencontre entre Sonny Atkinson et Mark Goldblatt, un membre d'un groupe de travail prônant la conversion de logements publics en coopératives d'habitation. Élu en 1991, le gouvernement du NPD, avait déjà accepté la demande d'aide du groupe, afin de permettre à ce dernier d'entreprendre un projet pilote visant à évaluer la viabilité de convertir un ensemble de logements publics en coopérative sans but lucratif.

Un réunion publique des résidants, dont l'objet était de discuter de la possibilité de conversion de l'ensemble en coopérative, a eu lieu en 1993 à Alexandra Park. Lors de la réunion, on s'est aperçu que le nombre de participants justifiait de poursuivre l'idée de convertir Alexandra Park en coopérative d'habitation. En vue de mesurer le niveau de soutien du public à l'égard d'une conversion en coopérative, on a décidé de mettre en place des mesures importantes de sensibilisation de la collectivité avant la tenue d'un référendum à l'automne de 1995. Ce projet de conversion bénéficiait d'un appui important de la part du député provincial local, Rosario Marchese. Après avoir reçu une subvention de la Commission de logement de la communauté urbaine de Toronto (CLCUT), l'association des résidants d'Alexandra Park (APRA) a retenu les services d'un animateur communautaire afin de sensibiliser les résidants à la vie en coopérative et à ses avantages potentiels. De plus, on a mis sur pied plusieurs séances d'information visant des groupes linguistiques particuliers, suivies de plusieurs réunions d'information communautaires. Le 12 avril 1995, l'APRA tenait un référendum au moyen de la question : « Voulez-vous qu'Alexandra Park devienne une coopérative d'habitation? » Les résidants ont voté dans l'affirmative à 72 %.

En 1995, un nouveau gouvernement conservateur était élu et le ministre de l'habitation a demandé au groupe de rédiger un solide plan d'affaire portant sur la conversion. Fort de l'aide fournie par le représentant du secteur coopératif, le groupe a pu rédiger un plan d'affaire énonçant les caractéristiques clés de la coopérative :

- Un conseil d'administration, composé de membres élus, ainsi que de personnes rémunérées se chargerait de la gestion quotidienne de la coopérative;
- Les logements demeureraient axés sur les personnes à faible revenu et sur un loyer proportionné aux revenus du ménage, et les logements inoccupés seraient attribués en fonction des listes d'attente des logements publics;
- Tous les résidants actuels en deviendraient membres, et on offrirait le droit au maintien dans les lieux à tous les résidants qui ne désirent pas devenir membre;
- La coopérative obtiendrait un bail à long terme sur le terrain et les bâtiments pour une somme symbolique;
- La coopérative se chargerait d'obtenir un engagement financier de la part des responsables du logement public afin de rendre la propriété conforme aux normes;
- Un budget d'exploitation serait négocié annuellement.

Le ministre de l'habitation approuvait en principe la conversion d'Alexandra Park en coopérative, bien qu'aucun fonds n'aient été attribués. En 1998, à la suite d'une demande présentée par les représentants de l'Ontario Housing Corporation et de la CLCUT, un second vote a été tenu. Des 268 ménages qui ont voté, (65 % de tous les ménages), 79 % d'entre eux étaient d'accord pour convertir l'ensemble en coopérative.

La CHFT et le conseil de l'APRA ont commencé à recruter les membres de la coopérative. (Dès le printemps de 2002, la proportion de résidents d'Alexandra Park qui était membre de la coopérative atteignait 70 %.) Le conseil d'administration de la coopérative Atkinson a été établi en 1999 et on élisait, en novembre 1999, les 14 premiers membres du conseil, nombre qui, par la suite, a été ramené à 11. Lors de la première réunion plénière de la coopérative en novembre 1999, les membres approuvaient les règlements généraux, suivis d'un règlement relatif aux normes d'occupation définissant les droits et les obligations des membres de la coopérative (semblable à une convention de bail).

Dès 1999, le groupe de travail d'Alexandra Park était constitué afin d'élaborer un plan de transfert des responsabilités de gestion aux résidents. Le groupe de travail était composé d'un représentant de l'ancienne Ontario Housing Corporation, de trois représentants du l'ancienne Commission de logement de la communauté urbaine de Toronto (CLCUT) (connue plus tard sous le nom de la Metropolitan Toronto Housing Development Corporation, laquelle s'est plus tard jointe à la Toronto Community Housing Corporation), d'un membre provenant du secteur des coopératives d'habitation, de plusieurs représentants du conseil d'administration de la coopérative Atkinson (à l'origine le conseil de l'APRA) et de la CHFT. Enfin, en 2001, la Metropolitan Toronto Housing Corporation (MTHC) approuvait un rapport interne qui recommandait la conversion de l'ensemble de logements publics Alexandra Park en coopérative d'habitation sans but lucratif autogérée, et elle autorisait son personnel à mettre en œuvre toutes les mesures nécessaires. Elle demanda à son personnel d'élaborer un accord d'exploitation et d'apporter les modifications qui s'imposaient de manière à protéger ses intérêts, et de faire en sorte que les résidents reçoivent des services adéquats. En outre, la MTHC demandait à son personnel d'évaluer l'efficacité du modèle de coopérative sans but lucratif comme option de gestion d'ensembles de logements publics, avant la mise en œuvre d'autres projets semblables.

La CHFT a travaillé d'arrache-pied avec le conseil d'administration afin d'établir une structure organisationnelle pour la coopérative et voir à la sensibilisation et à la formation de ses membres. Plusieurs comités permanents ont été formés, dont le comité de remise en état, d'entretien et des finances, le comité du stationnement et de la sécurité, le comité d'accueil et de formation des membres, le comité d'aménagement paysager et le comité du bulletin d'information (Un autre comité appelé le comité du centre communautaire d'Alexandra Park a plus tard été dissous et le centre communautaire d'Alexandra Park est toujours une entité sans but lucratif séparée.). Qui plus est, quatre comités spéciaux ont été formés à différentes époques, dont le comité de conversion en coopérative et le comité de revue de cession.

Au printemps de 2002, en raison de désaccords qui commençaient à se manifester à l'égard de la conversion, la CHFT et le conseil d'administration ont mis en œuvre des travaux de développement communautaire à l'aide d'un appui financier de la Toronto Community Housing Corporation. Ces travaux avaient pour but de mieux former les résidents sur la vie en coopérative, de sensibiliser les membres sur le processus de conversion en cours et de maintenir le plan de conversion sur sa lancée. Le plan de développement communautaire visait les groupes linguistiques les plus importants repérés durant le deuxième référendum et la campagne de sensibilisation subséquente. Des rencontres avec chaque groupe linguistique ont eu lieu et des bulletins d'information ont été imprimés dans toutes les langues importantes.

## **ÉLABORATION DE L'ENTENTE ET FINANCEMENT**

Un des éléments clés du processus de conversion a été l'élaboration de l'accord d'exploitation entre la coopérative Atkinson et le gestionnaire actuel. La mise au point d'un tel accord a pris plusieurs années à se réaliser en partie à cause des préoccupations du gouvernement, mais aussi en raison des changements de politiques et de priorités des gouvernements. Malgré le fait que l'accord d'exploitation déposé au printemps de 1999 par le conseil d'administration de la coopérative ressemble aux accords d'exploitation d'autres coopératives d'habitation, après trois ans, on négocie toujours. Durant ce temps, des changements d'envergure ont eu cours dans tout le dossier du logement social en Ontario (le logement public compris). Le logement public a finalement été dévolu à la ville de Toronto, qui créa la nouvelle Toronto Community Housing Corporation (TCHC) pour gérer son propre parc de logements sans but lucratif, de même que le parc de logements publics géré autrefois par la Metropolitan Toronto Housing Corporation (antérieurement appelée la Metropolitan Toronto Housing Authority).

Bien que la version la plus récente de l'accord d'exploitation entre la coopérative et la TCHC ne soit pas disponible, un des litiges aurait trait à l'établissement du budget. La majorité des coopératives au Canada ont un droit de regard sur l'établissement des droits d'occupation annuels (loyers) qui sont fondés sur la différence entre les subventions reçues (pour réduire le loyer du marché et subventionner les locataires à faible revenu) et les dépenses (frais d'exploitation et coûts en immobilisations). Toutefois, dans le cas de la coopérative Atkinson, ce qui risque de se produire c'est un partage entre les dépenses discrétionnaires (c.-à-d. le personnel et les coûts d'entretien) et non discrétionnaires (impôts fonciers et services publics). Les dépenses discrétionnaires seraient fondées sur les 12 derniers mois d'exploitation et la coopérative recevrait 12 paiements mensuels pour couvrir de telles dépenses. Par ailleurs, la coopérative recueillerait les loyers et recevrait des sommes directement de la TCHC pour couvrir les dépenses non discrétionnaires. La coopérative Atkinson serait ainsi moins indépendante que la plupart des coopératives d'habitation en ce qui a trait à sa gestion financière.

Une autre question épineuse concerne la création d'une réserve de remplacement. Des études menées par la CHFT indiquent que l'ensemble Alexandra Park aura besoin de 2,5 million de dollars en réparations d'immobilisations. Selon certaines sources, la réserve de remplacement proposée serait fondée sur l'historique des dépenses d'immobilisations de la propriété depuis les dix dernières années, et serait financée par la TCHC. Celle-ci continuerait à financer les dépenses d'immobilisations auxquelles elle s'est engagée pour les trois premières années d'exploitation de la coopérative, après quoi les réparations seraient financées par le réserve de remplacement de la coopérative. Au moment d'écrire ces lignes, l'état de la réserve de remplacement proposée est inconnu.

## **SOMMAIRE ET RECOMMANDATIONS**

Lors de l'évaluation du processus de conversion de la coopérative Atkinson, il faut tenir compte du fait que la conversion fut une des premières du genre au Canada. Bien qu'un certain nombre d'ensembles sans but lucratif visant les ménages à revenus mixtes appartenant à une municipalité (dans la ville de Toronto) aient déjà été convertis en coopératives, la conversion d'un ensemble

de logements publics occupé entièrement par des locataires payant un loyer proportionné à leur revenu était tout à fait inédite. Pour tous les intervenants, il s'agissait d'un processus entièrement nouveau.

Cette démarche montre qu'il n'est pas impossible pour des organismes publics et des résidants d'un ensemble de logements publics de s'entendre sur des paramètres visant la conversion en coopérative d'un ensemble de logements publics axé entièrement sur des ménages payant un loyer proportionné à leur revenu. Le fait que les parties soient si près d'une entente témoigne de l'engagement tant des résidants d'Alexandra Park que du secteur coopératif, surtout en regard du temps écoulé depuis le début du processus de conversion.

De manière générale, le processus de conversion a été ouvert et transparent, et aux fil des ans, le nombre de résidants et de membres du conseil qui participent aux réunions n'a cessé de croître. On appuyait fortement les efforts de la CHFT et sa participation dans le processus de conversion. Le secteur coopératif (en particulier la CHFT) n'a pas ménagé ses efforts pour voir à l'éducation, à la sensibilisation et à la formation des membres du conseil. Toutefois, à mesure que le processus s'étalait dans le temps, la CHFT s'est vu confrontée à une pénurie de ressources qui l'empêchait de traiter efficacement des difficultés qui émergeaient dans la communauté.

Puisqu'il s'agissait d'un premier dossier de ce genre, il y avait beaucoup de place à l'amélioration. Par exemple, dès le début, les locataires ont omis de discuter convenablement des options quant à leur implication dans la gestion de leur propre développement. La décision de suivre la route du modèle de la coopérative d'habitation a été prise très tôt par un petit groupe de locataires. Par ailleurs, malgré les efforts généralisés déployés par les intervenants du secteur coopératif pour expliquer le modèle de coopérative d'habitation aux locataires, bon nombre de résidants étaient incertains quant aux incidences découlant d'une coopérative d'habitation, particulièrement dans le contexte où tous les locataires payent un loyer proportionné à leur revenu. Certains locataires sont toujours inquiets à l'égard de leur sécurité d'occupation s'ils ne deviennent pas membres, malgré le fait qu'on leur ait donné toutes les assurances que leur occupation continue était garantie.

L'une des difficultés les plus importantes éprouvée durant le processus de conversion a été de trouver comment faire participer davantage de personnes ayant différentes origines ethniques et culturelles. Bien qu'on ait dépensé beaucoup d'énergie pour amener des interprètes aux réunions et pour faire traduire les documents en différentes langues, certains groupes participaient moins que d'autres. À l'occasion, il se produisait des disputes en raison du fait que les groupes qui étaient mieux organisés étaient plus actifs au sein de la structure de prise de décision, ce qui n'a pas manqué d'éveiller les soupçons et le ressentiment. Il a fallu user d'habiletés non seulement en développement communautaire et organisationnel, mais également en gestion de la diversité.

L'une des carences du processus fut le manque de financement et de soutien de la part des gouvernements. La carence de financement qui en a résulté a dû être compensé par la participation du secteur coopératif et de bénévoles. La conversion d'un ensemble en coopérative requiert beaucoup d'activités de formation et de sensibilisation, et lorsque ces dernières s'étendent sur une décennie, les coûts s'en trouvent sensiblement gonflés.

## LEÇONS APPRISSES

Voici quelques-unes des leçons tirées de cette expérience :

1. Il faut employer une approche de planification fondée sur l'évaluation des besoins – lorsqu'un groupe habitant un immeuble public considère la conversion en modèle coopératif, ses besoins doivent être évalués et une gamme des solutions possibles doit être proposée (y compris la conversion en coopérative), de même que les coûts et avantages d'autres modèles de gestion.
2. Il faut obtenir un financement adéquat – il faut un appui gouvernemental explicite tout au long du processus de conversion afin de garantir le financement des études de faisabilité, des activités de sensibilisation auprès des résidents et d'une formation et une éducation appropriées.
3. Les résidents doivent avoir l'occasion de faire connaître leurs opinions – l'appui de la collectivité doit être mesuré à des étapes clés dans le processus. Les référendums doivent être tenus sous vote secret, du moins au début lors de décisions de principe, et plus tard lorsqu'une proposition officielle a été formulée pour adoption.
4. Il faut avoir recours à une notion élargie du développement communautaire – de manière à construire des collectivités qui travaillent de concert pour solutionner les problèmes par l'entremise de la prise de décision participative.
5. Les ensembles de logements publics composés d'une population diversifiée ont besoin d'une aide particulière – il importe de traiter des enjeux de la diversité tôt dans le processus et de mettre au point une stratégie qui fait en sorte que tous les groupes sont convenablement représentés dans la prise de décision.
6. Tous les locataires doivent se sentir en sécurité – certains d'entre eux ne veulent peut-être pas participer. On doit leur faire comprendre qu'ils sont en sécurité et qu'ils sont le bienvenu, même s'ils choisissent de ne pas devenir membre.
7. On doit mettre en œuvre un programme destiné à encourager le leadership – les groupes de ressources doivent travailler avec les résidents afin que les résidents ayant des qualités de leadership soient en nombre suffisant pour traiter des difficultés susceptibles de se manifester dans une coopérative.
8. Il faut impliquer tous les partenaires au tout début – y compris les ordres de gouvernement, les résidents et les groupes de ressources, afin d'élaborer des accords d'exploitation mutuellement avantageux.





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# **1 INTRODUCTION**

## **1.1 BACKGROUND**

Across the United States and Europe, there have been many initiatives to improve living conditions and management in public housing. These initiatives include “privatization” experiments in England, self-management and co-operative management in Scotland and community development and physical upgrading in the United States. While most governments have moved away from developing new large-scale public housing with concentrations of lower income households, there continues to remain a large stock of such housing in the public realm. This paper explores one initiative to improve the living conditions of residents living in a public housing development in downtown Toronto, known as Alexandra Park, through conversion to a self-governing housing co-operative.

This report will trace how the desire of the residents in Alexandra Park to have more control over their community led to the notion of a co-operative. A detailed explanation will be provided of the various steps that have been undertaken on the road to a self-managing housing co-operative.

Built in 1968, Alexandra Park is a 410-unit public housing development in the west end of downtown of Toronto – a traditional immigrant settlement area. The development includes 140 apartments in two medium-rise apartment buildings and 270 townhouses. Until recently, Alexandra Park was managed by the Metro Toronto Housing Authority (MTHA) - a local authority reporting to the provincially-owned Ontario Housing Corporation. As of October, 2001, Alexandra Park was transferred to the municipally-owned Toronto Community Housing Corporation (TCHC).

## **1.2 STUDY OBJECTIVES AND SCOPE**

The purpose of the present study is to evaluate the process leading to one of the first conversions in Canada of a public housing community into a housing co-operative, to be called the Atkinson Housing Co-operative, named after the long-time and now deceased President of the local residents’ association, Sonny Atkinson. This report will describe the conversion process that occurred in Alexandra Park including community development and education initiatives as well as negotiations between the co-operative sector and the residents of Alexandra Park with government representatives regarding policies and legally binding agreements.

While this study focuses on one particular public housing community, the scope of this study is much broader in that it will provide lessons for other public housing communities considering a similar path.

The specific objectives of the study are to:

1. Document and analyze the community development process including outreach, education and resident involvement of this unique conversion;
2. Document and analyze government involvement in the conversion process and highlight policy and legislative issues encountered in the conversion process;

3. Determine which factors are unique to this conversion and those that are common to potential conversions of other public housing developments;
4. Compare the Alexandra Park/Atkinson Co-op conversion process to the process used in conversion of public housing to other forms of management (e.g., non-profit, self-management and co-operative housing) in order to see what is unique to this case study and what it shares in common with other examples;
5. Critically assess the conversion process to determine what lessons can be learned for potential conversions in other locations in Ontario and Canada, and,
6. Identify key factors in the Alexandra Park/Atkinson Co-op conversion experience that can be replicated in a model conversion approach.

### **1.3 METHODOLOGY**

#### **1.3.1 Multi-method Data Collection**

In order to achieve the study objectives, a multi-method data collection approach was used. The research methods included:

- A literature review;
- A review of relevant documents involved in the conversion process;
- Participant observation of key meetings;
- Interviews with approximately 20 stakeholders; and,
- Focus groups with residents.

In using this multi-method approach the researchers tried to obtain both an objective understanding of the steps involved in the conversion process as well as to understand the perceptions of various stakeholders regarding the process.

#### **1.3.2 Literature Review**

Literature from Canada, the U.S. and Europe (especially Britain) on public housing management, tenant self-management and co-operative conversions was reviewed. The purpose of the literature review was to assist in identifying key steps in a conversion process and to identify conditions for a “successful” conversion. The literature review also helped to provide a conceptual framework within which to consider the co-operative conversion, that is, the desire of tenants to have increased control over the management of their community.

#### **1.3.3 Documentation Review**

One of the major objectives of this study was to document the steps undertaken in the co-op conversion process at Alexandra Park. This documentation included a review of key written materials that had been produced throughout the conversion process. For this study we analyzed four categories of documents:

1. Minutes of meetings – committee meetings and joint meetings with provincial and housing agencies;
2. Education materials – flyers, newsletters, handouts;

3. Formal documents – business plan and legal documents; and,
4. Media descriptions of the process – newspaper articles and tapes of programs.

The purpose of the documentation review was to outline the conversion process along with problems and issues encountered and how these were resolved. A complete list of the documents is provided in Appendix A

### **1.3.4 Participant Observation**

One of the researchers was a “participant observer”, that is, someone who came out of Alexandra Park and had been involved in the co-op conversion process. Once involved in this study, he stopped being officially involved with the Board of Directors of the co-operative; however, his involvement in Alexandra Park provided the researchers with inside knowledge of the process and access to documents and individuals in the community.

The goal of the participant observation was to observe the decision-making process throughout the conversion activities. The participant observation took place from September 1999 to August 2001 and included attendance at all community meetings, Board meetings and negotiation meetings during this period. Specific observations covered three general areas: discussions between the residents and government representatives, the activities of the Co-op Board and its precursor, and, community meetings. (See Appendix B for a list and dates of meetings.)

### **1.3.5 Interviews with Stakeholders**

The conversion process has involved a number of key stakeholder groups including:

- Residents – particularly those who were involved directly in the conversion process through the Atkinson Co-op Board;
- The co-op sector – representatives of the Co-operative Housing Federation of Toronto (CHFT), staff hired by CHFT to work on the conversion project and the original co-operative consultant who worked on the conversion project;
- Government officials – staff of the former Metropolitan Toronto Housing Authority (many of whom have moved on to the newly formed Toronto Community Housing Corporation); municipal and provincial politicians, and,
- Other community support agencies, specifically, representatives of the Alexandra Park Community Centre and Scadding Court Community Centre.

In total 20 interviews were held with representatives of each group of stakeholders. (See Appendix C for the names of the specific individuals interviewed.)

An interview protocol was created in order to ensure that a consistent line of questioning was maintained. There were eight sections in the interview protocol, each designed to elicit different types of information from different individuals:

1. Goals of the conversion process,
2. Their role in the conversion process,
3. Views of the conversion process,
4. Obstacles faced,

5. Residents' understanding of the implications of the conversion,
6. The lessons learned,
7. The potential for other conversations, and,
8. Other comments.

Each interview lasted approximately an hour and most of them were recorded with the permission of the participant. Since there were many individuals involved in the conversion process serving different functions, the protocol was adapted to suit the positions or the different roles the stakeholder had in the process. A copy of the interview protocol is provided in Appendix D.

### **1.3.6 Focus Groups**

The focus group method was used to obtain qualitative information from participants on a selected number of topics. Three focus groups with residents were conducted in order to understand how they felt about the conversion process. The participants included both members of the co-operative and non-members (tenants).

One focus group was held with female residents, one with male residents, and, one with Chinese and Vietnamese residents. The reason for singling out the Chinese and Vietnamese groups was that we learned that while those of Asian descent were the largest single ethnic group, they were also the least visible and the least active in the co-op conversion itself. Chinese and Vietnamese interpreters were at the sessions.

The reason for dividing the focus groups based on gender was because we learned from several of our interviewees that many women tended to be more comfortable when not in the presence of men. The Asian group was a mix of men and women as we were informed that gender differentiation was not as crucial in this group.

Signs were posted throughout the community to recruit participants (See Appendix E.). As well, the participation in the focus groups was solicited at a co-op members' meeting and at a public meeting at the Alexandra Park Community Centre. Tenants were paid an honorarium for their time.

The focus group discussions were led by the principal researcher who facilitated the group discussions. A translator assisted with the group involving Chinese and Vietnamese residents. The focus groups ranged from 10 to 14 residents with a total of 32 residents participating. The residents were asked their views about living in Alexandra Park (their likes and dislikes) and their views on the co-op conversion process including any changes or improvements they would make to the process. Each session was taped and notes were written summarizing the sessions. A summary of the sessions is provided in Appendix F.

### 1.3.7 Project Supervision

The evaluation was conducted under the direction of an academic Steering Committee who provided input throughout the duration of the study. The Steering Committee consisted of:

- David Hulchanski, Professor, Dr. Chow Yei Ching Chair in Housing, University of Toronto Faculty of Social Work, housing researcher and former member of OHC Board<sup>1</sup>
- Jack Quarter, Professor of Adult Education and Counselling, Psychology, The Ontario Institute for Studies in Education of the University of Toronto (OISE/UT)
- Robert Murdie, Professor, Geography Department, York University, who has carried out extensive research on MTHA housing.

The CMHC project supervisor was Vern Barkwell, a CMHC staff representative with social housing management experience.

## 1.4 HOW THE REPORT IS ORGANIZED

Including the introduction (section 1) there are a total of nine sections in this report:

**Section 2** - provides a literature review of the involvement of public housing tenants in the management of their housing including establishing co-operatives.

**Section 3** - describes the housing policy context in Ontario and Toronto within which the Alexandra Park development operates. Particular attention is paid to the impact that the devolution of social housing from the Province is having on the management of public housing.

**Section 4** - provides an overview of the Alexandra Park community. Specifically, this section describes the history, design, population and the residents' association.

**Section 5** - provides a description of the major steps in the conversion process using relevant documentation and data from the interviews. This section is organized in chronological order.

**Section 6** - provides a detailed description of the co-operative structure established at Alexandra Park.

**Section 7** - outlines the steps and actions taken to formalize the co-operative conversion.

**Section 8** – highlights a number of the major issues that the community has faced throughout the conversion process.

**Section 9** - provides a summary of the conversion process and assesses it against a number of questions. It also summarizes the lessons learned from this project.

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<sup>1</sup> Chair of the Steering Committee



## **2 LITERATURE REVIEW: TENANT INVOLVEMENT AND TENANT SELF-MANAGEMENT IN PUBLIC HOUSING**

In this section, the experience related to tenant participation and tenant self-management in public housing as well as to conversions from public housing to co-operatives in the United States and Great Britain are discussed. By “public housing” we are referring to housing developments managed by government agencies which serve predominantly low-incomes households (rather than mixed developments). In addition, a number of conversions of municipal non-profit properties owned by the City of Toronto to co-operatives are discussed. These conversions took place over approximately a decade from the late 1970s to the early 1990s.

The section begins with a brief discussion of non-profit co-operative housing in Canada and its major tenets.

### **2.1 WHAT ARE NON-PROFIT RESIDENTIAL CO-OPERATIVES?**

The residential co-operative movement in Canada began back in the early 1900s with the establishment of co-operative student housing at the University of Toronto (1936). The first permanent housing co-operative for families was established in Winnipeg, Manitoba, in 1966 at Willow Park Housing Co-operative.

The Co-operative Housing Foundation of Canada (now the Co-operative Housing Federation of Canada or CHF Canada) was founded in 1968 as a joint initiative of the Canadian Labour Congress and the Co-operative Union of Canada to promote the development of housing co-operatives. CHF Canada convinced the federal government to provide funding from its new \$200 million Innovative Housing Fund for co-operative housing at a time when the government was looking for alternatives to public housing as a way of delivering assisted housing.

Over the approximately 20 years during which the federal government and various provinces funded non-profit co-operatives across Canada, 2,100 housing co-operatives were established. These housing co-operatives now accommodate 90,000 households and close to a quarter of a million people according to CHF Canada. Overall, approximately half of the residents pay on a rent-geared-to-income basis (RGI).

It is important to distinguish between co-operatives in Canada and those in the United States. In the United States co-operatives are primarily equity co-operatives which are a form of ownership housing. In Canada non-profit co-operatives, in which tenants do not have any equity in the units, are the norm. Also, in Canada, co-operatives have been largely associated with publicly funded social housing programs which traditionally provide assistance to lower rents on all units as well as to subsidize those paying on an RGI basis.

Co-operatives are legal entities which hold title to the property. Individual residents must be accepted by the co-op for membership. All residents are members of the co-operative and they elect a Board of Directors to manage the property. The board is accountable to the members

through general meetings. Residents are expected to contribute time to running the co-operative by participating in a number of volunteer committees and/or activities. In Ontario, co-operatives are expected to accommodate RGI tenants referred by an agency managing the co-ordinated waiting list (formerly managed by the Local Housing Authority).

## **2.2 TENANT PARTICIPATION INITIATIVES IN THE U.S. IN PUBLIC HOUSING**

Conversions of public housing to a co-operative structure is at the far end of a continuum of tenant participation activities. Below is an overview of tenant participation and self-management initiatives in the U.S as it relates to public housing.<sup>2</sup>

### **2.2.1 Early Self-Management Initiatives**

Tenant management initiatives first appeared in the U.S. in the late 1960s and early 1970s when they arose as a tenant response to serious problems in public housing management in Boston and St. Louis. One such initiative led to the first Resident Management Corporation in 1971 at the Bromley-Heath public housing development in Boston.

In St. Louis, as part of a rent strike settlement with tenants in 1969, a Tenants' Advisory Board was created to work with the St. Louis Housing Authority (SLHA) on matters affecting tenants. As well, tenants obtained representation on the SLHA Board. With funding obtained from the Ford Foundation, two Tenant Management Corporations were formed to provide management services under contract with the SLHA. By the end of the 1970s five public housing sites had some degree of resident management and two Tenant Management Committees had become national models for tenant management. Residents were instrumental in reclaiming their buildings and neighbourhoods from drug dealers and other criminals and in renovating deteriorated units and building new units.

### **2.2.2 Support for Conversions and Sale of Public Housing 1984 Onwards**

In 1984, the Reagan administration proposed the Public Housing Homeownership Demonstration (PHHD) in order to test the viability of an expanded sale of public housing that had begun in 1974. However, at the end of the four-year demonstration program, only 320 units had been transferred to tenants. The demonstration faced a number of obstacles such as lack of funding for counselling and training, lack of funds to repair the units before the transfer, lack of replacement housing and lack of assistance in accommodating non-participating tenants. (Rohe, 1995)

In 1987 as a result of an amendment to the US Housing Act, Section 21 authorized the Department for Housing and Urban Development (HUD) to approve the transfer of entire housing developments to qualified Resident Management Corporations. These Resident

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<sup>2</sup> This discussion is based on two overview articles:

William Rohe, *Converting Public Housing to Co-operatives: The Experience of Three Developments*, in *Housing Policy Debate*, Volume 6, Issue 2, pgs. 435-479, 1995

Koebel, T, & Cavell, M. *Tenant Organizations in Public Housing Projects*;, *A Report on Senate Resolution No. 347*. Prepared for the Virginia Housing Study Commission by the Virginia Centre for Housing Research, 1995.

Management Corporations had to be approved by existing residents' organizations or by a majority of the residents and have an elected Board of Directors. Also prior to the transfer, the Resident Management Corporation had to have a management contract with the Public Housing Authority and have managed the development effectively for at least three years. This program was however, short-lived, and replaced by the Homeownership and Opportunity for People Everywhere (HOPE)1 Program. This Program authorized support for an expanded sales program and provided funds to Public Housing Authorities to both plan and implement sales programs. The program authorized planning grants of up to \$200,000 as well as implementation grants to cover the costs of counselling and training, relocation, property rehabilitation, administration and economic development activities designed to increase the incomes of tenant purchasers.

Tenant management receives less attention today in the United States and has been folded into broader programs for improving impoverished communities. During the latter part of the 1990s there was greater emphasis on funding to improve distressed communities through community development initiatives.

### **2.2.3 Results of the Experiences with Self-Management and Conversions**

Koebel and Cavel (1995) discusses four formal evaluations of tenant management and while the results are sometimes supportive of tenant management, the record is rather mixed. The first such study was conducted in 1981. It found that the most successful Resident Management Corporations enjoyed good relations between tenants and the housing authority, had strong residents' councils and had better performance indicators than their counterpart Public Housing Authorities (PHA). However, the record of resident management showed that costs related to training and implementation were high while the benefits of resident management were limited when compared to conventional management. Only one of the seven sites evaluated still operates with any degree of resident management.

A second study involving eleven public housing developments with resident management corporations was conducted between 1986 and 1987 and concluded that sites with good partnership ties to the outside community were more successful and that well-organized tenant groups were most likely to succeed in resident management efforts. The study found that a tenant organization that is already very strong and has proven its ability to deal with problems, may be the best predictor of success in resident management . (Koebel and Cavel, 1995)

An Evaluation of Resident Management in Public Housing was prepared in 1992 for the Office of Policy Development and Research of HUD. Eleven Resident Management Corporations were evaluated which were either full-service or managing-agent organizations. The full-service Resident Management Corporations took on the role of managing most of the functions in their development (maintenance, rent collection and finances) while the managing-agent Resident Management Corporations only managed a few functions such as maintenance and had no financial control. The results showed the full-service Resident Management Corporations had higher performance results on several measures such as work order processing, work order completion, utilizing maintenance staffs, staff:unit ratio's and move out rates. Public Housing Authorities outperformed Resident Management Corporations on tenant accounts receivables

and vacancy rates. The managing agent Resident Management Corporations outperformed Public Housing Authorities in unit inspections and vacancy rates but performance was similar in other respects. Also, full-service Resident Management Corporations were able to provide more social services and economic development opportunities than either managing-agent RMC or comparison sites.

A somewhat discouraging audit (from the point of view of resident management) conducted in 1995 found that resident management organizations were not making significant progress toward property management responsibilities and funding was being used for many areas other than the goal of resident management. The report found that increased funding was not warranted.

Rohe's research focused in particular on the conversion of public housing to limited equity co-operatives and is very relevant to the Alexandra Park conversion. In limited equity co-operatives, the housing is owned and managed by the co-operative which in turn is controlled by the occupants, however, rather than owning their units, the individuals own shares in the corporation which gives them the right to occupy a specific unit. Limited equity co-operatives seek to keep the housing affordable by restricting the sale price of shares.

Of the three co-operatives that converted from public housing, all survived for at least two years and one for more than seven. However, in all three cases, the housing authorities provided services and other support to the co-operatives at no or reduced cost, well beyond the transfer of the properties. For example, in one case, the Housing Authority still prepared the vacated units for occupancy.

Of the three co-operatives, one was found to be in a poor financial state – being in arrears in property taxes and second-mortgage payments as well as having minimal reserves. Two others, on the other hand, were current in their bills and had substantial reserves. The first project which was facing difficulties was encumbered with first and second mortgages that totalled more than \$900,000 while the second and third cases had no mortgage debt and were required only to cover operating costs. However, all three co-ops had substantial amount of share payments in arrears.

Generally, those living in the one development in poor financial condition were dissatisfied while those in the other two were mildly satisfied. The major source of satisfaction was low and stable rent. A major source of dissatisfaction was the condition of the units and the quality of rehabilitation.

Rohe identified the following factors that kept the co-operatives from achieving their full potential including:

- The co-op boards did not receive sufficient training. Because of the relatively low education levels of the board members and their general lack of experience in formal organizations, extensive board member training programs was deemed essential. Board members need training on how to run effective board meetings.
- Another issue was the lack of communication between the board and the co-op. In most cases it was minimal and this had contributed to the spread of rumours (of board corruption and favouritism) and there was a general distrust of the co-op board among

residents. Thus, the boards had come to be seen as landlords rather than as a group of fellow residents.

- Lack of participation was another issue. Participation in the affairs and activities of the co-op were minimal, attendance at meetings was low as was participation on committees. No minimum number of volunteer hours was expected.
- The poor quality of the housing stock was a major issue. All three co-ops had to make major repairs soon after they assumed ownership and this consumed a lot of energy and undermined their faith in the endeavour.

Rohe concluded that the experiences of the three conversions suggests that converting public housing developments to co-operatives is feasible but is likely to take considerable time, effort and expense. In order for conversions to succeed, the properties should be sold to the co-operatives at little cost and be in good shape at the time of the transfer. The success depends on the sponsoring housing authority's ability to design and implement a conversion program. It was recommended that an outside resource group with expertise in co-operative management should be utilized. Other recommendations were that adequate arrangements should be made for non-participants; pro forma budgets should include all major repairs and co-op boards should be properly educated. Furthermore, if conversions are to continue, they should be limited to developments where there is strong and widespread interest among the residents.

## **2.3 TENANT PARTICIPATION EXPERIENCE IN GREAT BRITAIN<sup>3</sup>**

Most of the following discussion is based on an article by Cliff Hague on tenant participation in British Council Housing. In Great Britain calls for more tenant involvement in managing British Council housing first began in the late 1960s and early 1970s. The call was promoted by tenants in reaction to rent increases by the Labour government and proposed means-tested rebates. The Association of London Housing Estates became an important advocate for tenant participation within London boroughs. Also there were advocates of co-operatives and other forms of tenant involvement who frequently pointed to the experience in Scandinavia. These calls for tenant participation reflected the more widespread call for participation in many aspects of social life.

By the mid-1970s the central government was concerned with problems in the public housing stock at a time when there was a huge public sector deficit. One response of the central government was to promote housing co-operatives. Legislation in 1975 empowered local authorities to transfer some management functions to tenant co-operatives without losing government subsidies for the properties. Two housing co-operatives were developed in Scotland and there were similar moves in inner London boroughs.

The central British government as well as the Scottish Development Department tried to push local housing councils to encourage tenant participation. Both co-operatives and tenant participation were viewed as vehicles by which council housing might be more effectively and efficiently managed.

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<sup>3</sup> This review was based on the following article, Hague, Cliff, *The Development and Politics of Tenant Participation in British Council Housing*, Housing Studies, Vol. 1. No. 4, pages 242-256

When the Conservatives were elected in 1979 there were dramatic changes in housing policy that included the sale of council houses and cuts in building programs. There were also other changes that affected tenant participation such as tenants having the 'Right to Buy' and the right to be consulted over major changes in policy. In the Housing Act of 1988, tenants were given the right to enter into discussions individually or collectively with a landlord approved by central government agencies such as housing associations, co-operatives or private sector enterprises. Once the written consent of tenants was obtained, the prospective landlord effectively acquired the right to buy the property from the existing landlord. A postal ballot of the tenants involved was held and if a majority supported the transfer, then the transfer went ahead.

In Britain, there continues to be a trend towards tenant involvement in managing estates of public housing.<sup>4</sup> A Tenant Management Organization (TMO) covers any kind of organization set up to enable tenants to run any or all of the housing management services on their estates. In 1994, the government introduced the Right to Manage which gave tenants the right to invoke new powers and a new set of legal documents in order to take over the management of their homes on Council estates. There are estimated to be some 100 estates managed in England by tenant organizations. In most cases the ownership of the housing remains with the estate.

What is of interest is the process recommended for tenants interested in forming a tenant management organization. Tenants are expected to conduct a Feasibility Stage – to crystallize the needs and wants of people living on the estate. A Steering Group is set up for the project and receives training related to the skills and knowledge that are needed before it can make decisions about the management of the estate. Wider consultation is carried out and all options are considered. The study ends with a test of tenants' opinions, which determine if the project goes to the next stage. During the Development Stage a proposal for tenant management is developed, drawn up into a detailed management agreement and negotiated between the Council Housing and the Tenant Management Organization before being put to a final poll of all tenants and leaseholders.

## **2.4 EXPERIENCE WITH CO-OP CONVERSION IN TORONTO**

No other examples of converting public housing projects in Canada to other forms of management were uncovered in this research (keeping in mind the definition we are using in this report for public housing). It is interesting to note that there were earlier experiments with tenant management in public housing in Regent Park (1974-1978) and in Alexandra Park (1976-1979); however, funding was withdrawn when the process led to internal conflicts among resident groups.<sup>5</sup>

The most similar experience has been that of the former Cityhome, the City of Toronto's non-profit housing corporation (which later became part of the Toronto Housing Company and is now part of the Toronto Community Housing Corporation). These conversions were

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<sup>4</sup> See Simon Godfrey's web site on Tenant Management at [www.demon.co.uk/rye-bred/](http://www.demon.co.uk/rye-bred/)

<sup>5</sup> KPMG, op. cit., page, 34.

documented in a report prepared by the Starr Group and Lapointe Consulting in January, 1999.<sup>6</sup> Toronto City Council had approved of the conversion of four housing developments owned by the City to co-operatives – Bain Co-operative (1977), Spruce Court (1978), Kippendavie (1980) and Collegeview (1983). All four of these projects were originally private rental housing that had been acquired by Cityhome. In at least two cases significant improvements were needed to the structures to bring them up to standard.

In two projects (Bain and Spruce Court), a substantial number of tenants were interested all along in seeing the project become a co-operative. Reasons for tenants wanting to convert to a co-op varied with each project. For some tenants, reasons for converting included some level of dissatisfaction with Cityhome's rent increases and method of financial management, accessibility to information and management of renovations.

In two of the cases there was an extensive period of joint management. In each case, there was a strong tenants' association that worked with Cityhome to develop a transitional or joint management phase. The process of converting from a development that was managed by Cityhome to a self-managing co-op usually took place over three to four years. The conversion involved a considerable amount of training and education. Resource groups were retained on behalf of the tenants to develop an appropriate organizational structure, to educate members, to provide training and to develop the management plan and necessary by-laws.

Prior to transferring each Cityhome building to the co-operative, a number of steps had to be taken:

1. The tenants' association had to demonstrate that a majority of the tenants were interested in moving toward co-operative management.
2. A legal agreement was drawn up between the co-operative and Cityhome to cover the period of co-management and to specify the responsibilities and duties of each party.
3. The co-operative had to be incorporated and had to develop appropriate articles of incorporation. It had to demonstrate to Cityhome and CMHC that it was capable of effective property and financial management. This meant developing a management plan covering staffing, maintenance and upkeep, accounting procedures, a tenant selection process, a committee structure, procedures for rent collection and so on.
4. Prior to the transfer, a vote was undertaken by Cityhome staff to see if the tenants wished to convert to a co-op. This vote took place after tenants had attended information sessions regarding co-operative management and the likely financial implications of transferring. A two-thirds majority of eligible tenants was required for a transfer to take place.
5. A transfer agreement was prepared to transfer all of the assets of the project (buildings, fixtures, chattels, contacts, rent receivables) in return for the co-operative assuming all of the liabilities including the mortgages, subject to the approval of CMHC and the Ministry of Housing.

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<sup>6</sup> Linda Lapointe and the Starr Group, *A Review of Cityhome's Policy Regarding Self-Management and Co-op Conversions*, 1989.

A major area of dispute was around the need for upgrading of the physical structure and whether or not tenants or Cityhome should pay for needed improvements.

Three of the conversions were successful while the fourth has experienced problems related to the age of the building and the number of repairs that had to be made. CMHC worked with this co-op to see how it could cover its deficit. CMHC put a moratorium on mortgage payments between 1988 and 1995 as the co-op needed approximately \$8 million in repairs. The mortgage has been deferred until 2005. The co-op appears to be doing well and is ahead of schedule – it now looks as though it can start to pay the mortgage in 2003 rather than 2005. All four co-operatives have continued to be self-governing co-ops.

All four of the conversions continue to be self-managing. Since that time at least one other building has been converted. The conversion to the Blecker Street Co-operative occurred in 1989 and is now a very successful co-operative.

The Starr/Lapointe study reached several conclusions relevant to this study:

1. A successful conversion needs committed and educated tenants;
2. There should be a substantial period of co-management/self-management prior to the transfer of the building to the co-operative;
3. There is a need for a technical audit prior to any transfer so tenants know what they are getting into in the future in terms of physical upgrading and the implications for their future rent structure;
4. Tenants should retain the services of an outside resource group who will educate tenants around co-operative management as well as develop the necessary financial and property management systems and organizational structure.

Subsequent to the report on co-op conversions, neither Cityhome nor the subsequent Toronto Housing Company (which replaced Cityhome when the City of Toronto was amalgamated with all of the Metro Toronto municipalities) promoted tenant self-management or co-op conversion as a policy. The recently formed Toronto Community Housing Corporation (which amalgamates the Toronto Housing Company and provincially managed public housing) is once again considering the policy. A fuller discussion regarding the transfer of public housing to the City of Toronto is provided in Section 3.2.2. on page 17.

## **2.5 CONCLUSION**

Conversion of a public housing development such as Alexandra Park to a co-operative is one possible outcome of calls for greater tenant involvement in management. However, as the review of the literature shows, conversions of public housing to co-operatives are relatively rare. A number of factors are needed to be successful including having a strong local residents' organization to begin with, a sufficient level of training for board members and widespread interest among residents. Other key factors include providing tenants with initial support and with buildings that are in good physical condition and repair.



### **3 THE PUBLIC HOUSING POLICY AND MANAGEMENT CONTEXT IN ONTARIO**

#### **3.1 INTRODUCTION**

This section describes the policy and management framework for public housing in Ontario. A brief history of the Ontario Housing Corporation and the Metropolitan Toronto Housing Authority (MTHA) is provided. In the last decade there have been many changes to the public housing system in Ontario which reflect larger economic and political changes.

#### **3.2 PUBLIC HOUSING MANAGEMENT AND POLICIES IN ONTARIO**

##### **3.2.1 The Rise and Fall of the Ontario Housing Corporation**

###### *Overview*

In Canada during the 1950s and 60s many large-scale public housing projects were developed. The overall goal of these projects was to provide affordable housing for low-income families. Oftentimes, public housing was developed in older neighbourhoods as in the case of Alexandra Park; in other cases, they were developed in cheaper, suburban locations. When residents were displaced as a result of such redevelopment, resources were provided to encourage the original residents to purchase their own homes elsewhere, move to other neighbourhoods or to return to the housing being built.<sup>7</sup>

Until recently, the Ontario Housing Corporation (OHC), a corporation of the Provincial government, owned 84,000 units of public housing in communities across Ontario. OHC was an agency of the Provincial government and was managed by a Board of Directors appointed by the Province. The OHC Board of Directors was responsible for making policies and managing the overall budget of public housing. The 56 Local Housing Authorities (LHA's) were charged with the administration of the local housing stock and the implementation of OHC's policies. A Board of Directors was appointed by the Province to govern each LHA.

Unlike non-profit housing or co-operative housing, all public housing tenants pay on a rent-geared-to-income (RGI) basis. It is now customary for public housing tenants to pay 30% of their income on rent (unless they are on social assistance). A rent ceiling, or market rent policy was instituted in the early 1990s and provided some assurances for individuals whose income was rising, but was not stable enough that they could manage without government assistance<sup>8</sup>

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<sup>7</sup> Sewell, J. 1993. *The Shape of the City*. Toronto: University of Toronto Press and Rose, A. *Canadian Housing Policies 1935–1980*. Toronto: Butterworth.

<sup>8</sup> Van Dyk, N. 1995. Financing Social Housing Canada. *Housing Policy Debate*, 6 (4) and Smith, N. 1995. Challenges of Public Housing in the 1990s: The Case of Ontario, Canada. *Housing Policy Debate*, 6(4), 905-931.

## *Planning Together*

In the early 1990s, the then Minister of Housing, Evelyn Gigantes, and the Chair of OHC, John Gerretsen, undertook a consultation process to identify ways of building stronger and healthier public housing communities.<sup>9</sup> The consultation identified six key issues facing public housing tenants including:

- ☑ tenant participation in decision-making,
- ☑ property management,
- ☑ safety and security,
- ☑ discrimination, racism and harassment,
- ☑ support services, and,
- ☑ tenant selection and transfers.

Following this exercise, each of the 56 local housing authorities were directed to form local planning committees consisting of tenants, housing authority staff and board members and community service providers. Each committee was asked to develop an action plan to respond to the directions set out in the report, “Planning Together.”

On November, 1992, a motion was passed by the Provincial Legislature which stated that the options for increasing tenant participation should include management by resident-controlled co-operatives and that the Ministry of Housing and Ontario Housing Corporation should consider whether a pilot project should be carried out to assess the viability of resident-controlled co-operatives as a way of increasing tenant participation in public housing.

On Feb. 28, 1994, the Board of OHC passed a recommendation that OHC fully support and encourage LHA’s to facilitate local tenant management opportunities and that OHC consider on a case by case basis proposals for a change of ownership of OHC units.

## *Devolution of Public Housing to Local Service Managers*

When the Conservative government was elected in the spring of 1995, they were elected on a platform of reducing provincial deficit and government expenditures. One of the first acts of the new government was to eliminate construction of new non-profit housing under the former provincial non-profit housing programs.

In addition, the Province undertook a major review of which level of government pays for and delivers various services. In January 1997, the government announced that provincial responsibilities for social housing would be devolved to municipalities as part of Local Services Realignment. This meant that costs for some services were “uploaded” to the Provincial level while others were “downloaded” to the local government. Although it is beyond the scope of this paper to comment on this process in great detail, suffice it to say, that some of the large municipalities believe that they are now responsible for a higher share of costs and that this is in part due to the downloading of the costs of social housing.

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<sup>9</sup> Ministry of Housing and Ontario Housing Corporation, *Planning Together: Improving the Quality of Life in Public Housing*, June 1992

The Province set up a system of 47 Service Managers to manage a number of related services including social housing, Ontario Works (social assistance and welfare), child care and ambulance delivery. These Service Managers generally coincide with regional governments or governments of larger municipalities such as Hamilton, Ottawa, Toronto or London, or county governments.

Although municipalities began paying for social housing on January 1, 1998, it has taken several years for the delivery of services to be transferred to Service Managers. Over the period of devolution, the Ontario Housing Corporation has continued to manage the public housing system until housing is transferred to the Service Manager.

On November 17, 1999, CMHC and the Province of Ontario signed an agreement to transfer responsibility for the administration of federal social housing from the Government of Canada to the Province of Ontario (excluding co-operatives funded solely by the federal government). As a result of this agreement, the Province could then proceed to devolve housing to the local level. Federal funding for social housing flows from the Province to municipalities to pay for the federal share of social housing projects, including public housing.

On January 1, 2001, the Province created 47 Local Housing Corporations with the intention of each being eventually transferred to the local Service Manager as its sole shareholder. The transfer was to include the housing units and the administrative responsibility for the program. Each Local Housing Corporation managed properties similar to the way that LHA's did. This transfer approach was designed to provide the local Service Manager with the flexibility to change the system to meet local needs any time after the transfer.

Current public housing tenants are not expected to be negatively affected by the process of devolution and such matters as security of tenure, RGI percentages and level of subsidies are supposed to remain at pre-devolution levels. However, as the expenditures for public housing are to be born by the municipal tax base, there will be considerable pressure to find cost-savings.

Neither the NDP government nor the subsequent Conservative government has been very supportive of converting public housing to co-operatives – although individual MPP's may have been. Both had concerns about the loss of RGI units in view of the high numbers of people on the waiting lists as well as about the loss of a public asset. As well, there were concerns about increased demands for upgrading and renovating the property given budgetary constraints. Nevertheless, each governments gave its blessing to the co-op conversion process at Alexandra Park as detailed in Section 5.

### 3.2.2 From The Metropolitan Toronto Housing Authority to the Toronto Community Housing Corporation

#### *Overview*

Within Toronto, the Metropolitan Toronto Housing Authority managed 30,000 units in 110 communities and approximately 1,300 employees.<sup>10</sup> Individual properties were managed through a property management system with MTHA staff or a private property management company hired to manage the property.

In its early years, residents of MTHA were not involved in policy development concerning their own communities. Although they often formed close community ties, the decision-making process usually remained outside the project. Thus, residents had very little control over many crucial decisions that had an impact on their community.<sup>11</sup> Often this resulted in many residents being apathetic due to the “we know what’s best” nature of the management style.

#### *The KPMG Review*

In 1994, as a result of internal problems, a major review of the Metropolitan Toronto Housing Authority’s management structure was undertaken along with an internal audit. The authors, Ron Hikel and Salvadore Bidale of KPMG, found that there was a substantial “*social distance between residents and MTHA staff...*” and that “*Narrowing this is central to creating greater resident satisfaction and a more efficient MTHA.*”<sup>12</sup> The report recommended a radical decentralization of service delivery at the same time as a strengthening of key management functions. The report recommended that a single MTHA representative control all hard resources going into each community and that MTHA focus on its role as a landlord. Residents were to be encouraged to be more involved in the planning and delivery of community services through local Residents Councils. The report found that resident involvement was “*too often fragmented and all too often, symbolic rather than real*” and encouraged greater resident involvement in the management of their community. They recommended elected Residents’ Councils in each building or community and where residents desired it, they should be supported by MTHA in preparing themselves to take on increasing levels of responsibility for the direct management of their communities. Significantly, the report, said that “*this could include full resident management of the property, where this is feasible*” and that MTHA should devote resources to support this development. The report also recommended greater investment in long-term maintenance and more pro-active security measures.

#### *Restructuring and Residents’ Councils*

Subsequent to the KPMG report, several Residents’ Councils were established across the portfolio (although not in the number recommended in the KPMG report) and the formation of tenants’ associations was encouraged. When MTHA property management was eventually

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<sup>10</sup> KPMG, *Rebuilding MTHA – Volume 1 – Principal findings and Recommendations*, 1994

<sup>11</sup> Sewell, op.cit.

<sup>12</sup> *ibid*, page 8

restructured, it was actually divided into larger portfolios with up to 1,500 units or so. Because of the co-op conversion process that was underway at Alexandra Park and, as the result of support from within MTHA for this process, it was kept as a smaller portfolio with dedicated on-site property managers.

Over approximately a year and a half prior to the transfer of public housing in the City of Toronto to the municipal government in May, 2002, MTHA started to implement a Community-Based Business Planning Process. This meant that staff worked with tenants to set spending priorities within limited budget parameters.

### *Tenant Selection and Transfer Protocol*

The selection of tenants in Toronto is maintained through a central agency, referred to as the Toronto Social Housing Connections. Low-income individuals can apply for housing, but the wait can be up to 10 years depending on the size of the unit being requested.

An additional policy that affects tenants is the transfer protocol. This policy outlines what happens when tenants have too many or too few people living in their house. Essentially, tenants are forced to transfer to an appropriate sized unit. As a result, families can be forced to move away from the community that they have lived in for most of their lives if there are no units of the appropriate size in that community. This policy is particularly difficult for older adults whose children have grown up and moved away. In this instance, once the children have moved away the parents can conceivably be forced to move to a different community.

### *Merging MTHA and The Toronto Housing Company*

Once the Provincial government had announced its intentions of devolving public housing to the local level, MTHA and the Toronto Housing Company began negotiating to develop an appropriate management model. As an interim step, MTHA became the Metropolitan Toronto Housing Corporation (MTHC). Responsibility for the funding and administration of social housing programs were transferred from the Province to the City on May 1, 2002.

On October 2, 3 and 4, 2001, Council of the City of Toronto approved a Shareholder Direction to the Toronto Community Housing Corporation (TCHC) which merged the assets and operations of the former Toronto Housing Company and the Metropolitan Toronto Housing Corporation (formerly MTHA). The new corporation became active on January 1, 2002 and included close to 58,000 housing units in its portfolio. The City of Toronto is the sole shareholder. The new Toronto Community Housing has a Board of Directors that is responsible for all aspects of its operations.

This expanded role for the City's housing corporation followed on the heels of an earlier merger that created the Toronto Housing Company when the new City of Toronto was created.<sup>13</sup> (The

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<sup>13</sup> The new City of Toronto was formed in 1998 when the former City of Toronto amalgamated with the former cities of York, East York, Scarborough, Etobicoke and North York along with the regional government of Metropolitan Toronto.

Toronto Housing Company resulted from the merging of the former City's non-profit, Cityhome, and Metro Toronto's non-profit, the Metropolitan Toronto Housing Company).

Of particular relevance for this study is the report that was approved by Council which included the following recommendation:

*“Council recommend to the Board of Directors of the Toronto Community Housing Corporation that a committee be established to outline options and protocols for conversion to housing co-operatives; that the TCHC Board be requested to consider inviting the Co-op Housing Federation and other housing organizations to be members or advisors to such a committee; and further that the Board of Directors report back to Council on this issues as part of the Community Management Plan;”<sup>14</sup>*

The new TCHC has now become a more active partner in the conversion process. At the time of writing this report (fall of 2002), the various stakeholders continue to meet to finalize the operating agreement between the Toronto Community Housing Corporation and the Atkinson Co-op. More details on the principles guiding the development of the operating agreement are provided in section 5.13 and Section 7.2.

### **3.3 CONCLUSION**

All of these changes – devolution and the merging of the various housing companies in Toronto has created a considerable amount of confusion and resulted in delays in the conversion process at Alexandra Park. The conversion of Alexandra Park has been a lower priority because of more pressing issues involved in setting up the new municipal housing corporation and the transfer of public housing to the City of Toronto. Furthermore, for a number of years, neither the Province, nor the City were willing to deal with the proposal to convert Alexandra Park to a co-op. The Province did not want to make a decision regarding conversion because it was about to devolve the property to the City, yet the City could not make any decisions because the property was not yet theirs.

Now, however, there is renewed interest in the conversion of Alexandra Park and negotiations are proceeding between the TCHC and the Alexandra Park Co-operative. As well, there is new interest in the co-op conversion policy at a portfolio level.

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<sup>14</sup> Minutes of the Council of Toronto, October 2, 3 and 4, 2001, Clause 1 of Joint Report No. 1 of the Policy and Finance Committee and the Community Services Committee, headed “Shareholder Direction to the Toronto Community Housing Corporation (TCHC).

## 4 ALEXANDRA PARK HOUSING PROJECT: A HISTORY AND OVERVIEW



Figure 1: One of the main entrances into the community

### 4.1 HISTORY AND DESIGN

The Alexandra Park housing project is located in an area of Toronto where immigrants have traditionally settled. The original area consisted of low-density housing and commercial and industrial businesses.<sup>15</sup> The original population was comprised of various immigrant groups from Eastern and Western Europe. The residents were primarily low-income. The most pressing problems were unemployment, diverse ethnic mix, low education levels, and a prevalence of crime.<sup>16</sup>

According to a 1956 City of Toronto urban renewal report, 44% of the housing was uninhabitable and had to be replaced. The remaining 56% of the housing in the area was worth upgrading and rehabilitating.<sup>17</sup> At the time when the area was being considered for upgrading, the parking situation was one of the main problems. The design of the original streets was not conducive to residential parking. Furthermore, workers in local industries in the area occupied most of the parking throughout the day leaving local residents with few options.

The Alexandra Park project was created in 1968 as part of the 1956 City of Toronto urban renewal plan.<sup>18</sup> The area is bounded by four arterial roads: Spadina Avenue on the east, Bathurst

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<sup>15</sup> This information was taken from a 1971 report produced by the Toronto (Ont) Development Department called “Alexandra Park.”

<sup>16</sup> *ibid*

<sup>17</sup> *ibid*

<sup>18</sup> *ibid*



**Figure 2: Site Plan Layout**

Street on the west, Dundas Street on the north and Queen Street on the south. With the urban renewal plans, several buildings were demolished.

When Alexandra Park was designed, a number of streets were converted to residential uses and became part of the overall development site. The grid pattern that originally existed was eliminated and the community became physically separated from the outside area. Both inner roads and pathways were cut off from major streets and walls were erected to separate particular



sections of the project from each other and from the surrounding community. As a result, the design of the project is often considered to resemble a maze. Figure 2 above shows the site plan for the Alexandra Park community.

There is very little green space in front of residents' homes. Dwellings are built right up to the inner walkways which are paved over and connect the community, as shown in Figure 3.



**Figure 3: A typical example of the front of a resident's house.**

One of the interviewees commented that the design made it difficult for residents to interact with one another. She felt that the design of Alexandra Park presented more challenges to community building than the design of other public housing projects with very pressing issues such as Moss Park or Regent Park.

There are a total of five parking lots dedicated to residents who pay a monthly charge to park there. The lots are located in different parts of the community but within easy access of the residents' homes.

The site originally had many walled areas inside the community and along parts of the perimeter making these parts of the project dark, isolated places. In the early 1990's the community requested the walls to be torn down because they had provided protected areas for criminal activity (see Section 4.5 below). When the barriers were torn down, this was a symbolic action of a community trying to open itself out to the wider neighbourhood.

A residents' association, the Alexandra Park Residents' Association (APRA) was created shortly after construction of the development was complete.<sup>19</sup> The Metropolitan Housing Authority built a community centre in 1976, which has always been managed by APRA.<sup>20</sup> The role of the community centre was to provide residents with access to recreational and educational activities. A more detailed description of the residents' association and the community centre follows in Section 4.4.

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<sup>19</sup> Alexandra Park Residents' Association Board Member Handbook.

<sup>20</sup> Alexandra Park Residents' Association Constitution.

## 4.2 UNIT COMPOSITION

Alexandra Park is one of the larger housing projects within the MTHA portfolio. The public housing development has a total of 410 dwelling units in two apartment buildings (one six- and one eight-storey apartment structure) and 263 townhouses. The apartment buildings have one- and two-bedroom units and the townhouses are three-, four- and five-bedroom units. Figure 1 on page 20 shows one of the two apartment buildings and a few of the row houses. The development is geared towards families – especially larger families requiring three or more bedrooms (see Table 1 below).

**Table 1. Unit Composition of Alexandra Park**

Unit Size	# of Units	% of Total
1 bedroom	48	11.7%
2 bedrooms	99	24.1%
3 bedrooms	159	38.8%
4 bedrooms	77	18.8%
5 bedrooms	27	6.6%
Total	410	100.0%

*Source: Tenant Income Profiles Prepared by MTHA, April, 1995  
Resident Demographics*

## 4.3 DEMOGRAPHIC PROFILE

The demographic picture of Alexandra Park has changed considerably over time – especially in terms of family composition and ethnic diversity. These changes are reflective of those that have been observed generally in public housing in Toronto.<sup>21</sup> The following series of tables and figures describes various characteristics of the Alexandra Park Housing project.

The data used in this section comes from three sources. The first source is the 1996 Census survey. In order to utilize the 1996 census data, four enumeration areas (EAs) were selected, representing a slightly larger area than the Alexandra Park Community. (See Appendix G which shows the census tracts used for this analysis.). The EAs represent approximately 76% of the total number of households in the area.

The second source of data comes from various profiles of the households created by MTHA/MTHC at two different times, 1995 and 2001. The MTHA/MTHC data is limited to household composition and sources of income.

The third source of data was from two reports prepared by CHFT that contain demographic information on the community over the past five years. The first report was from a survey initiated during the summer of 2001. The second report was a 2002 community development plan meant to raise awareness of the co-op as well as to educate the members.

<sup>21</sup> See for example Dr. Robert Murdie, *Social Housing Trends in Transition: The Changing Social Composition of Public Sector Housing in Metropolitan Toronto*, Toronto, 1992

### 4.3.1 Household Type and Size

Alexandra Park is home to 332 families and their children who make up 81% of the households (see Table 2 below). A large percentage of families are single parents (84%), almost all of whom are female-led (refer to Table 3). Seniors account for 10% of the households and singles and childless couples 9%.

**Table 2. Composition of Households**

Composition	# of Households	% of Households
Families	332	81%
Seniors	41	10%
Singles/Childless Couples	37	9%
Total	410	100%

*Source: 2001 MTHC quarterly report - March 31, 2001.*

Table 3 shows that among single parents, there is an almost equal division amongst those with one child, two children and three or more children.

**Table 3. Total Single Parent Families by Sex of Parent**

# of Children	Male Parent	Female Parent	# of Households	% of Responses
1 Child	0	100	100	35.7%
2 Children	10	80	90	32.1%
3 Children+	0	90	90	32.1%
Total	10	270	280	100.0%

*Source: 1996 Census*

The majority of families are small with 2- and 3-person households accounting for 65% of all families. A fifth of families have 5 or more persons (see Table 4 below).

**Table 4. Distribution of Families by Household**

Number of Persons in Family	# of Households	% of Households
2 persons	185	34.3%
3 persons	165	30.6%
4 persons	80	14.8%
5 or more persons	110	20.4%
Total	540	100%

*Source: 1996 Census*

### 4.3.2 Age Distribution

Table 5 below provides a distribution of the population by age. There is a relatively high concentration of young children and youth who make up 38% of the population. Over half of the population (51%) are between 19 and 59 years of age and 11% are 60 years or older.

**Table 5. Age Distribution of the Alexandra Park Community**

Ages Distribution	# of Residents	% of Total
Pre-school (0-5)	132	6.6%
Primary (6 to 12)	331	16.6%
Teenagers (13 to 18)	299	15.0%
Young Adults (19 –20)	92	4.6%
Adults (21 – 59)	935	46.8%
60+	209	10.5%
Total	1998	100.0%

*Source: Tenant Income Profiles Prepared by MTHA, April, 1995*

### 4.3.3 Ethnicity and Country of Origin

While the majority of residents (79%) in Alexandra Park are Canadian citizens, 60% of the population was born in a country other than Canada. Conversely, 40% of the population was born in Canada. The largest share of immigrants comes from Vietnam and China with most other countries accounting for much smaller proportions. (See Table 7 below.)

As Table 8 shows, in the 1996 census, there were at least 46 different ethnic groups represented in Alexandra Park. The largest groups were Chinese (21%), followed by the Vietnamese (13%), Portuguese (7%), Jamaican (6%), English (6%), Canadian (5%), French (3%) and Irish (3%). All of the remaining groups accounted for a small percentage of the population. This data needs, however, to be treated with some caution as the boundaries of the census tracts are not exactly the same as Alexandra Park and because Alexandra Park is located in an area with a high concentration of Chinese and Vietnamese immigrants.

A somewhat different picture is provided by data collected by CHFT as is shown in Table 9. In 1998, the five major non-English language groups in Alexandra Park were: Vietnamese, Spanish, Chinese, Portuguese and Somali which altogether accounted for 48% of households living there.

According to the 2001 Census Alexandra Park has many residents from visible minorities. Almost three-quarters (73%) of the population belong to a visible minority (refer to Table 10). Chinese account for 24% of the population followed by Southeast Asians (17%) and Blacks (16%). South Asians represent 6% and Latin Americans account for 5%.

**Table 6. Total Population by Citizenship**

Total population by citizenship	# of Responses	% of Responses
Canadian citizenship	1835	79.3%
Citizenship other than Canadian	480	20.7%
<b>Total</b>	<b>2315</b>	<b>100.0%</b>

*Source: 1996 Census*

**Table 7. Total Population by Place of Birth**

Place of Birth	Responses	% of Responses
<i>Non-immigrant population</i>	905	39.4%
<i>Immigrants by Country of Origin</i>		
Viet Nam	370	16.1%
China, People's Republic of	300	13.1%
All other places of birth	250	10.9%
Portugal	80	3.5%
Jamaica	80	3.5%
Pakistan	50	2.2%
Hong Kong	20	0.9%
Trinidad and Tobago	20	0.9%
Ukraine	20	0.9%
El Salvador	15	0.7%
United Kingdom	10	0.4%
Italy	10	0.4%
Poland	10	0.4%
Philippines	10	0.4%
Germany	10	0.4%
Guyana	10	0.4%
Sri Lanka	10	0.4%
Taiwan	10	0.4%
Korea, South	10	0.4%
Croatia	10	0.4%
Czechoslovakia	10	0.4%
Malaysia	10	0.4%
Non-permanent residents	65	2.8%
<i>Total Immigrants</i>	<i>1390</i>	<i>60.6%</i>
<b>Total Population</b>	<b>2295</b>	<b>100.00</b>

*Source: 1996 Census*

**Table 8. Ethnic Origin of Alexandra Park Area Residents**

Ethnic Origin	Number	%
Chinese	600	21.3%
Vietnamese	370	13.1%
Portuguese	200	7.1%
Jamaican	165	5.9%
English	155	5.5%
Canadian	145	5.2%
French	95	3.4%
Irish	95	3.4%
Scottish	75	2.7%
Pakistani	70	2.5%
Ecuadorian	65	2.3%
Somali	65	2.3%
East Indian	60	2.1%
Italian	50	1.8%
Cambodian	45	1.6%
Ethiopian	45	1.6%
Latin/Central/South American, n.i.e.	45	1.6%
South Asian, n.i.e.	35	1.2%
Polish	30	1.1%
Spanish	30	1.1%
Hungarian (Magyar)	25	0.9%
North American Indian	25	0.9%
Peruvian	25	0.9%
African (Black), n.i.e	20	0.7%
Czechoslovakian	20	0.7%
Egyptian	20	0.7%
German	20	0.7%
Trinidadian/Tobagonian	20	0.7%
Ukrainian	20	0.7%
Black	15	0.5%
Filipino	15	0.5%
Japanese	15	0.5%
Laotian	15	0.5%
Afghan	10	0.4%
American	10	0.4%
Austrian	10	0.4%
Bulgarian	10	0.4%
Dutch (Netherlands)	10	0.4%
Eritrean	10	0.4%
Korean	10	0.4%
Macedonian	10	0.4%
Russian	10	0.4%
Serbian	10	0.4%
Tamil	10	0.4%
West Indian	10	0.4%
Lebanese	0	0.0%
Total	2815	100.0%

*Source: 1996 census*

**Table 9. Number of Households Represented  
by the Five Major Non-English Language Groups**

Language Groups	# of Households	% of Total Households
Vietnamese	62	15%
Spanish	45	11%
Chinese	37	9%
Portuguese	29	7%
Somali	25	6%
Total	197	48%

*Source: CHFT, May 2002<sup>22</sup>*

**Table 10. Presence of Visible Minorities in Alexandra Park**

Identified Group	# of Responses	% of Responses
<i>Visible Minorities</i>		
Chinese	545	23.7%
Southeast Asian	380	16.6%
Black	375	16.3%
South Asian	145	6.3%
Latin American	115	5.0%
Arab/West Asian	40	1.7%
Japanese	35	1.5%
Multiple visible minority	25	1.1%
Filipino	15	0.7%
Korean	10	0.4%
<i>All Others</i>	610	26.6%
Total	2295	100.0%

*Source: 1996 Census*

<sup>22</sup> CHFT, May 2002. Alexandra Park Conversion to Atkinson Co-op. A Community Development Plan.

#### 4.3.4 Income

The majority of tenants (52%) are on family benefits or general welfare. Just over a quarter (27%) are employed and 18% are on some form of pension income. (See Table 11 below).

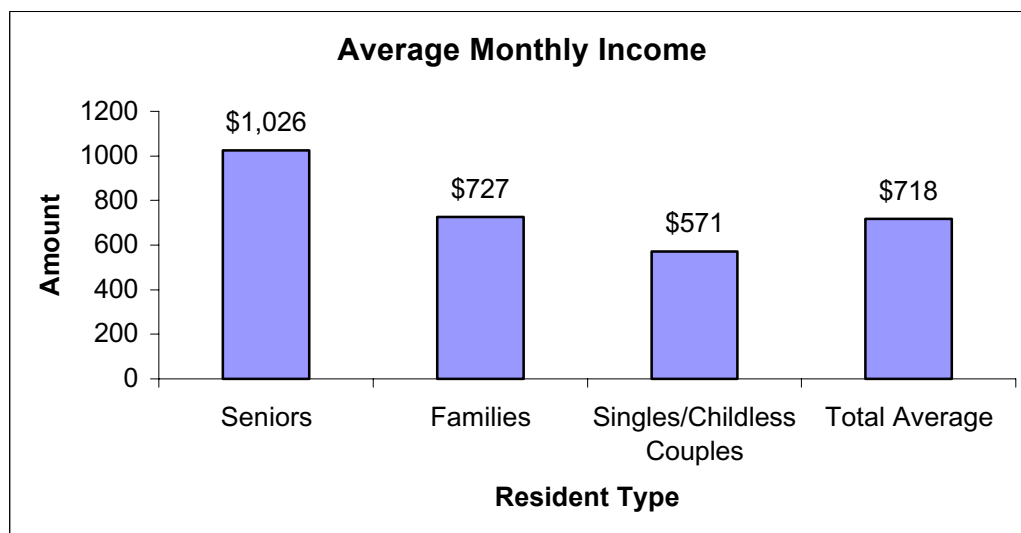
**Table 11. Sources of Income by households**

Income Type	# of Households	% of Households
DVA/CPP Pensions	12	3%
OAP	62	15%
Family Benefits	123	30%
Employment	111	27%
General Welfare	90	22%
Other	12	3%
Total	410	100%

*Source: MTHC Quarterly Report – March 31, 2001.*

Figure 3 below provides the average monthly income according to household type (family, senior and single/childless couples) in 1995. The chart shows that the total average monthly income for all tenant households was \$718, with seniors having the highest income of \$1,026.

**Figure 3. Average Monthly Income by Resident Type**



*Source: Tenant Income Profiles Prepared by MTHA, April, 1995*



#### **4.3.5 Summary of Alexandra Park's Characteristics**

Alexandra Park is home to a predominantly family-oriented population many of whom are mother-led. Household incomes tend to be quite low reflecting the high proportion of tenants who are not working on a full-time basis.

Alexandra Park is very diverse in terms of ethnicity and a substantial proportion of the population belongs to visible minorities. While ethnic diversity has always been a characteristic of the neighbourhood, this diversity has become more pronounced in recent years and has resulted in many challenges to the community. As will be discussed in Section 8, a number of divisions along ethnic, cultural and even religious lines have emerged in the community. Furthermore, despite the best efforts of the CHFT and the Co-op Board, participation in the co-op conversion process has not involved all ethnic and language groups – especially those of Chinese and Vietnamese background.

#### **4.4 THE ROLE OF THE RESIDENTS' ASSOCIATION**

For many years the Alexandra Park Residents' Association (APRA) has been the recognized leadership or representative body for residents in Alexandra Park. Early on APRA established a system of governance and developed a constitution that guided the work of the association.<sup>23</sup> APRA was incorporated as a non-profit organization and given charitable status in 1976 in order to raise funds allowing for the implementation of recreational and educational programs in the community centre.<sup>24</sup> The operation of the Alexandra Park Community Centre (APCC) became the focal point of the Association's efforts.

The mandate of the Association was to address quality of life issues and to manage the local community centre. Although the Association was not an advocacy group per se, they did participate in a number of the decisions made by MTHA in a consultative manner.<sup>25</sup> However, when it came to making crucial decisions that would have a direct impact on the community, APRA had until recently very little impact on the overall decision-making process by the Housing Authority.

The APRA Board was originally comprised of five executive officers, which included the President, a first and second Vice-President, the Treasurer, and the Secretary. In addition to the officers there were 9 Members at Large. The Executive Committee was the body that managed the Community Centre and hired the Executive Director to oversee the daily operations.

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<sup>23</sup> A complete description of the APRA is provided in the Constitution of the Alexandra Park Residents' Association.

<sup>24</sup> Ibid

<sup>25</sup> Alexandra Park Residents' Association Board Member Handbook.

#### **4.5 ISSUES IN ALEXANDRA PARK LEADING TO CALLS FOR MORE TENANT CONTROL**

Our interviews and focus groups revealed that Alexandra Park has been a strong and cohesive community for many years. Residents talked of people helping one another, sitting outside socializing, and, forming lasting friendships. However, starting in the late 1980s issues relating to drugs and drug dealing, physical violence, petty thefts, prostitution, and vandalism began to emerge.<sup>26</sup> There were two chief concerns for the residents with respect to the drug problems. First, the perpetrators of these crimes were believed to have come from outside of the community and were taking advantage of the community's design and vulnerability to carry on their activities. A second concern among residents was that some of their neighbours were selling drugs. Residents felt powerless and helpless deal with these issues for fear of reprisals or because they felt their concerns would not be listened to by the housing management.

In 1988 in conjunction with the local police division, the President of APRA, Sonny Atkinson, started foot patrols in order to create a sense of safety among residents and to deter criminal activity.<sup>27</sup> In the early 1990s Sonny Atkinson convinced MTHA that the design of the project was a major contributor to some of these social problems. As a result, several walls that were traditionally used as hiding places by criminals were torn down (see figure 2).

In 1994 MTHA attempted to improve security concerns by implementing different strategies such as increased security presence and automatic evictions of families caught dealing drugs.<sup>28</sup> While these strategies complemented initiatives of the residents' association, the leadership of the association felt that the Housing Authority was not effectively addressing the security needs of the residents.<sup>29</sup> Furthermore, many felt that the input of residents was needed in the hiring of a security company to ensure that security personnel would be knowledgeable and sensitive to the needs of the community. According to Sonny Atkinson, the drug issue was the prime motivator that led to call for more local control.<sup>30</sup>

Another issue that was of concern to residents was security of tenure. As in all public housing, rent was contingent on the income level of tenants. When a tenant's income rose to a certain level, they would have to pay rents at or even exceeding market rents and this tended to decrease the motivation of residents to increase their incomes. It also meant that as tenants became better off, they left the community resulting in the community often losing its leaders.

Another issue was the need for residents to move to another community if they were under- or over-housed due to a change in household composition if an appropriately sized unit was not available. This was particularly difficult for older residents whose children had moved out. Together both of these issues tended to undermine the long-term health of the community.

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<sup>26</sup> "Families evicted in fight to oust criminals." Toronto Star, April 16<sup>th</sup>, 1994

<sup>27</sup> "Co-op move afoot at MTHA." Toronto Star, July 23<sup>rd</sup>, 1994.

<sup>28</sup> "Tenants win okay to run own co-op." Toronto Star, Nov 3<sup>rd</sup>, 1994

<sup>29</sup> *ibid*

<sup>30</sup> "Co-op move afoot at MTHA." Toronto Star, July 23<sup>rd</sup>, 1994.

A final concern of the residents' association was related to the slow response to maintenance requests. Sonny Atkinson, the head of the Alexandra Park Residents Association, spoke about the ability of tenants to take on some of the repairs and to be paid for their efforts. In 1994 Sonny Atkinson started calling for local control over:

- Improved maintenance;
- The tenant selection process;
- The establishment of local priorities with respect to security; and,
- The amount of maximum rent charged to residents.<sup>31</sup>

By controlling these elements, the leadership of the community believed that they could keep drug dealers out of the community and would encourage a more income-mixed community. Additionally, the community leadership wanted to focus on a community-based security system by hiring its own security company.

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<sup>31</sup> "Co-op move afoot at MTHA." Toronto Star, July 23<sup>rd</sup>, 1994.

## **5 THE CONVERSION PROCESS: A DESCRIPTION**

### **5.1 WHY ALEXANDRA PARK DECIDED TO PURSUE THE CO-OPERATIVE MODEL**

As outlined above, the impetus that led to the call for tenant self-management was a combination of concerns revolving around maintenance, security, tenant selection and maximum rents. In other words, the goals emerged from the perceived common needs of the community.

It should be noted that several individuals who were interviewed for this study have highlighted that a proper needs assessment and priority-making exercise should have been conducted at the beginning of the conversion process. A needs assessment would not only identify key needs and issues but also assess different ways of addressing these needs. A needs assessment was never done because it was assumed that the needs and problems were commonly shared; however, in retrospect the lack of such an exercise meant that it has been difficult to gauge what residents perceived as the benefits of converting into a housing co-operative, and whether implementing a co-operative model would satisfy their needs.

According to the majority of the interviews, the primary reason that residents decided to pursue the co-operative housing model was to achieve the following goals:

- Improved safety and security;
- Improved responsiveness and undertaking of maintenance;
- Sensitivity to the needs of the community by management;
- Improved consultation on major decisions; and,
- Improved security of tenure.

As residents began to call for more input into decision-making, two alternative models were considered. The first model under consideration was tenant self-management and the second was a non-profit co-operative model. The local MPP, Rosario Marchese, provided the community leadership with appropriate literature on various models of tenant self-management used in other countries.

Sonny Atkinson first started to explore the co-op alternative in 1992 after meeting with Mark Goldblatt, a member of the Public Housing to Co-op Conversion Working Group and a long-time co-operative housing advocate.<sup>32</sup> In 1993 Sonny began to actively explore the notion of co-operative management. He and other residents in Alexandra Park felt that by allowing increased tenant participation in the management of the community, the residents would feel safer and a healthier community would emerge.

The following section provides a detailed description of the various steps and events that marked the conversion process over the past 10 years. The selection of Alexandra Park as the pilot project for the first conversion of a public housing development into a housing co-operative came about as the result of a convergence of interests between residents in Alexandra Park and

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<sup>32</sup> Personal discussion with Mark Goldblatt

those in the broader co-operative sector (see discussion below in 5.2). Residents wanted more control over local management and the members of the co-operative movement had a vision of creating co-operative housing out of public housing projects. Both the Alexandra Park residents and the co-op sector found support and interest in this type of conversion among municipal and provincial politicians who wanted to deal with specific issues in Alexandra Park and broader issues facing public housing.

Since this is one of the first conversions of its kind in Canada, the different stakeholders have been pioneers in developing a process that has not been undertaken before. According to CHFT, “there was no blue print. Every step had to be created based on existing conversion experiences and accepted MTHA practices.” As a result, the steps that were to be followed to move the process forward were not always clear.

## **5.2 DISCUSSIONS IN THE CO-OP SECTOR AROUND TENANT SELF-MANAGEMENT: 1990 – 1993**

With the growth in international research calling for alternative management solutions to public housing projects, leading housing advocates and activists in Toronto established a plan providing an alternative to government management of public housing. In the early 1990s key community and housing advocates established a *Public Housing to Co-op Conversion (PHCC) Working Group*. (See Appendix H for the composition and the names of the PHCC working group.)

The purpose of the PHCC Working Group was to explore the possibility of converting public housing communities into non-profit co-operatives. The group laid out 10 goals and assumptions regarding their plan.<sup>33</sup> Those were:

1. Healthy and Safe Communities;
2. Tenant Education and Community Development;
3. Substantial Physical Rehabilitation;
4. Resident Control/Professional Management;
5. Preservation of Public Control of Project Land;
6. Maintenance of Existing Income Mix;
7. Guaranteed Tenure for Existing Residents;
8. Economic Incentives for Cost Control;
9. Focus on Needs Defined by Community; and,
10. Tenant Approval for Conversions.

With these goals in mind, the working group called on the recently elected NDP Provincial Government to authorize a demonstration process in order to assess the viability of converting public housing into non-profit co-operatives. The proposed process was to be carried out in three phases:

1. Background Research and Project Design;
2. Feasibility Studies; and,
3. Pilot Projects.

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<sup>33</sup> Source: Proposal - Demonstration Process for Public Housing to Co-op Conversion

The PHCC working group received strong political support from all levels of Government. In fact, the working group met with the then Housing Minister Evelyn Gigantes and Nancy Smith, the Chair of the Ontario Housing Corporation (OHC), who both expressed interest in the proposal.

### **5.3 APRA'S SHIFT TOWARDS THE COOP IDEA: 1993 – 1995**

The PHCC working group had heard about APRA's interest in tenant self-management, and Mark Goldblatt, one of the key organizers of PHCC, contacted APRA via Sonny Atkinson in order to explore the possibility of converting Alexandra Park into a housing co-operative.

In 1993 APRA organized an information session by inviting representatives of the PHCC working group along with others to speak at a community meeting about residential co-operatives and co-op conversions. There was enough interest from the community to continue to pursue the idea and Sonny Atkinson proceeded to work with the PHCC working group to develop a proposal to convert the Alexandra Park housing project into a housing co-operative.

APRA subsequently formally contacted the local MPP, Rosario Marchese, seeking his support for the conversion proposal.<sup>34</sup> Since this was a new process, stakeholders were unsure of what the best way to proceed was. Overall there was support from the Ministry of Housing for the initiative, but there was no program in place to provide the financial resources to enable the community to convert into a co-operative. According to discussions with former staff at MTHA, this initiative was led by the Ministry of Housing and MTHA was not involved in early discussions around the possibility of converting to a co-op.

APRA and the co-operative representatives were undeterred by the lack of financial resources and attempted to raise the necessary funds while completing the conversion process at the same time. See section 8.8 for more details on the fund-raising activities. The initial step in the conversion process was to gauge the overall level of community support for the initiative. A referendum was planned for April 1995 in order to accomplish this goal.

### **5.4 COMMUNITY ORGANIZING AND PREPARING FOR THE REFERENDUM**

In 1994 MTHA provided APRA with a \$40,000 grant in order to proceed with an outreach program leading up to the referendum asking residents if they wanted to convert into a co-operative.<sup>35</sup> Using the funds, the residents' association worked closely with the PHCC working group to hire a community development worker to assist in an outreach program.

Three strategies comprised the overall efforts to organize the community including individual resident outreach, community information sessions and community meetings. Volunteers and local support service agencies provided assistance with the community organizing activities. For the first time the residents were being asked what they wanted to see happen.

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<sup>34</sup> 1993 correspondence from Sonny Atkinson to Rosario Marchese MP, Fort York.

<sup>35</sup> "Tenants win okay to run own co-op." Toronto Star, Nov 3<sup>rd</sup>, 1994.

### **5.4.1 Resident Outreach**

The community development worker developed and implemented an outreach program. The purpose of the program was to educate tenants about the benefits to both individual residents and to the community of living in a co-operative and to provide them with sufficient information so they could make an informed decision in the upcoming referendum. The outreach strategy had to inform residents about the philosophy of co-operatives as well as about how a co-operative governance structure operates and how co-operatives differ from public housing management. It also had to deal with issues such as security of tenure.

The outreach program lasted approximately six months. The actual outreach process involved residents engaging other residents with the community development worker providing the required guidance. During this time individual residents expressed various concerns about the notion of community control, ranging from outright support to outrage over changes that residents did not perceive as possibly benefiting them.

Individual residents felt comfortable enough to express their concerns when approached individually. In fact, many stated that they felt unable to express their concerns in public meetings for fear of reprisals from their neighbours. Some additional fears and concerns included:

- fear of rent increases;
- fear of having their neighbours make decisions that would have an impact on their lives;
- concern that they would have to pay for utilities;
- concern that the Board would have access to confidential information;
- being required to participate in clean-ups or maintenance; and,
- being forced to move out of the community if they did not support efforts to convert into a housing co-operative.

Since many residents shared the same concerns, it was felt that the community would be prepared to share their concerns together as a whole community.

### **5.4.2 Community Information Sessions**

Several information sessions were organized for residents sharing a common language who had not been contacted individually or who had indicated they wanted more information. The sessions covered issues of governance and the benefits of belonging to a co-operative. Residents attended with a family member or with a family friend.

The sessions were held in the first language of the residents for those whose first language was not English. One of the key functions of the sessions was to inform residents and to listen to their concerns. Most of the written material used plain language. Once plain language was introduced into the information session, the residents were better able to understand the sessions.

### **5.4.3 Information Meetings**

The previous two strategies targeted individuals and individual language groups, but a more formal gathering was deemed appropriate. In order to achieve the goal of building a mutual understanding, several community information meetings were held. At the community meetings the APRA Board was questioned about the process of converting the community into a co-operative.

During this process, residents began to understand that if they did not agree with the decisions or actions of the APRA Board of Directors, they could question them. Unfortunately, it was sometimes difficult for many residents to participate in this way as they were not totally conversant with how the residents' association operated or what it meant to live in a co-operative.

### **5.4.4 Referendum Results**

On April 22, 1995, APRA held a referendum on the question "Do you support Alexandra Park becoming a housing co-op?"

The residents expressed strong support for conversion, with 72% in favour. The result gave the leadership a strong mandate to become a housing co-operative.

## **5.5 POST-REFERENDUM PERIOD: 1995 – 1998**

Upon the completion of the referendum APRA's attention focussed on becoming a legal non-profit co-operative. At this time, the Co-operative Housing Federation of Toronto (CHFT) approached APRA and proposed that CHFT be hired to provide the necessary educational programs and to negotiate the conversion details with the government.

Up to this point, political support had come from the NDP government, in power between 1991 to 1995, especially from the local MPP, Rosario Marchese. The 1995 provincial elections saw a change in the government with the victory of the Conservatives. Despite the new government's cancellation of all new non-profit and co-op developments, residents and CHFT decided to continue to pursue the conversion process.

Many of the participants viewed the political changes as one of the major factors behind the delay in the conversion process. The ensuing political uncertainty around social housing in general coupled with the forthcoming devolution exercise slowed down the ability of the government representatives to make decisions around the co-op conversion. A more detailed discussion on reasons for the delay is provided in Section 8. After the change in government, APRA and CHFT had to gain approval from a government that was not aware or involved in the conversion process.

In order to obtain approval from the Ministry of Housing for the conversion, the new Minister of Housing, Al Leach, asked the community to create a sound business plan for the conversion



process.<sup>36</sup> The co-operative sector resource person and associates set about creating a business plan with the leadership of APRA.

The business plan outlined nine key elements which are listed below:<sup>37</sup>

1. The Co-op will follow the basic organization of other non-profit housing co-operatives in Ontario with members meetings, committees, a Board of Directors, and paid management for day-to-day administration and maintenance.
2. The Co-op will offer co-op membership to every resident over 16 years of age. Current residents who do not choose to become members will become tenants of the Co-op. Their relationship with the Co-op will be defined by the *Tenant Protection Act*.
3. The Co-op's units will be targeted to low-income households receiving rent geared-to-income (RGI) assistance with the exception of "ceiling rents". Ceiling rents will apply when the rent a household must pay is the same as or more than the market rent for a similar unit in the surrounding neighbourhood.
4. All vacancies in the Co-op will be filled by referrals from the public housing waiting list.
5. The Co-op proposes to lease the land and buildings for 49 years at \$2 per year. The lease will set out the operating relationship between the government and the Co-operative including basic standards in areas such as building maintenance. The lease will provide for the property to revert to government management if the Co-op fails to correct a major fault.
6. Before the conversion, the Co-op will secure a financial commitment from the government to bring the property up to current standards over the first 3 to 5 years of the Co-op's operation.
7. The Co-op will negotiate an operating budget with the public housing authority at the start of each budget year.
8. The Co-op will have its own security plan that will include trained on-call staff who will be on duty when the office is closed.
9. The Co-op will provide continuing education and training for Directors and committee members.

Upon submission of the business plan, approval in principle was granted from the Ministry of Municipal Affairs and Housing.<sup>38</sup> However, when the Minister of Housing approved in principle the conversion of Alexandra Park to a co-op, there were no funds allocated to the conversion process.

Once approval was granted a decision was made to incorporate the co-op. APRA and the residents felt that the community could not keep the name Alexandra Park for the future co-

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<sup>36</sup> December 19<sup>th</sup>, 1995 correspondence from the Metro Toronto Housing Authority to the APRA.

<sup>37</sup> The nine elements are taken from the executive summary of the business plan created by the CHFT.

<sup>38</sup> December 19<sup>th</sup>, 1995 correspondence from the Metro Toronto Housing Authority to the APRA.

operative. In fact, there was a federally funded housing co-operative in the area with that name. As a result the community decided to have a contest with the dual propose of raising momentum for the conversion as well as finding a new name. In a sign of support and appreciation, a resident suggested that the co-operative be named after the leader that who spearheaded the conversion. The co-operative was to be named Atkinson Co-operative after Sonny Atkinson, the long-time president of APRA. The co-operative was incorporated in 1997 with the election of the first Atkinson Co-op Board to take place in November 1999. (See Section 5.9 below.)

APRA functioned as the Co-op Board until the first election of the Atkinson Co-op Board. In the following section, the term APRA Co-op Board will be used as the APRA Board functioned as the Co-op Board until the first election.

Following the incorporation process, the APRA Co-op Board and the co-op sector began the process of converting Alexandra Park from a public housing development to a self-managing housing co-op. The next phase of the conversion process was to operate on two distinct levels – the one focusing on community development and the other working with the government to create an operating agreement.

### **5.5.1 Fund-Raising for the Conversion**

Since the government was not willing to provide the necessary funds to convert Alexandra Park into the Atkinson Housing Co-operative, as indicated earlier, the CHFT and the Co-op Board decided to raise the funds themselves. Section 8 provides an in-depth description of the various activities undertaken by the CHFT and the Co-op Board to raise the necessary funds.

## **5.6 CURRENT STATUS: 1998 – PRESENT**

### **5.6.1 Second Vote**

Following the referendum and the subsequent government approval in principle there were few developments in terms of furthering the conversion process. The APRA Board was meeting regularly with the government representatives, but there were no new developments. Because of the delay, the government asked for further proof that there was still interest in converting into a co-operative. Some of the interviewees felt that the second referendum caused an unnecessary delay in the conversion process.

In 1998 the APRA Co-op Board, CHFT, and the Ministry of Housing established the parameters for a second community vote. The second vote was held in the last week of November and the first week of December. The goal of the second vote, loosely referred to as a referendum, was to engage as many residents as possible and to have as many residents as possible vote in favour or in opposition to the co-operative conversion. A representative of the co-operative sector went to each household over a two-week period. A member of each household was given the opportunity to complete a ballot and the ballots were subsequently counted by an independent source. The ballots were translated into nineteen different languages<sup>39</sup> Those who went door to door indicated on the ballot the name and address of the voter. Unlike the first vote, this vote

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<sup>39</sup> CHFT, May 2002. Alexandra Park Conversion to Atkinson Co-op. A Community Development Plan.

was not anonymous, which was raised as a concern by some members of the community who participated in the focus groups. Two external representatives were present as scrutineers at the counting of the ballots: a representative of the Ministry of Housing and a representative of a local social support agency.

The outcome of the vote saw an actual increase in the level of resident support. Out of the 409 units that were visited, 268 votes (65% of total households) were received of whom 213 voted in favour of the co-op conversion and 52 voted against (there were 3 spoiled ballots).<sup>40</sup> Thus, of those who voted, 79% were in favour of the co-op conversion. According to the CHFT, of the 268 households that voted, 122 (45.5%) votes were submitted in a language other than English.<sup>41</sup> Table 11 contains the fifteen language groups that submitted a ballot during the second vote.

Table 11: Language Composition of Ballots that Were Cast

<b>Language Groups</b>	<b># of Ballots</b>	<b>% of the Final Vote</b>
English	146	54.5%
Vietnamese	32	11.9%
Spanish	25	9.3%
Chinese	23	8.6%
Somali	12	4.5%
Portuguese	9	3.4%
Bengali	4	1.5%
Farsi/Persian	4	1.5%
Urdu	3	1.1%
French	3	1.1%
Greek	3	1.1%
Tagalog	1	0.4%
Oromo	1	0.4%
Tamil	1	0.4%
Tigrinian	1	0.4%
<b>Total</b>	<b>268</b>	<b>100.0%</b>

Source: CHFT, May 2002

With this support in hand, the APRA Board, CHFT, and government representatives began to develop a work plan laying out the process to transfer management responsibility to the residents. Following the second vote a working group of key stakeholders was established in 1999 to construct an operating agreement that would become the legal basis for the conversion. The following stakeholders were represented in the Stakeholder Working Group:

- One OHC representative;
- Three MTHA representatives;
- One co-op sector resource person;
- Several representatives of the APRA Co-op Board; and,
- CHFT.

<sup>40</sup> Although there are 410 units in the community, one house has been adapted to operate as a learning centre, which is managed and governed by residents and outside sources.

<sup>41</sup> CHFT, May 2002. *Alexandra Park Conversion to Atkinson Co-op. A Community Development Plan.*

This composition lasted for approximately two years. The Board members were from APRA, since the Atkinson Co-op Board had not yet been established. Over the period there was inconsistent representation of the APRA Board. The meetings often seemed poorly organized with very little movement forward.

The Stakeholder Working Group meetings involved discussions that seemed to introduce more obstacles than actually move towards an operating agreement.<sup>42</sup> In fact, the discussions tended to revolve more around how prepared the community was to manage itself rather than putting together an operating agreement. Consequently, the discussions appeared to be more of a round of negotiations and less so of a working group.

Alexandra Park representatives had to regularly prove that they were able to manage the community. In order to address this concern, there was a need for further education in the community. Unfortunately, there were limited resources available to do the training effectively since the government insisted on not committing any funds to the conversion process.

The existence of two legal entities, the Atkinson Co-op Board and the APRA was highlighted as a potential area for conflict in early correspondence from the co-op sector lawyer.<sup>43</sup> The resolution was to maintain two separate entities for the purposes of fundraising and to allow APRA to remain dormant. At this point there was little discussion regarding alternatives to managing the community centre. The implicit understanding was that the community centre would continue to be managed by a board of residents, which in the future would be deemed to be the Co-op Board

## **5.7 THE CHANGING LEADERSHIP STRUCTURE**

Since 1992 the co-op sector, local politicians, and the MTHA initially recognized the APRA as the representative body that called for the conversion to co-operative housing. As a result APRA served in the capacity as the Co-op Board prior to the first elections. The Board of Directors of APRA was responsible for many of the duties originally taken on by APRA but now had the added responsibility of negotiating an agreement with MTHA towards the eventual management of the whole community. The added responsibilities represented a major change for a resident board that was traditionally concerned with matters of the community centre and its programs. As a result, a number of changes within the board culture and practices were initiated. The primary way in which the changes occurred was through an increased reliance on committees to do much of the “leg work” and to inform the board of their recommendations - as takes place in most co-operatives.

For many current and former board members the changes created a profound sense of confusion over the roles and responsibility of the board. Over time APRA’s role diminished with respect to representing the whole of Alexandra Park and increased in terms of its role as the Co-op Board

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<sup>42</sup> The minutes reveal more discussion of the preparedness of the residents to self-manage instead of actual discussions. In Spring of 2000 the government representatives stated that they could not negotiate an agreement with the devolution of social housing still pending.

<sup>43</sup> Lewis and Collyer correspondence to Mark Goldblatt regarding Atkinson Co-op, June 12<sup>th</sup>, 1996

(even though until the election of the new Co-op Board, they were still the same body). This changing emphasis was an issue for those residents who chose not to be members of the co-operative but who cared strongly about the community centre.

## **5.8 MEMBERSHIP RECRUITMENT**

In 1998 CHFT and the APRA Co-op Board initiated a comprehensive membership recruitment drive. A membership coordinator was hired by CHFT to remain on-site on a part-time basis. This individual was charged with signing residents as members of the co-operative and presenting those applications for approval at a Co-op Board meeting.

In all housing co-ops, the requirements of membership are outlined in the organizational by-law. The by-law states that applicants must be at least sixteen years and must be approved by the Co-op Board. The residents were informed of the criteria and most have become members. At the time of writing this report the membership has increased to more than 70% of the households.<sup>44</sup> Those who have been approved will be able to vote at community meetings to elect a new co-op Board, vote on changes to any of the by-laws, and, be protected by the co-op's by-laws.

While residents were certainly encouraged to become members, there have been a number of residents who have decided not to become members. As part of the business plan, those residents will be tenants of the co-op and will be protected under the Tenant Protection Act.<sup>45</sup>

In the focus groups, a number of residents – especially in the women's focus group – raised concerns about not being members and, therefore, not being able to voice their opinions. This concern has become a more important issue as divisions have emerged in the community around cultural and ethnic lines when some of the residents who had been there longer decided not to become members.

According to CHFT the goal is to have 80% of the total households become members, which would be in line with the results of the second vote. In the Spring of 2002, the CHFT, and the Co-op Board undertook a comprehensive community development plan, with partial funding being provided by the TCHC, to achieve the desired increase in the number of members.<sup>46</sup> The objectives of the plan included:

- educating the community about co-operative living;
- raising awareness of the ongoing conversion process; and,
- maintaining momentum for the conversion to occur.

The community development plan targets six major language groups identified during the second referendum. Those groups are English, Vietnamese, Spanish, Chinese (including Cantonese and Mandarin), Portuguese, and Somali. Individual meetings were held with the six groups with an interpreter present at the meetings. In addition to the individual meetings, newsletters were to be

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<sup>44</sup> CHFT, May 2002. *Alexandra Park Conversion to Atkinson Co-op. A Community Development Plan.*

<sup>45</sup> These and other stipulations are outlined in the Atkinson Co-operative Conversion Plan, which was submitted to the Provincial government in 1996.

<sup>46</sup> CHFT, May 2002. op. cit.

printed in the six major languages and distributed to each household.<sup>47</sup> At the time of writing this report, efforts to include the different language groups is reflected in first language information meetings, a noticeable increase in membership levels and a general interest in the upcoming co-op board elections.

## **5.9 ELECTIONS OF THE FIRST CO-OP BOARD**

The first elections of the Atkinson Co-op Board of Directors took place in November 1999. The election was organized by the CHFT and members had to prove residency and membership. Since the election was only for the Co-op Board, only members of the co-operative were able to vote. (The Atkinson Co-op Board subsumed the APRA Board's responsibilities). As a result, APRA's former mandate of working on behalf of all residents was compromised. Furthermore, since only co-op members were allowed to vote and to run for the Co-op Board, the interests of the non-members was perceived as being a lower priority which upset those residents who chose not to become members of the co-operative. This situation would later contribute to the emergence of divisions within the community that would put the conversion at risk. In Section 8, there is a fuller elaboration of this issue.

The Atkinson Co-op Board originally had the same number of members (14) as the APRA Board. This number is generally larger than most co-op boards, but under the organizational by-law approved by the membership, 14 was the preferred number. The term in office was set at two years, with an election for 7 of the 14 Directors occurring every year.<sup>48</sup> After one year of working together, one of the main challenges was achieving a quorum at Board meetings thereby often delaying business of the community. As a result, in 2000 the Board recommended that there be a change to the number of Board members and that the organizational by-law would need to be changed (see Section 7.1). The specific change was to decrease the number of Directors on the board from 14 to 11. The community approved the change prior to the second election in 2000.

## **5.10 PROPERTY MANAGER AND THE CO-OP**

The Property Manager of a public housing project is a key figure in the effective operation of a public housing community. Throughout the conversion process members of the APRA Co-op Board met with the Property Manager informally in order to better understand how the property was managed. In order to begin to transfer the required level of understanding around property management, the Property Manager was invited by the APRA Co-op Board to attend their meetings to present information or an issue related to managing Alexandra Park. The Property Manager accepted the invitation and agreed to present an issue at each of the meetings of the Board of Directors as a transition measure. The Property Manager later retired and was only able to attend one meeting, where she focused her presentation on how safety and security issues were reported to the property manager.

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<sup>47</sup> *ibid*

<sup>48</sup> This process is known as rotating and is common in housing co-operatives. This approach ensures that there is continuity and experienced individuals remain on the board of Directors on an annual basis.

In the spring of 1999, an Acting Manager was being hired to replace the individual who retired. The APRA Co-op Board of Directors proposed that the hiring process involve representation from the co-op. Furthermore, it was requested that questions in the interview include those related to co-operative housing as well. The Metropolitan Toronto Housing Authority agreed to this proposal and an APRA Co-op Board member was appointed to the committee. The successful candidate was later to become pivotal in future discussions and developments. The individual was hired in January 2000 by MTHA as the Acting Property Manager. Over time the person became well known and trusted in the community.

In the winter of 2000, the Atkinson Co-op Board and CHFT began to discuss the need to consider various management models, either a property management company or a general manager. The notion of a property management company being hired by co-ops and public housing authorities is common. In fact, third parties presently manage several communities both in the public housing system and in the co-operative sector. Upon the transferring of the management responsibilities, the Atkinson Housing Co-operative will be able to tender its own contract. Under this arrangement the property management company will have its own property manager. However, initially the Board of the Atkinson Co-op believed that it was important to maintain the current Property Manager since he was trusted and known within the community.

In the spring of 2000 a new arrangement was sought in terms of the property manager and the co-op. In the early summer of 2000 the Atkinson Co-op Board of Directors informally explored the possibility of offering the current Property Manager a two-year contract once the transfer of management was complete. The plan was to negotiate a contract closer to the actual transferring of responsibilities. The benefit of retaining the current Property Manager was that he was familiar with the community and would assist in the smooth transition of management responsibilities.

Preliminary discussions between the Board, the CHFT and the Property Manager started to develop ideas as to what this management model would best look like. Various individuals raised concerns as to how much change would be achieved considering the Property Manager's experience was based on managing a public housing project and not managing a co-operative. Despite the concerns raised, a proposal was offered that the current Property Manager be hired as the General Manager. The General Manager and the Atkinson Co-op Board would then contract out the staffing duties to a property management company.

In this proposal, the community would hire the General Manager. At the time of writing this report the Property Manager was seconded to Regent Park community, another large public housing project in Toronto, in the capacity of Acting Property Manager. A new Acting Property Manager has been hired, and will be on-site until the operating agreement has been developed.

## **5.11 ASSESSMENT OF THE PROPERTY**

In other co-operative conversions one of the main issues was the building condition so that when the property was transferred, it was in good condition. This requirement is designed to ensure that residents will not be faced with extensive rehabilitation and repairs. The APRA Board and

the subsequent Co-op Board, as well as members of the Co-operative sector considered the condition of the property an issue that had to be addressed prior to the transferring of management responsibilities.

In the Spring of 2000 the Board initiated a property and maintenance assessment. The objectives of the assessment were to:<sup>49</sup>

1. Establish a general picture of the project and its condition so that its maintenance needs could be understood, and so that a maintenance plan could be drawn up; and,
2. Identify the major problems with the property that would need to be addressed in the coming years so that a capital plan could be discussed with MTHA.

Residents and individuals from the co-operative sector conducted the assessment. The residents considered this to be an educational opportunity that allowed them to learn what problems should be looked at when conducting inspections. A sample of 20% of the housing units was selected randomly as the households to be inspected by a skilled inspector and the residents. The sample consisted of properties from all quarters of the property and was considered to be representative of the property.

The inspection consisted of four areas: townhouses and apartments – inside; townhouses and apartments – outside; apartment building systems; and, exterior walkways, paving, landscaping, and sewers. Overall, the property was found to be in good condition given the age and the type of construction of the homes and the buildings. However, a number of problems were consistently found. Some of the more pressing problems included:

- Replacing original stoves;
- Basement flooding problems;
- Weather stripping of older window frames;
- Replacing original sinks and taps;
- Balcony drainage problems;
- Replacing the roofs because of flooding problems;
- Ineffective bathroom ventilation;
- No heating control in the apartment units causing high heating costs;
- Poor access to one of the buildings (see figure 1); and,
- Security issues because of the poor layout.

The report was introduced to the Board of Directors of the Atkinson Co-operative in August 2000. A list of capital priorities that emerged from the inspections was included in the report. It was agreed that within three years of the date of inspections, these priorities should be addressed at an estimated cost of \$2,489,500. A subsequent 15-year capital projects plan is still being developed at the time of writing this report.

The MTHA agreed with the capital project plans since they had planned for most of the required work. A fuller discussion of how the capital projects will be financed is discussed in Section 7.

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<sup>49</sup> Preliminary Report: Alexandra Park Property and Maintenance Assessment, August 2000.



## **5.12 APPROVAL IN PRINCIPLE BY THE METRO TORONTO HOUSING CORPORATION**

The outcome of the work of the Atkinson Co-op Board, the CHFT and the Metro Toronto Housing Corporation (MTHC) representatives culminated in a report prepared for an August 15<sup>th</sup>, 2001 meeting of the MTHC Board of Directors. This report included a detailed description of the conversion process was prepared and presented to the MTHC Board of Directors. There were three recommendations made by the staff of the MTHC:

1. That the Board Directors approve in principle the conversion of the Alexandra Park public housing project into a resident managed, non-profit housing co-operative and authorize staff to take the necessary actions to effect the approval;
2. That staff administers the operating agreement and introduces adjustments or revisions to the model as required to protect MTHC's interests and to ensure the proper delivery of management services to the residents; and,
3. That staff evaluates the effectiveness of the non-profit co-operative management model as an alternative method of managing public housing before implementing similar projects in the future.

The meeting consisted of presentations from the existing Alexandra Park Working Group (APWG). The Executive Director of CHFT, an MTHC staff person, and an Atkinson Co-op Board member all made presentations which focussed on the process to date, including the negotiations, and the community development work to educate and train the residents to manage the community.

The MTHC Board members outlined three main concerns to the members of the working group. The first concern was related to the proposal to establish a capital reserve fund for the Atkinson Co-op. The problem raised was one of equity across the social housing system. Specifically, the allocation of maintenance funds to the co-op from existing public housing funds is problematic since a capital reserve fund is not found within individual housing projects but rather on a portfolio basis. It was stated that by establishing a reserve fund for one community, other communities would be at a disadvantage. The second concern was related to establishing rent caps and who would control the setting of the levels. The third concern raised was whether the existing tenant selection process would have to change in light of the conversion.

The APWG and the MTHC staff responded that all of those items would be addressed in the final operating agreement being developed by the members of the Atkinson Co-op Board of Directors and the MTHC. After a lengthy discussion, the MTHC Board of directors unanimously approved the recommendations. The APWG and the MTHC staff were directed to address the issues raised by the MTHC Board as they worked towards a final operating agreement.

## **6 ESTABLISHING A CO-OPERATIVE ORGANIZATIONAL STRUCTURE**

This section will review the organizational structure that has been established at the Atkinson Housing Co-operative including:

- ☒ The Board and committee structure,
- ☒ The relationship between the Board and the committee structure; and,
- ☒ The relationship between the management structure of the co-op and the community centre.

### **6.1 THE BOARD**

A system of governance must be in place in order for a co-operative to function effectively. One of the key pre-requisites for an effective co-operative structure is to install a democratically elected Board of Directors (as described in section 5.9) and to establish a strong committee structure (see Section 6.2 below).

The Board is the legal entity which is responsible for the co-op conversion process, developing and approving the operating agreement between the co-op and the new Toronto Community Housing Corporation and managing the resources of the Co-op including any staff. The Co-op Board acts as a manager or steward of the community. Ultimately, the Board is accountable to the general members. All major policy decisions are made by the Board and/or by the general membership.

It is important that the Co-op Board have access to required information and support so that it can make informed decisions and carry on its work in a timely fashion. The main way that the Board can carry out its work is to be supported by a committee structure.

### **6.2 THE COMMITTEE STRUCTURE**

#### **6.2.1 Overview**

Committees provide advice to the Board of Directors as well as a pool of volunteers for necessary activities. Committees enable co-op members to be involved in specific areas of managing the co-operative. Committees do not make policy decisions but implement them. They are charged with advising the Co-op Board on issues and with making recommendations to deal with such issues.

Housing co-operatives use committees to monitor the co-op's finances, manage its maintenance, handle the orientation of new members, direct the process of continuing member education and organize social events. Members are thus able to participate in the day-to-day operations of their housing co-operative through committees. Committees also provide a vehicle through which members show their personal commitment to their community. The Atkinson Co-op Board of

Directors established a committee structure with assistance from the CHFT shortly after the 1999 elections.

There are two types of committees - standing and special committees established to deal with particular issues.

The first three Atkinson Co-op Standing committees were established at the December 1999 Board meeting. The committees included Welcoming, Landscape, and History. The first two committees are still active, but the History Committee was never convened.<sup>50</sup> When the committees were struck there were no job descriptions for the committees. There are currently six standing committees for which job descriptions have been developed:

- ☒ Rehab/Maintenance and Finance Committee
- ☒ Parking and Security Committee
- ☒ Welcoming and Member Education Committee
- ☒ Landscape Committee
- ☒ Alexandra Park Community Centre Committee
- ☒ Newsletter Committee

Over the past two and half years four special committees have been established. The four committees are:

- ☒ Co-op Conversion Committee
- ☒ Hiring Committee
- ☒ Transfer Review Committee
- ☒ Constitutional Committee

CHFT has been instrumental in working with each of the committees and Board liaisons in order to deal with the necessary matters in an organized fashion. The Property Manager has also worked with each of the committees in order to establish realistic priorities and to ensure that proper lines of communication are used.

A review of the minutes has shown that the committees have taken on the tasks directed to them by the Board.

On March 23<sup>rd</sup> 2000 the Board stated that the goals of the committees should be shared with the community. Each of the committees has made great efforts to consult with the community at large through public meetings and specific tours of the community for both members and non-members of the co-op. A detailed description of each of the committees follows.

### **6.2.2 Standing Committees**

A summary of the role of each standing committee is provided below:

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<sup>50</sup> The History committee was established on January 10<sup>th</sup> 2000 at a meeting of the co-op board. A draft job description was requested on February 28<sup>th</sup> 2000, but one was never developed.

#### *Rehab/Maintenance and Finance Committee*

- Established on the 10<sup>th</sup> of January 2000 at a meeting of the Co-op Board.
- Combined with Finance Committee on February 28<sup>th</sup> 2000 because of the overlap in responsibilities.
- First worked on the building status report.
- Named its own chair.
- Consulted with the community on maintenance issues.
- Job description passed on May 23<sup>rd</sup> 2000.

#### *Parking and Security Committee*

- Established at the January 10<sup>th</sup> 2000 meeting of the co-op.
- The parking and security issues were merged as a result of overlapping concerns.
- Consulted with the community and with local police over improving security in the community.
- Named own chair.
- Job description passed on May 23<sup>rd</sup> 2000.

#### *Welcoming and Member Education Committee*

- Established at the January 10<sup>th</sup> 2000 meeting of the co-op.
- Mandate expanded to include member education.
- Named own chair.
- Job description passed on September 7<sup>th</sup> 2000.

#### *Landscape*

- Established at the January 10<sup>th</sup> 2000 meeting of the co-op.
- Focus has been on the community centre in 2000, but has expanded to include the larger community.
- Has a steady stream of volunteers participating in the gardening projects.
- Named own chair.
- Job description passed on September 7<sup>th</sup> 2000.

#### *Newsletter Committee*

- Formed in the fall of 2001.
- The committee expects to publish its first newsletter in the summer of 2002.

### **6.2.3 Special Committees**

Several special committees were established to deal with specific or ad hoc issues related to the co-operative conversion. The members of these committees have regularly informed the Board and no issues or concerns have been highlighted. A detailed description of the milestones achieved by those committees follows.

#### *Co-op Conversion Committee*

- An ongoing committee established by the Board to work with CHFT in negotiating an operating agreement with MTHA and OHC.

- Originally the whole Board would be invited to participate in the negotiations, but there was a lack of consistent attendance by of Board members.
- It was unrealistic to expect such a large meeting to be productive.
- At the May 2000 negotiating meeting it was decided that smaller work groups would convene to negotiate the operating agreement.
- The Board appointed three Directors as representatives.

#### *Hiring*

- Its purpose was to hire a community development worker and later a program coordinator (when the Co-op managed the community centre).
- The Committee for hiring a program coordinator was convened in May 2000 and consisted of 3 individuals and 1 resource person.
- The committee was reconvened on December 2000 to hire a new program coordinator.
- A new Hiring Committee was established in January of 2001 to hire temporary summer support pending HRDC funding.
- Hiring Committee was convened in June 2001 to hire summer students.

#### *Transfer Protocol Review*

- Established in April 2000.
- The committee was composed of two Board members and two MTHA representatives.
- The specific purpose of the committee was to review the transfer protocol and make recommendations for adapting the protocol regarding transfers while preserving public access to the public housing stock.
- The committee met for several months and was very successful in achieving the goal of protecting residents and members from being forced to move out of the community should they have to transfer to another unit.
- Was responsible for developing a transfer review process that was in the best interests of residents and members.
- Board member wanted to participate as an observer on the committee.
- Committee met with MTHC to develop a protocol that is unique to the Atkinson Co-op. The committee recommended that residents currently living in Alexandra Park would be given priority to transfer internally and externally for a specific period of time. It was also realized that the occupancy standards for co-operatives are different than those set out by the MTHA.
- The resulting understanding was that members of the Atkinson co-operative would not be moved outside of the community unless specifically requested by the household. Additionally, MTHA would attempt to integrate proposed occupancy standards into the management of the housing project. This understanding represents a key example of the MTHA and the Board working together.

#### *Constitutional Review*

- Emerged from the confusion arising from having two legal Boards.
- Two non-members volunteered to work with the lawyer to recommend possible changes to the structure.
- Was discussed by the community centre committee and again at the March 23<sup>rd</sup> 2000 meeting of the Board of Directors (see section 6.3).

- Met with lawyer once in May 2000.
- Any documentation associated with APRA was very difficult to find and it was decided that that information should be retrieved before another meeting with the lawyer was arranged.
- Several residents voiced concerns about being disenfranchised from the community centre because of the co-op conversion. Those residents called for the re-establishment of APRA as the sole shareholder of the community centre.
- The committee reviewed the current constitution and proposed changes to reflect the desires of the residents.

#### **6.2.4 Committee Liaison to the Board**

A clear line of communication between the Board and the various committees is integral to the efficient operation of the co-op. With the assistance of CHFT a line of communication has been established, ensuring that information is relayed to the Board in an effective manner.

The Co-op Board appointed individual liaisons to each of the committees. The Co-op Board liaison is responsible for bringing forward the recommendations of the committees. Where necessary, the Co-op Board liaison requests a motion or that a letter to be written regarding some issue.

This system emerged through several Board meetings when Board representatives were appointed to the various committees. Based on details from the Co-op Board minutes the following system was established:

- The Board reports to the community members at general membership meetings or through written correspondence;
- The Board appoints/elects a representative(s)/liaison to each of the standing and any special committees deemed necessary by the co-op;
- The Board representative(s)/liaison will act as the link between the Board and the committee;
- The Board representative(s)/liaison is the person responsible to report to the Board on any issue arising in the committee; and,
- The committee chairs are aware of the job descriptions of the other committees so they understand any overlap and maintain a mutual understanding of each other's work.

Despite numerous challenges and varying degrees of experience on boards, the Co-op Board has established an organizational structure that appears to be transparent and accountable.

Nevertheless, some tenants expressed concerns in the focus groups about not being able to participate in the decision-making process or that their views were not considered significant enough to warrant attention.

While the Board has established several standing committees and special committees to address issues, based on our observations of the operation of the Atkinson Co-op Board, it appears that there continues to be a lack of appreciation for the role of committees. The Board has tended to get bogged down in a number of detailed decisions that should be left up to committees. This

was especially true with respect to the community centre until it was reconstituted as a separate entity.<sup>51</sup>

There has, however, been some overlap in perceived job descriptions of the committees. While the individual job descriptions are quite clear, the lines of communication have not always been used in the intended way. At times conflicts have taken over entire Co-op Board meetings. For example, a conflict arose over the cutting of the bushes in front of the community centre that was approved by the Parking and Security Committee but is actually the responsibility of the Landscape Committee. The conflict subsequently dissipated but it became clear that the committees must not only communicate with the Co-op Board but also with each other.

Overall, the committees continue to do exciting work and each has been very successful in working within their mandate. There are several key areas that are indicative of the success of the committee structure, specifically:

1. an increase in community consultation;
2. more residents voicing concerns in a constructive manner;
3. a noticeable decrease in the use of valuable Board time to discuss the details of particular issues; and,
4. increased awareness of the role of the committees in the community.

At least one of the interviewees felt disappointed with the level of participation in committees – although this may be expected in co-operative conversions where tenants are not used to participating in matters affecting their housing.

### **6.3 ALEXANDRA PARK COMMUNITY CENTRE AND THE CO-OP BOARD**



**Figure 4: The entrance to the Alexandra Park Community Centre**

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<sup>51</sup> The minutes from the Board meetings and the participant observations demonstrates a preoccupation with the operation of the community centre.

Once the first Board of Directors for the Atkinson Co-op was democratically elected, the Atkinson Co-op became the legal entity responsible for the decision-making processes of the co-operative. The Atkinson Co-op Board of Directors assumed many of the responsibilities and objectives regarding the co-operative that were originally situated in APRA. However, the Atkinson Co-op Board also acquired the additional responsibility of managing the community centre and related activities for the community as a whole. At the time, the hope was to continue to use the community centre as a hub for co-op education and for it to continue to be a gathering place for residents to discuss issues relevant to them as well as for programming for the community in general. Over several years the operation of the community centre occupied much of the Co-op Board's meeting time – particularly in dealing with the relationship between the Co-op Board and the community centre staff.

Since the mid 1990s the community centre has had great difficulty establishing a stable base of funding, and staff have had to be laid off or have quit. For example, the previous community centre director resigned in 1997 because there was no stable funding available that would support her position. In fact, the community centre was without on-site supervision for approximately two years.<sup>52</sup> Traditionally, the executive committee of APRA was responsible for supervising the operations of the community centre. However, because of the diminished visibility of the APRA Board, there was a lot of confusion and neglect regarding the community centre and supervision of staff.

In order to address funding and organizational concerns of the community centre, the Atkinson Co-op Board worked with the City of Toronto to establish a plan to achieve a stable base of funding. One of the initiatives was to hire a community development worker. This person was responsible for developing an organizational plan for the community centre and was also given broader responsibilities related to operating the community centre and promoting co-operative education. In accordance with established practice, the Co-op Board appointed a liaison to supervise the person's work. This model of supervision was meant to achieve two goals:

1. Maintain a connection between the Board and the community centre; and,
2. Allow the Board to focus on other co-op matters.

Despite the new supervisory model, the Co-op Board continued to focus on matters related to the community centre. In order to change this focus, on January 10<sup>th</sup> 2000, the Co-op Board established the Community Centre Committee "with the responsibility for the Centre's management." The committee was intended to take on the role of the former APRA Executive Committee until a strategy was developed to deal with the issue of merging the two organizations. The Committee was given two specific tasks: to review the APRA constitution and to be responsible for the supervision and management of the community centre. The Co-op Board appointed the same liaison to the Committee.

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<sup>52</sup> During this period of no onsite supervision several key individuals were around to ensure that the centre was open. There was one stable program and the person was in charge of operating the centre. In fact, the sole staff person and the accountant of the time were both involved in the operations of the community centre. Several volunteers were also committed to ensuring that the centre was still available to the community.



The Community Centre Committee was never able to review the APRA constitution. At the March 23<sup>rd</sup> 2000 Board meeting, the Board established a special committee to address the APRA constitution. The Board appointed two non-members to develop a strategy to deal with this issue.

Despite the Co-op Board's actions with respect to the community centre, it had little success in establishing an effective link between the Co-op Board and the community centre. The Co-op Board continued to spend a considerable amount of meeting time discussing issues related to the community centre. However, on May 29<sup>th</sup> 2001, the Atkinson Co-op Board passed a series of motions meant to alleviate the confusion. Nevertheless, there continued to be conflict between the community centre and the Board. In part this was due to Board of Directors being too involved in the managing of the community centre and additional concerns that the procedures established by the Board of Directors to allocate funds were not being followed.

The conflict surrounding the operation of the community centre reached a climax in the summer of 2001 when a number of members and non-members of the co-op called for an improved system of accountability and representation from the Board of Directors. As a result of this conflict APRA was re-established with a mandate to manage the community centre on behalf of all members of Alexandra Park – members of the co-op and non-members.

## **6.4 SUMMARY AND CONCLUSIONS**

There has been a lot of positive and groundbreaking work undertaken by the residents of Alexandra Park. One of the key successes and challenges evident in this conversion process has been the emergence and implementation of transparent and accountable lines of communication. While several Board members have adopted the necessary practices, others have appeared to lack an appreciation of the necessity of having an accountable process.

The community culture of Alexandra Park has always focused on the community centre which has distracted the Co-op Board from achieving its the goal of converting to a co-operative. Often confusion and conflict have emerged in the community because of conflicting priorities related to the conversion process and managing the community centre.

It is clear from the discussion so far that the Alexandra Park community has always had active tenant participation on a variety of community issues. However, as tenants move towards self-management, power struggles do emerge and some residents start to view those in control as another form of management (as was the case in some of the U.S. examples). Establishing a co-operative governing structure with committees to conduct the necessary work is both a logical evolution of the structure already in place in Alexandra Park but also a challenge for the community. While the local leadership has usually operated with the best interests of the community at heart, some individuals may have tried to use their new power for their own interests. The community has shown that it can deal with such challenges and has a wealth of local leadership that can be drawn upon.

While implementing a new governing structure has been a challenge for the residents, the support from the CHFT, the commitment of the residents and assistance from local politicians has been crucial for ensuring that a democratic and accountable structure has been established.

## **7 FORMALIZING THE FIRST PUBLIC HOUSING CO-OPERATIVE MODEL**

This conversion presented many challenges for all of the stakeholders involved. Since the present conversion represents the first time that a public housing project has converted into a co-operative in Canada the steps had to be created along the way. There were at times competing interests between the Atkinson Co-op and the government. For example, the MTHA wanted to be assured of a cost-effective model, while the prime concern for the Atkinson Co-op was for the residents to have control over decision-making practices as is found in most housing co-operatives.

As a result of this process several documents had to be created that would serve the interest of all stakeholders. This section will highlight the three areas involved in formalizing the public housing co-operative model:

1. Developing and establishing the essential co-op by-laws;
2. The substance of the operating agreement; and,
3. Developing the first proposed operating and capital budgets that will allow the co-op to manage the community within the parameters of the current model of public housing.

One of the challenges faced by those involved in developing an operating agreement is that the Atkinson Co-operative will be different from most housing co-ops. It will be different because all tenants will be paying on an RGI (rent-geared-to-income) basis and because the housing agency, the Toronto Community Housing Corporation, will have a stronger say in the budget as described later on in Section 7.3

### **7.1 DEVELOPING AND ESTABLISHING THE BY-LAWS**

Despite the aforementioned differences, the Atkinson Co-operative will be similar to many co-ops in that the residents will have increased control through the creation and implementation of by-laws that set out the conditions for living in the community.

The first by-law to be established was the organizational by-law. This by-law outlines the rules for membership, elections procedures, and evictions among other things. The co-op resource person and later CHFT worked with the Board of Directors to establish the organizational by-law.

The first full meeting of the co-op was held in November 1999, which was the same meeting at which there was an election. Prior to the first election the members approved of the organizational by-law, thereby adopting a new organizational structure.<sup>53</sup> Once the organizational by-law was approved by the membership, the Co-op Board had a document outlining an elections process and an accountability structure.

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<sup>53</sup> Approved by members: November 15<sup>th</sup>, 1999

Shortly after passing the organizational by-law, the co-op began the process of developing an occupancy by-law. The occupancy by-law is similar to a lease in that it outlines the standards under which individual members are able to reside in the co-op. The process of establishing the occupancy by-law was similar to the creation of the organizational by-law. Members were able to propose changes collectively to the by-law prior to its approval.

In the Spring of 2000 a community meeting was held that was attended by the co-op lawyer in order to answer questions about the by-law and the implications of any changes. One of the main changes was the occupancy size. This was a concern because the MTHA rules stated that two children could share a bedroom as long as they are of the same sex. For many families this presents a problem if the children are older or are in school. These standards are different than those set out in most co-ops that comply with Ministry guidelines which state the occupancy standard is one person per room. Over the span of a few months the proposed changes were made to the occupancy by-law, which were subsequently adopted by the community in the fall of 2000. This was the first occasion where the community was able to witness first hand how open and transparent the co-op could be.<sup>54</sup> Appendix I contains the executive summaries of the Organizational by-law and the Occupancy by-law.

At the time of writing this report the relevant committees have developed several other by-laws such as a conflict of interest by-law and a spending by-law. The committees are also developing three other by-laws that include a maintenance improvement by-law, a parking by-law, an arrears by-law and a subsidy by-law.

## **7.2 THE SUBSTANCE OF THE OPERATING AGREEMENT**

One of the key elements of this process was to develop an operating agreement between the Atkinson Co-op and the housing agency. An operating agreement was considered to be the appropriate route since the property was not going to be sold to the residents and it was the best way to account for the stakeholder's interests (initially the MTHC and now the TCHC).

After several years of working with the provincial to create an operating agreement, very little progress was made. As a result the Co-op Board worked with its legal counsel and with CHFT to develop an operating agreement. The Co-op Board tabled an operating agreement in the Spring of 1999 that resembled agreements made with other co-ops. The document was submitted to the provincial government as a proposed operating agreement. The CHFT developed a summary of the first 9 articles that are provided in Appendix J. It was almost two years later before a government counter-proposal was made to the Co-op Board. Many felt that this was another unnecessary delay in the process that added additional years to the conversion process.

Now that the TCHC is involved, the parties continue to negotiate an operating agreement. However, at the time of writing this report a counter-proposal has not been made public and has not been formally submitted to the Co-op Board. Therefore, as researchers, we are unable to comment on the specifics around the proposed operating agreement. However, we have been informed that it is significantly different from the original proposal tabled by the Co-op Board.

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<sup>54</sup> Approved by members: October 16, 2000

While we have not been able to analyze the proposed operating agreement from the TCHC, we have been able to piece together various aspects of the document from our interviews. The purpose of the agreement is to outline the expectations of the two parties by laying out the various obligations that the co-op has with the housing agency and vice versa. According to the interviews, the document was created according to four principles, which establish the relationship between the co-operative and the housing agency.

One of the principles of the document is that the community needs to have a resource group (CHFT) with which it associates itself, thereby, providing the community with credibility.

A second principle is related to establishing the rent ceilings, or the rent cap, which is analogous to the market rent. According to our sources, the TCHC will still set rent caps.

The third principle is related to the tenant selection process. New tenants arriving at the Atkinson Co-op will come from the existing waiting list of the Toronto Social Housing Connections. Future residents of the Atkinson Co-op will be required to become a member of the co-operative - a practice that occurs now in any case. The requirement of mandatory membership was raised as an area of concern by some residents in the focus groups.

The fourth principle was related to establishing an annual budget and the generation of revenue. Specifically, a budget will be negotiated with TCHC on an annual basis. The revenue will be generated from rents, rental subsidies and the small fees associated with parking and laundry. The revenues and expenses will be monitored by both the Co-op and TCHC on a monthly basis and via a "pass through" mechanism, which will be described in the next section.

Using these four principles as guidelines, it is anticipated that the final agreement will provide a template for other communities wishing to convert into a co-operative.

### **7.3 PROPOSED BUDGET AND ALLOCATION OF RESOURCES<sup>55</sup>**

The process of developing the proposed budget represents one of the more successful collaborations between the stakeholders involved in converting Alexandra Park into the Atkinson Housing Co-operative. A proposed budget was developed and later tabled by the Co-op Board in the Spring of 2001. The budget was later approved in principle by the former MTHC Board in August 2001. The proposed budget is comprised of the Operating Budget and the Capital Reserve.

#### **7.3.1 Establishing an Operating Budget**

The operating budget was developed after reviewing three sources of information. First, figures were derived from the existing MTHC operating budget for Alexandra Park for the years 1999, 2000 and 2001. The second source were the benchmarks established by the Ministry of Housing.

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<sup>55</sup> Information in this section was derived from interviews and the proposed budget presented to the MTHC Board in August 2001

The third source of information was from a co-op in Toronto similar in size and age to the Atkinson Co-op property. Using these three sources of information, the stakeholders felt comfortable creating a budget that could project the costs associated with running a property like the Atkinson Co-op.

The proposed operating budget makes a distinction between what are called manageable and non-manageable expenses.<sup>56</sup> The manageable expenses are those expenses that can be controlled by the co-op in terms of how much and when to spend. Examples of manageable costs include staffing and maintenance materials. The non-manageable expenses are those that are beyond the control of the co-op. Examples of non-manageable expenses include realty taxes and utilities. The annual budget negotiation will involve a discussion over what constitutes a manageable and non-manageable expense.

In most housing co-ops the bulk of the revenue generally comes from two main sources: subsidy top-ups and rental income.<sup>5758</sup> The Atkinson Co-op will have access to the same revenue sources, but because of the 100% RGI, rental income will be limited and can also vary from month to month. Furthermore, the co-op will not be able to establish the market rent levels required to meet expenses – the more normal approach in co-ops. The stakeholders realized that this containment with respect to revenue generation is a limitation of the proposed budget model.

The revenue requirements for manageable expenses will be estimated based on the previous year's budget. The co-op will collect the monthly rents and will receive a subsidy funding in 12 payments. The notion of a "pass-through" was adopted as the guiding principle for addressing the non-manageable expenses. Specifically, the TCHC will provide the revenue for all of the non-manageable expenses such as realty taxes in addition to the subsidy provided for the manageable costs.

Budgets will have to be approved annually and once approved there will be a steady stream of monthly revenue from the housing agency (TCHC). However, since the conversion date when responsibilities are transferred is unknown, the figures in the proposed budget are expected to change.

### **7.3.2 Establishing a Capital Reserve**

It is a common practice that individual co-ops have a capital reserve fund in order to conduct some rehabilitation and maintenance work on the property. The fund is replenished annually from the rents and other sources of revenue. However, there is no capital reserve fund for individual public housing projects. In fact, there are no capital reserve funds for any public housing developments even at the portfolio level. Historically, capital replacements were funded on an annual basis through a modernization and improvement budget similar to annual maintenance. Capital priorities are dealt with corporately with priority requests coming from the individual property managers. The fact that there are no reserves and the stock is aging is a

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<sup>56</sup> According to several interviews the terms manageable expenses and non-manageable expenses are normally used in the budgeting practices of the housing authority

<sup>57</sup> Parking and laundry revenue is considered a small percentage of the overall revenue.

<sup>58</sup> Referred to as housing charges in the co-op act

problem within the whole public housing portfolio that goes beyond the priorities identified for the Atkinson Co-op.

The Atkinson Co-op property is over 30 years old and will require a significant amount of repairs based on the assessment conducted by residents and the co-op sector representatives. Further, since the Atkinson Co-op will have a degree of autonomy, those who established the proposed operating budget decided that a capital reserve fund at the Atkinson Co-op should be established.

The proposed capital works budget was separated from the operating budget. The co-op will be expected to maintain the property by maximizing the existing life expectancy of the property. However, a mechanism or process was needed in order to ensure that there would be enough funds to complete the capital priorities. Co-ops have reserve funds dedicated for capital repairs whereas public housing developments do not. In the present case, the Atkinson Housing Co-op would have to build up a capital reserve even though it never had a dedicated reserve before.

The proposal to address the issue of capital works is quite simple. The co-op will establish a capital reserve fund using an annual grant based on the amount required in the past 10 years (indexed to inflation) that will be provided by the TCHC. The TCHC will continue to fund and complete capital projects that it had committed to for the first three years of the operation of the Co-op. Thus, the Co-op has three years within which to build up a reserve. In the fourth year the Co-op will draw the funds from its own capital reserve fund in order to complete the necessary capital projects. Additionally, the Co-op will also become responsible for determining the capital priorities and for establishing a capital budget.

It is unknown whether the Co-op will have to seek annual approval for the capital budget. According to our sources, the operating agreement will establish what sorts of approval must be sought by the Co-op. A twenty-year capital budget has been developed by the Co-op and will be reconsidered annually based on a schedule of required work.

At the time of writing this report there have been various proposals with respect to whether there will in fact be a capital reserve. A follow-up interview indicated that the notion of establishing a capital reserve within the public housing system might be problematic. While the capital reserve proposal described above may appear in the final document, in the absence of a final operating agreement, we are unable to be sure whether or not capital reserve proposal will be accepted.

## **7.4 SUMMARY**

The Atkinson Co-op will be an atypical co-op that will blend the notion of a co-operative and self-management. Those involved in the process felt that they had to look beyond traditional notions of what constitutes a co-op. Indeed, this is a new model – a public housing co-operative. The model will provide a template for future public housing communities in Ontario and Canada who want to have more control over the management of their community. There is, however, some concern is that the model is so complex that it may be difficult for local residents to clearly understand it. Ensuring that revenues and expenses balance as is practiced in a typical co-operative is a simpler notion that results in individual co-operatives having an incentive to operate as efficiently as possible.

## **8 MAJOR ISSUES**

### **8.1 THE RELATIONSHIP BETWEEN THE ALEXANDRA PARK COMMUNITY CENTRE AND THE CO-OP**

Since the building of the community centre in 1976, it has remained the focal point of resident involvement. The community centre represents the one area of the community where residents have been able to exercise control in terms of implementing programs that address the needs of the whole community. As was discussed above, the plan was to integrate the community centre into the co-operative structure by merging the two boards into one.

During the early stages of the conversion process, between 1995 and 1998, much of the time taken up by the APRA Board was with the mechanics of the conversion process. As a result, the community centre started to lose its significance as the focal point of the association. After the first election of the Co-op Board in 1999 there appeared to be a renewed focus on the community centre by both the residents and the Co-op Board. The Co-op Board became too involved in the daily operations of the community centre instead of operating at a distance.

In the summer of 2001 the community called for an end to the hands-on management style of the Co-op Board and insisted on a process that would re-establish APRA as the sole governing body of the community centre. However, the residents were unsure as to how they would commence the process so CHFT became involved in the process and worked with representatives of the community and of the Co-op Board to develop a plan under which a new APRA Board could manage the community centre. The guiding principle was that the new APRA Board would represent the interests of Co-op members and non-members alike.

After three months of consultation and planning, the elections for the new APRA Board were held in October 2001. Once the new APRA Board was established, it was evident that they lacked the resources and training that has been provided to the Co-op Board. As a result there continued to be confusion in terms of their role as APRA Board members. CHFT saw that the confusion facing the new APRA Board would have an impact on the conversion process and intervened by offering assistance in the form of training. At the time of writing this report local politicians and several local agencies are also providing valuable support to the members of the new APRA Board in order to effectively manage the community centre

### **8.2 DIVISIONS WITHIN THE COMMUNITY: ETHNIC AND CULTURAL DIFFERENCES**

One of outcomes from the events that took place in re-establishing the APRA Board was the conscious awareness of ethnic and cultural divisions within the community.<sup>59</sup> Some of these

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<sup>59</sup> Leaders within Alexandra Park have a very active community who are self-identified as belonging to the Muslim faith. At the time that these events took place the backlash and intolerance associated with the World Trade Centre bombings was being manifested inside the community.

divisions reflected not only differing racial backgrounds but were also compounded by religious and cultural differences. Unfortunately, some residents also started to confront each other in potentially destructive ways. According to one resident, *“you could walk into a room and feel that people don’t like you because of the colour of your skin or for what you’re wearing”*. Other residents have stated that over the years many residents have felt or experienced intolerance from each other and from outside the community, but this was the first time that the intolerance and conflict was manifested extensively.

Since November 2001 a sense of helplessness started to circulate throughout the community for several reasons. For example, a number of people felt that block voting (perceived to be based along ethnic/cultural lines) had occurred in the elections for the two Boards. Therefore, a number of residents simply decided that it was pointless to stand for elections if they were not from a particular segment of the community and they withdrew from the co-operative political process. No one was prepared for the divisions that emerged in Alexandra Park and the training and education provided by the CHFT did not anticipate the problems of an ethnically diverse community.

It was suggested by various sources that these problems had been brewing for many years. Some residents claim to have lacked an outlet through which to address concerns around the co-op conversion and about the community centre in general. As a result the CHFT proposed to the Co-op Board that the 2001 elections be postponed until January 2002 in order to begin to heal some rifts in the community and to try and regain momentum for the conversion. It was proposed that a conflict resolution team be hired to bring the community together. Starting in December 2001, the Co-op Board and the various leaders in the community agreed to participate in a conflict resolution process so that the community could come back together again. The identified participants for this process were members of the Co-op Board and of the APRA Board. All the participants were asked to participate in the process with goodwill.

The conflict resolution team held several Board and community meetings from January 2002 to March 2002. The final report from the conflict resolution was reviewed by the different parties who participated in the process. As was discussed in Section 5.8, CHFT conducted education and outreach to the community starting in the spring of 2002 with particular emphasis on reaching out to the major ethnic and language groups.

### **8.3 SECURITY OF TENURE**

One of the goals for the co-op conversion was to instil a sense that the residents would be secure in their tenure in the community regardless of whether a household decided to become a co-op member or not. In fact, a statement in various legal documents, such as the original business plan, and the tabled operating agreement, has enshrined that the status of non-members will be as tenants of the co-op upon conversion.

Residents reported that throughout the conversion process misinformation was circulating throughout the community regarding the status of non-members. Such misinformation included the statement, for example, that once the conversion is completed those residents who decided not to become members of the co-op would have to move out of the community. This piece of



misinformation has had a negative impact on convincing non-members to become members of the co-op. Despite the best efforts by the Co-op Board and the CHFT, it has not been possible to convince some residents that their tenure will not be at risk. In fact, this misinformation has created a cause around which to rally for those individuals opposed to the co-op conversion.

#### **8.4 INFORMATION DISSEMINATION**

Information about the co-operative and the conversion process is circulated throughout the community and provided to many residents. The information is most often printed in plain language and comes in the form of meeting notices and intermittent newsletters. In many cases the information was produced in the first language of certain groups of residents.<sup>60</sup>

However, in our focus groups, some residents stated that the information goes out far too infrequently. Some residents said that they feel out of touch with the conversion process. As a result, at some points in time, many residents were finding it increasingly difficult to believe that the conversion would actually happen. CHFT has tried to address this issue with the limited resources they have by having a part-time worker on site and increase the frequency of the distribution of newsletters in the community.

Several interviewees suggested that there has been an unnecessary focus on the negative experiences of the conversion process. They suggested that information should highlight the efforts and achievements of the Co-op and of the Co-op Board to become the first public housing co-operative in Canada.

#### **8.5 BOARD TRAINING AND MEMBER EDUCATION**

Education and training is an integral element for a successful co-op. Since the CHFT became involved in the conversion process in 1998, training and educational opportunities have been available to all co-op members. When the new Co-op Board is elected the Directors normally receive one to two days of training on board matters. Additionally, the Co-op Board and members are reminded of those opportunities at different meetings and community gatherings, and in the various newsletters. However, the concern expressed by many residents has been that the opportunities occur at difficult times and locations. CHFT responded by offering to hold the sessions in the community centre, but there have been very few participants.

According to several interviewees, the fact that the residents have not taken advantage of the opportunities is a cause of concern because that could mean they are not ready to manage the community. Another source stated, “you cannot force individuals to participate because they have to want to.” Another individual with many years experience summed it up by stating that once the conversion is complete residents will want to be involved because they will start to realize that in order to effect change they need to participate.

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<sup>60</sup> CHFT, May 2002. *Alexandra Park Conversion to Atkinson Co-op. A Community Development Plan.*

## **8.6 ACCESS TO DECISION-MAKING PROCESS AROUND THE CONVERSION**

Throughout the conversion CHFT and the Co-op Board has tried to establish a transparent and accountable system of governance. Many residents have stated that there are barriers to accessing the decision-making process around the conversion. These barriers were described as “closed meetings” of the Co-op Board – whereas CHFT says that all of the meetings are open unless they deal with confidential matters such as personnel.

An additional barrier has been the language differences that exist in the community. Several participants in one of the focus groups stated that individuals whose first language was not English often feel left out of the conversion process and have not been encouraged to be involved. CHFT has made strong efforts to establish an inclusive process and normally have an interpreter at each meeting; however, the needs seem to exceed the available resources.

An additional concern found in this study was the perceived block voting thought to have occurred at the two recent Co-op Board elections. As stated above, many residents are now choosing not to be involved because they do not feel that the process is open to them.

## **8.7 LENGTH OF THE CONVERSION PROCESS**

As indicated earlier in this document, the conversion process started in 1992 when Sonny Atkinson sought alternative management arrangements for his community. It is now 10 years later and the conversion process is still ongoing. The length of time that this process has taken has frustrated both the community and the co-op sector. Many have considered the delays of the conversion as an attempt by the government to undermine the process. However, several interviewees have indicated that the government wants to see this conversion happen and has done as much as it can to ensure that the conversion will be realized.

According to the interviewees, there are a number of reasons why there have been delays to the conversion. Some factors include:

1. The lack of a plan or blue print in place to guide the conversion process;
2. The impact of the devolution of social housing to municipalities;
3. Changes to the provincial government which meant that the Co-op had to seek renewed approval in 1995;
4. Government uncertainty over whether the community is prepared to manage the community;
5. A lack of institutional memory on the part of the government caused many of the steps to be repeated;
6. Slow government response time to proposals tabled by the Co-op Board;
7. Changing leadership within the community;
8. Emerging community conflict; and,
9. The lack of funding that would have ensured that the required community development work was undertaken.

It is difficult to point to any one group of participants in the process or a particular circumstance as the reason for the unreasonable length of time it has taken for this conversion to be realized. The more likely scenario is that there were a combination of stakeholder and circumstantial considerations that caused the delays.

The length of time has created a sense within the community that the conversion will never happen. In fact, support has waxed and waned over time because of these delays. Another more serious consequence of the length of time for the conversions to be realized has been the draining of resources - both of individual participants and volunteers and of financial resources. The community started preparing itself over eight years ago to manage itself. The delays have caused uncertainty and frustration within the community. Individual volunteers who were motivated to see the conversion happen are no longer interested in participating because they can no longer see the benefits of living in a co-op. One long-time resident summed it up best, *"I don't know if I am coming or going with this thing. It is better to have the devil you know."*

The financial impact of the length of time was most felt by the CHFT. As will be discussed in Section 8.8, CHFT has backed the conversion financially for over four years. According to one interviewee, the government has unlimited people resources but the CHFT does not. The longer the conversion takes to be realized the more expensive it gets for the CHFT.

## **8.8 FUNDING OF THE CONVERSION**

As described above, one of the requirements stipulated by the provincial government when it agreed to the conversion was that no government money would be made available to assist in the conversion process. Consequently, funding the conversion has been a big cause of concern. One early estimate put the costs of the conversion at approximately \$300,000. The co-op sector was not deterred by the lack of funding and decided to pursue the conversion regardless.

CHFT has been pivotal in assuming financial liability for the conversion process. They assured APRA and later the Atkinson Co-op Board that funds would not be taken out of the community to pay for the conversion expenses but would be raised by the sector with the community's support. However, no one expected that it would have taken over ten years for the conversion to be completed.

There have been a number of different costs associated with the conversion process. As stated previously, since this was the first conversion of a public housing development into a housing co-operative, projecting what the costs would be was very difficult. According to several interviewees, costs have primarily been in two areas: the consultant services provided by CHFT and the legal fees. Additional costs have been associated with printing, translation of printed materials, translators for meetings and community outreach and various meeting expenses. According to the CHFT, "to date the cost of the conversion has been over \$200,000."<sup>61</sup> In a number of instances volunteers have been involved in offering different services and a number of the costs have been absorbed and donated by the CHFT, for example, training and education opportunities. According to one long-time co-op sector leader, it will be difficult to encourage future conversions to occur because of these massive costs if there is no funding.

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<sup>61</sup> Personal correspondence with the executive director with CHFT.

CHFT initiated various fund-raising activities in recognition of the need to raise funds for the conversion. In 1998 a funders forum was organized by the Canadian Co-operative Association (Ontario Region) for the purpose of raising funds for the conversion. CHFT applied to several sources and of foundations, but to date has only been able to raise \$180,000 to fund the conversion. The following list of Donors contributed to the conversion process.

1. Co-operative Housing Federation of Canada
2. The Atkinson Foundation
3. The Co-operators Insurance Company
4. The Metro Credit Union
5. The Co-operative Housing Federation of Toronto

It has been only with the financial support of these organizations that the conversion process has been sustained. However, with the early estimate of \$300,000 in mind the remaining funding has yet to be raised.

In 2000 a campaign called “Strong Communities” was initiated in order to raise awareness about the conversion process and to raise additional funds. The campaign was fully financed by the CHFT, who hired a professional fundraiser. A Steering Committee was established of leading scholars and advocates for affordable housing and healthy communities. The campaign is on-going but the actual raising of funds remains a major challenge.

In terms of who should pay the costs, the interviewees overwhelmingly stated it should be the responsibility of the government. One source stated that, *“Counting on fund-raising to conduct a conversion is unrealistic. I don’t think the fundraising capacity is there to do this”*

## 9 SUMMARY AND CONCLUSIONS

### 9.1 SUMMARY

In this report we have traced the somewhat arduous trek of a public housing community that has tried to gain control over its own destiny by transforming itself into a housing co-operative. What we have seen is that despite good intentions on the part of all of those involved – the community leadership, the co-op sector resource persons, various local and provincial politicians and bureaucrats within the public housing system, larger economic and political changes have resulted in a drawn out conversion process. These changes put social housing - including issues like converting public housing to co-operatives - low on the political agenda. At the same time, there were major organizational changes in the social housing system and in the local municipal structure that made it difficult for anyone in the political system to make a decision with respect to Alexandra Park.

Hence, after 10 years of talking about converting to a co-op and after many years of negotiations, enthusiasm has waned. This is especially ironic given that an operating agreement may soon be signed between the Atkinson Co-operative and the Toronto Community Housing Corporation.

What will need to be monitored over the longer term is the actual success of the co-operative assuming the conversion takes place. The pieces are in place to accomplish the goal of converting Alexandra Park into a co-operative. However, the divisions that developed during the conversion process highlight the complexity of converting a public housing development into a housing co-operative. In the case of the Atkinson Co-op, it is too early to say whether or not these divisions will be healed over the long-term.

Alexandra Park residents have a history of involvement in local community activities and have strong leadership capacity. However, in a co-op conversion there are many difficult issues to face and these are even more difficult in a public housing setting. One of the most critical issues is how to address the needs of non-members who currently represent about 20% of the households and include many long-standing members of the community.

The establishment of the Atkinson Co-op to manage the public housing development at Alexandra Park means that some members have obtained more power than others. The concern here is whether the Co-op Board will function as a responsible Board, that is, that it will be responsive to the needs of all the residents, including non-members, or, become caught up in their new status and become like another landlord as some members suggested in the focus groups. The Atkinson Co-op is at a critical point in its history and it is hoped that the desire to get along with one another will overcome recent difficulties.

In the section below we summarize our assessment of this co-op conversion based on responses to a number of different questions:

1. Were residents aware of alternatives to co-op conversion to address their needs?
2. Were residents adequately informed about the co-op management and what it entailed?
3. Has the co-op conversion been inclusive of different ethnic and cultural groups?
4. Were sufficient funds provided for the conversion process?
5. How adequate was the support of the resource group?
6. Was the process transparent?
7. Was the security of tenure of tenants protected through the co-operative conversion process?
8. Have decision makers been accountable to the residents?
9. Was there a sufficient understanding of the needs of public housing residents among the co-op resource persons?
10. How helpful have government agencies been in the conversion process?
11. Was there an acceptable level of due diligence done regarding repairs and renovations?
12. Were tenants properly trained and informed regarding managing a co-operative?
13. Has the public interest been protected?

## **1. Were residents aware of alternatives to co-op conversion to address their needs?**

In our opinion, tenants were not adequately informed as to the alternatives to address their needs. A small group of tenants decided that the co-operative route was the route to go after briefly considering tenant self-management. This meant that even when community development and education took place, it was more about explaining to people the benefits of co-operatives; not what a co-operative entailed or the alternatives to co-operative management. Residents never really had a chance to assess whether or not there were other ways of obtaining more control without converting to a co-operative.

Since the beginning of the conversion process a decision was made to pursue the co-operative alternative, which created a concern with both provincial governments - on the left and the right. In the opinion of one of the interviewees with an inside view, it would have been much easier for Alexandra Park to pursue tenant self-management. However, the spectre of turning over the property to a co-operative which earlier on also included redeveloping land along Dundas Street raised a red flag with the government.

## **2. Were residents adequately informed about the co-op management and what it entailed?**

This question is related to the first question about whether or not residents were aware of alternatives but somewhat more specific. Did residents really understand what it meant to live in co-operative housing? The initial discussions that led to the eventual decision to convert into a housing co-operative was one based on exploring the possibility; however, at that point no one – not even the co-op sector resource people knew how the model would eventually turn out. However, over time, even as the co-op concept has been explained, it has become obvious that many residents still do not understand the implications of converting to a co-operative. At this

time, the Co-op Board has not tried to go into all of the details around the operating agreement with the community until a final agreement been proposed.

Nevertheless, tenants did understand the main concept that they would have more control over their housing and its management. On the other hand, tenants also needed to understand that being in a co-op entails participation – in decision-making and also in the running of their housing community. The co-op sector and various individuals spent a lot of time explaining what co-operative management means, but based on the focus groups there still appears to be a significant level of misunderstanding and/or confusion about what a co-op is or entails.

### **3. Has the co-op conversion been inclusive of different ethnic and cultural groups?**

Based on our review, it is our understanding that initial outreach was done in the key languages in the community. As the process dragged on the requisite resources were not there to continue the outreach in the many different languages found in the community. Despite the lack of resources, the CHFT provided translators in four different languages at the community meetings. However, a number of residents noted that they still often did not understand what was going on at meetings. According to one resident, when she requested assistance with language issues, she stated that she was told she shouldn't be on the Co-op Board if she didn't understand English.

### **4. Were sufficient funds provided for the conversion process?**

Clearly this conversion process was inadequately funded. While funds were initially allocated for community development and education, later on, there were no funds except those that were raised privately or from charitable organizations. The Co-op Housing Federation did a lot of the work on an unpaid basis. Future co-op conversions need to be adequately funded so that there is sufficient money to undertake the training and education that is necessary.

### **5. How adequate was the support of the resource group?**

There appears to have been a consensus amongst those interviewed that the CHFT and other co-op resource people did a good job of training and educating the Co-op Board members around setting up the organizational structure and providing the developing co-op with the legal and organizational resources it needed. However, as the process dragged on, the delays have drained the co-op resource group and it did not have the resources to deal with some of the conflict that arose in the community.

### **6. Was the process transparent?**

By transparent, we mean that the conversion process was clear and understandable to those involved. Because this was one of the first co-op conversion of a public housing development attempted in Canada and there were few examples to draw on, it was difficult for the process to be transparent. Even those involved were not sure where they were going. On the other hand, the Board did try to communicate with members over key issues in the conversion process. Over the period of the conversion more than thirty-three newsletters in addition to by-laws were prepared in plain language. Both pieces of information were prepared in four different

languages. However, a number of residents noted that the lack of consistency of the information pieces and their infrequency was problematic. Additionally, some residents felt that the language used in the material that was circulated was often very dense despite the use of plain language. Perhaps a monthly newsletter that updated the community on the status of the conversion would have alleviated many of the concerns and questions raised by the residents.

**7. Was the security of tenure of tenants protected through the co-operative conversion process?**

The operating agreement being negotiated between the Board and the TCHC will guarantee the security of tenure of those who do not want to participate in the Co-op as members. Unfortunately, the spread of misinformation, both verbally and in writing, stating that if people did not join the co-op they would have to move out, was destructive. Such misinformation needed to be addressed more forcefully and with greater immediacy than appears to have been the case.

**8. Have decision makers been accountable to the residents?**

Generally speaking those residents involved in the decision-making process were accountable back to the residents through public meetings. Major decisions put forward to the government were brought back for ratification with residents. More recently, there have been complaints that the Co-op Board is inaccessible. Several residents noted that several meetings were closed and not being widely announced in the community. However, according to participant observations only three meetings were held in-camera because confidential matters were being discussed. In terms of the announcement of meetings, all parties recognized that improvements had to be made and now all meetings are announced using several methods, such as community postings and a phone tree. A more pressing concern has to do with the atmosphere established at some of the meetings. Several members and non-members reported that when they attended the Board meeting they did not feel welcome.

**9. Was there a sufficient understanding of the needs of public housing residents among the co-op resource persons?**

Co-operatives usually include a mix of incomes and many projects often have up to 70% or higher paying on an RGI basis. However, public housing projects consist of 100% lower income households requiring deeper subsidies and accommodate more recent immigrants compared to other forms of social housing (non-profits and co-operatives). The co-op sector is used to dealing with residents who have chosen to live in a co-operative whereas in a public housing conversion, tenants already live there and they are trying to choose a management model that will meet their need for greater control over their living environment. The co-op sector thus, was not used to dealing with public housing communities and has learned many lessons through this pilot project.



**10. Was there an acceptable level of due diligence done regarding repairs and renovations?**

The co-op resource group did an assessment of the property and the estimated costs of the work that needed to be undertaken was included. Furthermore, the operating agreement that is being worked out between the Co-op and the TCHC will provide for major renovations that are needed.

**11. How helpful have government agencies been in the conversion process?**

While initially there may have been resistance on the part of MTHA, this appears to be primarily due to the fact that they were left out of the early discussions. Once MTHA became involved, they worked with tenants and the co-op sector to ensure that knowledge about budgeting and maintenance were shared along with details around property maintenance at Alexandra Park. Staff provided training sessions for the Co-op Board and interested members. In recent years property management staff from MTHA (later MTHC) were supportive of the co-op conversion. The two provincial Ministers of Housing were only been lukewarm to the conversion concept although the local MPP provided a lot of support and the local councillor has always been supportive. Furthermore, the general climate of confusion around social housing has greatly affected the involvement of various government agencies in the conversion process. Finally, a real test of the helpfulness in the conversion process was the willingness of the government to assist with the funding of the various activities – as we know the provincial government only provided a small grant at the beginning of the conversion process.

**12. Were tenants properly trained and informed regarding managing a co-operative?**

This question is difficult to answer because residents involved in the conversion process have had different levels of experience in participating in committees. Co-op Board members have gone through extensive training regarding managing a co-operative. However, it is unknown how many residents have taken advantage of those opportunities. In fact, all of the interviewees were uncertain as to whether the residents have taken full advantage of the education opportunities offered by the CHFT. Should the co-op conversion reach a positive conclusion, tenants will be able to take courses offered by CHFT on an on-going basis and will have the support of the local co-op resource group.

**13. Has the public interest been protected?**

Through the negotiations between the Co-op and the housing agency and because of the agreement of the Atkinson Co-op to take members from the waiting list from Toronto Social Housing Connections, there has been no reduction in the public housing stock or access to it. Furthermore, as the property continues to remain as an asset of the housing agency (now the TCHC), the public continues to have this asset protected.

## 9.2 LESSONS LEARNED

We believe that this unique experiment with Alexandra Park has demonstrated that tenants in public housing have the potential to become self-governing co-operatives. However, because this is a conversion, tenants are somewhat vulnerable should things not work out well and for this reason, every precaution should be taken to ensure that any conversion process has clearly laid out steps.

We have tried to identify those lessons that can be learned for future public housing communities or agencies wishing to explore conversion to a co-operative as a potential alternative management model. The following are the major lessons learned that we have gleaned from this review of the conversion process at Alexandra Park.

- ☑ **Use a needs assessment planning approach.**
- ☑ **Ensure that the conversion process is well funded.**
- ☑ **Residents must have an opportunity to make informed decisions about the potential conversion at key junctures in the conversion process.**
- ☑ **A broader notion of community development is needed in public housing.**
- ☑ **Public housing communities with diverse populations need particular assistance with language and cultural issues.**
- ☑ **The Alexandra Park Co-op Conversion exercise has demonstrated that residents, public housing agencies and the co-op sector can develop mutually beneficial agreements.**
- ☑ **All residents whether members or not need to feel secure in public housing co-operatives.**
- ☑ **Implement a program to cultivate leadership in the community.**

A brief description of each of these lessons is provided below:

### 1. Use A Needs Assessment Planning Approach

A community needs assessment should be the first step in determining whether or not a public housing community should proceed towards a co-op conversion or some other type of tenant involvement in decision-making. All of the community needs to be involved in this first step which identifies the community's needs and issues and potential solutions. The assessment should also address potential costs and benefits of the conversion including those from a social perspective. For example, the conversion may result in residents learning new skills and increasing their employability. Also, there is the potential for lower maintenance costs in the long-run because of local management control. Finally, there is the potential for reduced crime and the associated community impacts of reduced crime.

During the Community Needs Assessment, alternative forms of tenant participation should be identified. The strengths and weaknesses of different approaches should be examined for the particular public housing community. The needs assessment should be organized by an independent third party and should involve the key stakeholders, both potential and current.

## **2. Ensure That There is Adequate Funding**

For future conversions of public housing, it is recommended that there be explicit government support throughout the conversion process. The government must be prepared to expedite the conversion process in order to overcome many of the bureaucratic delays found in the Alexandra Park experience. In addition to the explicit support, a considerable amount of funding is required from the initial feasibility study to the education and training. This particular conversion was sorely underfunded which became more and more evident as time went on. Almost all of the interviewees stated that there was insufficient funding to support the kind of community development required. One of the participants suggested that there needs to be a national fund set up with federal/provincial/municipal funding to support any such efforts in the future.

## **3. Residents Must Have an Opportunity to Register Informed Decisions About the Potential Conversion At Key Junctures in the Conversion Process**

It is recommended that sustained community support be gauged at various stages in any public housing conversion. After the initial needs assessment has taken place and the alternative options explained to residents, a period of community development activities consisting of outreach and education could take place. The period of community development would be followed by a vote or referendum. If the community is interested in pursuing the co-operative option, a first vote could be held to authorize the community's leadership to pursue the co-op conversion and to work out general guidelines or principles for such a conversion to take place. These guidelines or principles should then be brought back to the residents for their endorsement and/or amendment. It is recommended that once an arrangement has been negotiated with the public housing agency, there should be an attempt to ensure that there is continued community support for the change. Should the negotiation process be extended, it may be necessary to hold yet another vote or referendum to ensure that the community is still supportive of the process.

It is important that when votes are undertaken, they are done in such a way as to provide people with the security to vote the way they wish to without fear of reprisal. This usually means a secret ballot.

## **4. A Broader Notion of Community Development is Needed in Public Housing**

In future co-operative conversions, it is recommended that a broader community development process be undertaken. The co-op sector tends to focus on training in the "mechanics" of operating a co-operative and running of the Board and its committees and they are excellent at providing this type of training. The challenge in public housing communities, however, is that such communities often have needs that are more complex than those found in typical co-operatives. For this reason, there is a need to concentrate on broader community development building exercises. This means building upon the existing strengths in the community including services and leadership, identifying areas for development and developing a training and education program to address to the identified needs.

## **5. Public Housing Communities with Diverse Populations Will Need Particular Assistance with Language and Cultural Issues**

The experience at Alexandra Park and the lack of involvement by certain ethnic groups has shown the need for particular attention in reaching out to various groups within the community. As well, the approach will need to bring people together despite their differing backgrounds and types of experience. This requires both additional funding – for outreach, translation of materials, translation services at meetings – but also particular expertise in managing diversity. One of the first steps in the needs assessment phase will be to identify the language needs and cultural diversity in the community.

## **6. The Alexandra Park Co-op Conversion Exercise Has Demonstrated that Residents, Public Housing Agencies and the Co-operative Sector Can Develop Mutually Beneficial Agreements**

This exercise has demonstrated that public housing agencies, residents and the co-op sector can work together to develop agreements that resolve issues of concern. Flexibility is required by all partners in the negotiating process. Residents also need to tolerate differences of opinion to avoid conflict. For any successful conversion process, it is necessary to involve all of the potential partners early on. This means that the relevant federal or provincial government agency, the direct delivery agency of the housing, the residents, the co-op sector, politicians and neighbourhood agencies all need to be involved.

## **7. All Tenants Whether Members or Not Need to Feel Secure in Public Housing Co-operatives**

A major concern in a public housing co-op conversion is ensuring that the minority who do not want to join the co-op still feel secure in their housing and their community. They should still be encouraged to participate and be given every opportunity to become members. The only thing that they should not be allowed to do is to vote in elections for the Board, participate in approving the by-laws, and join the Co-op Board. Tenants should not be coerced into joining the co-operative out of a fear of reprisal or of losing their unit.

## **8. Implement a Program to Cultivate Leadership in the Community**

All major conversions to some form of tenant self-management model have had a leader calling for and sustaining the momentum for change. When Sonny Atkinson passed away there appeared to be a leadership vacuum in the community. Some residents have expressed concern that they could not live up to the legacy left by Sonny Atkinson. The two presidents that followed went into the position hesitantly. In fact both individuals have moved out of the community to become homeowners outside the city. There has been a chronic problem of identifying leaders in the community. Several sources have indicated that there are potential leaders in the community but such individuals do not know how to be involved. Therefore, it is recommended that a program to develop new leaders be created and implemented in order to identify future Board members. The existing committee structure can be used for this purpose.

## LIST OF ABBREVIATIONS

APCC	Alexandra Park Community Centre
APCCC	Alexandra Park Community Centre Committee
APRA	Alexandra Park Residents Association
APRA Board	Alexandra Park Residents Association Board of Directors
APRA Co-op Board	The board prior to formal incorporation of Atkinson Co-op
APWG	Alexandra Park Working Group
CHFT	Co-operative Housing Federation of Toronto
CMHC	Canada Mortgage Housing Corporation
Co-op	Housing Co-operative
Co-op Board	Atkinson Housing Co-operative Board of Directors
EAs	Enumeration Areas
HOPE	Homeownership and Opportunity for People Everywhere
HUD	Housing and Urban Development (US)
GM	General Manager
LHA	Local Housing Authority
MTHA	Metropolitan Toronto Housing Authority
MTHC	Metropolitan Toronto Housing Corporation
NDP	New Democratic Party
OHC	Ontario Housing Corporation
PHA	Public Housing Authorities
PHCC	Public Housing to Co-op Conversion
PM	Property Manager
RGI	Rent Geared to Income
RMC	Resident Managed Corporations
TCHC	Toronto Community Housing Corporation
THC	Toronto Housing Company
TMC	Tenant Managed Corporations
TMO	Tenant Managed Organization

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## APPENDICES

## **APPENDIX A**

### **DOCUMENTS REVIEWED**

1. Alexandra Park, Toronto Development Department, 1971.
2. Minutes of the Board of Directors.
3. Minutes of the Community meetings.
4. Minutes of the Alexandra Park Residents' Association board.
5. Minutes of the Resident/Government working group.
6. Job descriptions - property manager, program coordinator.
7. Programming initiatives at the APCC.
8. "Families evicted in fight to oust criminals." Toronto Star, April 16<sup>th</sup>, 1994.
9. "Public housing converts into co-ops." Toronto Star, June 29<sup>th</sup>, 2000.
10. "Alexandra Park takes control." The Globe and Mail, June 5<sup>th</sup>, 1998.
11. "Co-op fight could make history." Toronto Star, March 3<sup>rd</sup>, 1996.
12. "Tenants win okay to run own co-op." Toronto Star, Nov 3<sup>rd</sup>, 1994.
13. "Co-op move afoot at MTHA." Toronto Star, July 23<sup>rd</sup>, 1994.
14. Strong Communities Campaign pamphlet.
15. Alexandra Park community programming pamphlet..
16. Public Housing to Co-op conversion working group. Correspondence with Rosario Marchese, MPP.
17. Demographic breakdown for Alexandra Park, Metropolitan Toronto Housing Authority, March, 2001.
18. CHFT education materials.
19. Alexandra Park Residents' Association constitution.



20. Atkinson Housing Co-operative Inc. Draft Conversion Plan, Alexandra Park Residents' Association, September 2<sup>nd</sup>, 1996.
21. Organizational by-law.
22. Occupancy by-law.
23. APCC Funding proposals.
24. CHFT Funding proposals.
25. Proposed operating agreement.
26. Public Housing to Co-op conversion working group proposal.
27. Alexandra Park Residents' Association 1993 Annual Report.
28. Meeting notes – LL
29. Response for the Ministry of Housing to Alexandra Park Residents' Association proposal for a co-op demonstration project, December 1995.
30. Lewis and Collyer correspondence to Mark Goldblatt regarding Atkinson Co-op, June 12<sup>th</sup>, 1996.
31. Report of The eighth regular meeting of the Metro Toronto Housing Corporation Board of Directors, Wednesday, August 15<sup>th</sup>, 2001.
32. Letters Patent of the APRA.
33. Alexandra Park/Atkinson Coop – Metro Morning – September 10, 2001

## **APPENDIX B**

### **LIST OF MEETINGS ATTENDED BY PARTICIPANT OBSERVER**

What follows is a list of meetings attended by Jorge Sousa in order to observe the discussions during the co-operative conversion

#### **Atkinson Housing Co-operative - General Members Meeting**

- November 1999
- September 2000
- November 2000
- March 2001
- November 2001

#### **Atkinson Housing Co-operative – Board of Directors Meeting**

- November 1999
- December 1999
- January 2000 to December 2000
- January 2001 to November 2001

#### **Alexandra Park Residents' Association – General Members Meeting**

- September 2001 to October 2001

#### **Meeting with the APRA/Co-operative Board and the Government Representatives**

- June 1999
- September 1999 to November 1999
- January 2000 to June 2000

#### **Meeting of the Metro Toronto Housing Corporation Board of Directors**

- August 2001

## **APPENDIX C**

### **LIST OF KEY INFORMANTS**

#### **1. Civil Service**

- 1) Cyrus Valkili-Zad - Project Manager, Metropolitan Toronto Housing Corporation (since 1998).
- 2) Francis Beard – Vice-President, Community Services, Toronto Housing Corporation
- 3) Lou Canton - Head of the Private Management Division, Metropolitan Toronto Housing Corporation
- 4) Terry Skelton - Community Services Division, Metropolitan Toronto Housing Corporation.
- 5) Albert Koke – Property Manager, Alexandra Park

#### **2. Co-op Sector**

- 1) Mark Goldblatt - Initial project leader and coordinator of the PHCC working group
- 2) Tom Clement - CHFT Executive Director
- 3) Don Young - Membership Development Co-ordinator, CHFT
- 4) Pat Fletcher - Former community development worker hired by CHFT
- 5) Harry Vandervelde - CHFT bookkeeper
- 6) Rod Laymen – Bain Co-op general manager

#### **3. Residents and the Board within Alexandra Park**

- 1) Kathy Brown - Director
- 2) Lynda Brunette - Director
- 3) 3 Focus Groups – 30 participants

#### **4. Support Agencies and Individuals**

- 1) Kevin Lee - Executive Director, Scadding Court
- 2) Rosario Marchese - MPP
- 3) John Sewell – Former Mayor and Housing Advocate
- 4) Olivia Chow - Toronto Counsellor
- 5) Judy Lam – Director of Moms’ and Tots’ program
- 6) Alina Chatterjee - Former APCC Program Co-ordinator

## APPENDIX D

### INTERVIEW PROTOCOL

#### An Evaluation of the Conversion Process of the Alexandra Park Public Housing Project into the Atkinson Housing Co-operative

##### Background Information (where applicable)

Your name: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

##### Background Information: Residents

How long have you lived in this community?

Are you a member of the Atkinson Co-operative? Yes No

Before you moved to this community did you live in another MTHC project, a co-operative, or in a private residence?

How have you been involved in the conversion process?

- |                                 |     |    |
|---------------------------------|-----|----|
| a. Community Meetings?          | Yes | No |
| b. Committee Meetings?          | Yes | No |
| c. Community Centre Activities? | Yes | No |

##### Background Information: Government, Co-op sector and support agencies/individuals

Organization name:

\_\_\_\_\_

Your position in the organization:

\_\_\_\_\_

How long have you been involved in your organization? \_\_\_\_\_

Have you ever been or are you currently a member of a Housing Co-operative? Yes  
No

## **General Framework of Interviews**

### **INTRODUCTION**

**As you know, the residents at the Alexandra Park public housing community in downtown Toronto have been going through the process of converting into a self-managing co-operative. With two successful votes in favour of the co-operative conversion and the August 2001 approval in principle from the MTHC Board of Directors, the process of conversion is nearing its completion. It is the intent of this study to evaluate the conversion process to date.**

**This evaluation will be of the conversion process, and the progress made by the process to date. As such, it is not an evaluation of whether or not conversion from government management to resident self-management is itself desirable or beneficial. This evaluation is focused on the conversion process e.g., were tenants adequately informed about implications of conversion process to make a meaningful decision; how smooth has the transfer been?), not the outcome of conversion itself (e.g., whether or not conversion to a co-op has left the tenants better off, saved money, etc.). The co-op will have to be operating for at least two or more years for this latter question to be answered.**

### **Goals Of the Conversion Process**

1. What do you perceive to be the major reasons why residents' of Alexandra Park wish to convert into a co-operative?
2. In your opinion, what are the goals of the conversion process?
3. There has been a level of dissatisfaction with MTHC management practices among the residents, e.g. claims that MTHC staff has not been not responsive enough to the concerns/requests/input of residents. What are some of the issues or problems with MTHC management of Alexandra Park of which you are aware?
  - a. How could these issues or problems be addressed?
  - b. Do you think a co-operative management arrangement will help to alleviate these problems?

### **Role in Conversion Process**

4. What was your role in the conversion of Alexandra Park to a co-op. Please specify your direct or indirect involvement.
5. What specific activities did you participate in?
6. Who did you have to report back to and how supportive have they been of the actual conversion process?

### **Views Of The Conversion Process**

7. In your experience, characteristics of Alexandra Park gave rise to the opportunity to convert into a housing co-operative?

8. Please describe the key aspects of the process that has taken place to date to achieve the conversion of Alexandra Park into a housing co-operative.
  - a. In your opinion, what are the strengths and weaknesses of the conversion process to date?
  - b. Do you think the residents were sufficiently involved throughout the conversion process? Please describe how they were involved. IF NO, please elaborate.
9. In your opinion, how well has the conversion process been handled by,
  - a. By MTHC?
  - b. By CHFT?
  - c. By the Board of Directors?
10. In what ways has the conversion process established here been different from other conversions of which you are aware?
11. In your opinion, what activities were pivotal to the conversion process being able to move forward? Please describe them.
12. Have there been sufficient training/education opportunities for the residents to enable them to move towards the co-operative model?
  - a. In your opinion, to what extent have the residents taken advantage of what was offered to them? If they haven't taken advantage of these opportunities, why do you think they did not?
13. Could there have been improvements to the process in the following areas:
  - a. Education/Training
  - b. Negotiations with the Government?
  - c. Developing the Operating Agreement?
  - d. Government responses to board proposals?
  - e. The length of time that it has taken to see this conversion proceed?
14. In general do you think there was a sense of satisfaction with the conversion process by those involved? If not, who was not satisfied and why?

#### **Obstacles Faced**

15. In your opinion, what have been some of the challenges/obstacles encountered during the conversion process?
16. How were they overcome? If still ongoing, how might they be overcome?
17. In your opinion, why do you think it has taken close to nine years for this conversion to proceed?

### **Understanding of the Implications of Conversion**

18. As you know, the community voted in favour of converting into a housing co-operative. Do you think the residents understand the implications of managing the community themselves?,
19. Do you think they understood the implications of the conversion for (probe the following areas):
  - a. Tenant Selection
  - b. Budget Development
  - c. Rents
  - d. Capital Priorities
  - e. Maintenance Issues
  - f. Their Role in Management
  - g. Committee Structure
  - h. Other

### **Lessons learned**

20. What conditions need to be present in order for a public housing community to pursue the co-operative housing alternative?
21. What lessons have been learned from the experience with conversion at Alexandra Park to date that could be passed onto other public housing communities or agencies interested in moving towards a co-operative management arrangement?
22. If you were to do the conversion again, how would you do it differently?

### **Potential for other conversions**

23. In your opinion, is there potential for other public housing developments to undertake a similar conversion process in Toronto, Ontario and other parts of Canada?
  - a. If no, why? Specifically, what is unique about Alexandra park that has made the conversion possible?
24. Apart from the conversion process developed at Alexandra Park, do you see alternative models of tenant participation in the management of MTHC that would meet objectives of tenants having greater control of their community?
  - a. At the overall MTHC management level
  - b. At the individual Project Management; and,
  - c. Other
25. What level of support do you think is required for a public housing development to undertake a conversion process to a co-operative management model? Under what circumstances should future conversions occur?
  - a. Where a simple majority of tenants approve
  - b. Where a two-thirds majority approve
  - c. Where a simple majority of both market and r.g.i. tenants approve?

26. Are there any other criteria that should be met before a community could be changed to a co-operative? For example, should there be certain management tests such as:
- a. The existence of a viable or existing tenants association that assists in the management of its community?
  - b. A period of co-management?
  - c. Other tests or criteria?
27. Do you think there is a need for a preparation phase or a trial period before transferring to a co-operative?
28. Who do you think should be responsible for the training costs involved?
- a. MTHC
  - b. The Province
  - c. The co-op sector
  - d. The Residents

**Other**

29. Do you have any questions or comments you would like to make about the co-op conversion?



**APPENDIX E**

**FOCUS GROUP POSTER**

**ARE YOU INTERESTED IN  
TALKING ABOUT THE  
CONVERSION OF ALEXANDRA  
PARK INTO ATKINSON HOUSING  
CO-OPERATIVE?**

**WE ARE LOOKING FOR RESIDENTS TO  
PARTICIPATE  
IN A GROUP DISCUSSION  
FOR A STUDY SPONSORED BY CANADA  
MORTGAGE AND HOUSING CORPORATION**

**PARTICIPANTS WILL BE PAID \$20  
FOR THEIR TIME**

**FOR MORE INFORMATION PLEASE  
CONTACT:**

**Linda Lapointe or  
Jorge Sousa at  
XXX-XXX-XXXX**

## **APPENDIX F**

### **SUMMARY OF FOCUS GROUPS**

Three resident focus groups were held for the purpose of this study. A focus group was held for men, and for women. The ethnic composition of each focus groups was representative of the community at large. An additional focus group was held for the south east Asian residents, which has the largest population in the community.

The facilitator introduced each session by stating:

- Background to study
- Only one person at a time should speak
- We want your opinions
- There is no right answer
- Please don't criticize what other people say – everyone is entitled to their opinion

The following six questions guided the discussion,

1. Tell the group a little about yourself – your name, how long have you lived here; where did you live before. Are you working, stay at home, going to school, etc.?
2. How do you feel about living in Alexandra Park? What do you like about it? What do you dislike about it?
3. What do you think of the proposed conversion to a co-operative? Do you think it is a good idea and why?
4. Do you think that the residents were given sufficient information about what is involved in Alexandra Park becoming a co-op?
5. Are there any ways in which the way in which the conversion has taken place could have been improved? What would you have done differently?
6. What do you think will happen in the future? Do you think Alexandra Park will become a co-op?

The following summary was taken directly from the transcripts of each of the focus groups. The content was analyzed in order to locate specific themes. The discussion revealed four themes deemed relevant to this study. Those themes were:

1. The sense of community;
2. Problems that the residents have encountered;
3. Perceptions of the conversion process; and,
4. What the residents feel the community needs in order to convert into a co-operative.

## **The Sense Of Community**

In general the participants felt very strongly and protective of the community. Overall, the participants have lived in the community from one year to over thirty years. All participants agreed that the community has gotten much safer, especially when compared to other housing projects. Many participants cited the convenient location to shopping and transit as an advantage of living in the community.

All participants believed that the members of the community used to be closer in terms of knowing one another and residents have traditionally been willing to help each other in various ways. Several residents described the various community activities and events that existed in order to develop strong community spirit, for example sport teams, and community events. However, the residents noted that there has been a decrease in the activities that promote a sense of community. Consequently, the decrease in community events has created a sense that individuals are not given the opportunity to know their neighbours.

According to the participants there has traditionally been a stronger sense of trust among the residents, but that feeling has substantially diminished over the past few years. Some participants attributed the decrease in trust to the co-operative conversion and the confusion emerging throughout the process.

## **Problems That The Residents Have Encountered**

The participants raised a number of concerns with living in Alexandra Park. Surprisingly, there was very little discussion of the many social problems commonly found in housing projects, for example drugs and vandalism. In fact, when discussing these issues the majority of the residents felt that substantial improvements have been made to make the community feeling safer and secure.

One key area of concern was the issue of ethnic tolerance emerging within the community. Several participants stated that they would like to see more efforts made to promote acceptance of different cultures, but they appeared unable to describe what is required to see such acceptance occur within the community. As a result of the sense of intolerance emerging in the community many of the participants described the existence of a profound polarization among the residents.

The participants expressed a sense of dismay when discussing the divisions in the community since one of the strengths of the community has always been a strong tendency for members to work together and to help each other. One participant described how many residents spend more time indoors than meeting their neighbours. He described that growing up in the community meant you played with your neighbours, but now he finds it unsafe for children to play outdoors because there are cars driving right through the property. Another participant described the emergence of cliques within the community. She described that friends are against each other because they either do or do not support the co-operative conversion.

The participants attributed a number of reasons for the existence of divisions within the community. One reason cited was the proliferation of gossip, which has caused a lot of misinformation to be disseminated. Many of the participants cited one resident and long-time board member in particular as the source of gossip. Another reason given by the participants was a sense that members of the co-op board are “power hungry.” The participants considered the current co-op board structure as not being representative and not able to address the needs of the community. A participant in the women’s focus group stated that she has been informed that co-op board meetings are not open to the community. Related to the power issue is the fear expressed by some women who have decided not to become members of the co-op that they will have no voice in the management of the community once the conversion process has concluded.

All of the participants expressed a deep concern with the governance and the management of the community centre. The community centre has been a focal point of activity in the community for over twenty years and the participants, in particular the women’s focus group, overwhelmingly stated that the community centre has diminished in visibility which has caused some friction in the community. Issues have included the lack of activities for the community children and the lack of an accountable and transparent governance structure to manage the community centre in the best interests of all members of the community.

### **Perceptions Of The Conversion Process**

The participants were asked to discuss their perceptions of the conversion process to date. Overall, there is support for the notion of increased resident control over the management of the community. However, several long-term participants stated that they have not become members of the co-op because of the confusion, the divisions, and the need to have more information about the benefits of becoming a co-operative. In essence, there was a general sense of disbelief that their lives will improve once the co-op conversion has concluded. The residents felt that because of the many changes that have occurred in the community throughout the conversion there is a lack of stability for many people. Several of the women attributed the lack of stability as causing many residents to move out of the community over the years.

Participants in both the men’s and women’s groups expressed that the community is too big to become a single co-operative. Many felt that there is a lack of knowledge and experience to effectively manage a housing community of this size. Several participants suggested that the conversion should have been attempted at a smaller scale before trying for the whole community.

One key area of concern for the participants has been the emerging sense of a profound lack of trust among the residents. According to the participants, this lack of trust has caused many to feel that the community is not ready to become a housing co-operative. The participants in all of the groups described that the lack of trust has been growing and attributed that to the divisions occurring within the community.

Several women described concerns with respect to the referendum conducted in order to gauge the support for the co-operative conversion. Several participants objected to the process of an open ballot in the second vote as the mechanism by which to gauge support. Many felt that they were not being told the truth when they voted and were unsure as to whether their vote was being

included in the tally. Additionally, there was a significant amount of misinformation being disseminated regarding security of tenure. The participants stated that they were told that they would have to move if they did not become members of the co-op.

Another concern expressed by the participants is the perception of the lack of an accountable board that will manage the community. Many felt that there was a preoccupation with gaining power instead of trying to improve the community. An example was the resurfacing of the APRA board since many felt that the Co-op board was a problem and was not doing enough to address the problems of the divisions in the community.

### **What The Residents Feel The Community Needs In Order To Convert Into A Co-Operative**

The participants provided some important insights into the conversion process. A number of residents in all three groups believed that the conversion is inevitable, and many sincerely believed that the conversion to a co-op will improve the lives of the residents. Several participants cited positive experiences of either living in a co-op or having friends who reside in a co-op. The residents have been going through this process for close to ten years and many have participated in various activities related to the conversion process. However, it was evident that many residents still don't understand what it is like to live in a co-op.

The participants recognize and in fact encourage diversity. Overall the participants stated that more education was required, with particular emphasis on different races and cultures in addition to more information regarding the conversion process. It appeared as though the residents are tired of struggling against each other and want to get to know one another as neighbours as opposed to adversaries. Several women suggested that more informal open group discussions should occur in order to understand each other.

The participants also made suggestions with respect to the governing process. They called for an open decision-making process, where all residents could attend board meetings and hold the board accountable. The participants felt that this would be one way to diminish the gossip and ensure that the decisions being made are in the interests of the community.

The composition of the co-op board was also an area of concern for the participants. Several of the women stated that there is a need to have more women involved because the process has been male dominated. A suggestion made by several participants was that board members should not be residents. This statement was in response to the power struggles and the emergence of cliques in the community.

Members of the South East Asian focus group expressed feelings of being disenfranchised from the conversion process and the governance structure in general. The participants highlighted two issues that they deemed must be addressed in order to maintain support and to encourage improved participation. The first concern was the inconsistent use of translation in meetings. A former board member stated that she was encouraged to resign from the board because she could not speak English. The second issue is the sense that the South East Asian community is not

represented on the board and they suggested that seats should be designated to particular ethnic or cultural groups in order to ensure the representativeness of the board.

One other area that the residents would like to see improvements in is the need to create a sense of community again. There was a clear desire by all of the participants to see the problems dealt with and see the community flourish again. Suggestions ranged from having more community events to having a process of community healing.

## APPENDIX G

### MAP OF CENSUS TRACTS USED



Note: Used Census Tracts 103, 106, 107 and 122

## **APPENDIX H:**

### **COMPOSITION OF THE PUBLIC HOUSING CONVERSION TO CO-OP WORKGROUP**

The Public Housing Conversion to Co-op working group is based in the Ontario non-profit co-operative housing sector. The organizations and individuals involved volunteered to serve on the project. The following are members of the group:

- **Mark Goldblatt**, an independent consultant with over 17-years background in the non-profit co-op housing sector (serving as the Working Group's co-ordinator).
- **Niagara Peninsula Homes** represented by Betty Ann baker and Rhonda Eckhardt
- **CAW Community Development Group** represented by Marcel Lefebvre and Jund Lund
- **Community Homes of Southwestern Ontario** represented by Marnie Coulson
- **Lantana Non-Profit Homes Corporation** represented by Mary Schuchhardt, Toni Mulgrew and Chris Wilson
- **Tenants Non-Profit Redevelopment Corporation** represented by Jack DeKlerk
- **Mike Balkwill**, an independent consultant specializing in community development
- **Bill Lee**, associate professor of social work at McMaster University specializing in community organizing



## **APPENDIX I**

### **SUMMARY OF THE BY-LAWS**

**Atkinson Housing Co-operative**  
**A Summary of Organizational By-law**  
**Approved by members: October 28, 1999**

#### **Membership**

Only applicants who are sixteen years or older, are approved by the board and become residents can become members. Members cannot transfer their membership to anyone else.

All members of an applicant's household who are sixteen years or older, and intend to live in the co-op, must apply for membership or long-term guest status.

#### **Members' Meetings**

The co-op must hold annual members' meetings fifteen months from the last annual meeting or six months from the end of the co-op's fiscal year. The board must call regular members' meetings at least three times a year. Notice of members' meetings must be given to members at least ten days before the date of the meeting.

Rules of Order for running members' meetings are attached to this by-law as Schedule A.

#### **Member Control**

The board runs the business of the co-op. The powers of the members include electing directors, removing directors, approving the budget and housing charges, requisitioning directors to act and appointing the auditor.

Members may requisition a members' meeting under certain conditions. Section 79 of the *Co-operative Corporations Act* and By-law No. 1 contain these conditions.

#### **Board of Directors**

The board manages and directs the business of the co-op. The board can act only by a decision at a proper board meeting. A person must be eighteen years or older to be a director. Anyone who is an undischarged bankrupt or mentally incompetent cannot be a director.

Directors must be elected at a members' meeting. Members can vote only during a proper members' meeting. Voting is by secret ballot. Members must cast votes equal to the number of positions to be filled.

Each director must act honestly, in good faith and in the interests of the co-op at all times. Each director must keep confidential any private information about the affairs of the co-op, its members and staff.

Directors can resign, and members can remove any director before the end of the directors' term. The board can recommend that the members remove a director.

### **Officers**

The board elects a president, 2 vice presidents, secretary, treasurer and delegates to the Co-operative Housing Federation of Toronto and to the Co-operative Housing Federation of Canada. All officers will be elected at the first meeting after the board's election. The board can fill vacancies as necessary. All officers must be directors. A majority of the board can remove any officer for any reason at any time.

### **Staff**

The board hires employees to fill all staff positions. The board and the members must pass a special resolution if they want to employ an outside agency to provide management services. A permanent full time employee cannot live in the co-op.

The board is the final authority for the co-op in relation to employees. The employees work under the instructions of the general manager, who reports to the board.

### **Committees**

The board can create a committee, and a members' meeting can create a committee. Each committee reports to the board at least quarterly. A committee must have the authority from a by-law or from a motion passed by the board to spend any money, authorize any expense, enter into any contract or commit the co-op to any action.

### **Conflict of Interest**

All officers, directors, committee members and employees must carry out their duties honestly, in good faith and in the best interests of the co-op rather than in their own interest. There is a conflict of interest when someone benefits personally from a decision of the co-op. Article 9 of By-law No.1 covers conflict of interest of officers, directors, committee members and employees. It contains the procedures that must be followed when there is a conflict of interest.

### **Information and Confidentiality**

Members have the right to see their own personal files and financial accounts during office hours. They may have to make an appointment.

Sometimes directors or committees discuss confidential matters. All directors must keep these matters secret. This applies even when they are no longer directors, members of the committee or members of the co-op.

The minutes of meetings where the board discussed confidential matters must be kept in a separate section of the minute book. Only board members can see the confidential minutes. Directors and committee members should sign a confidentiality agreement.

### **Financial**

The fiscal year of the co-op starts January 1 and ends December 31. Every officer or employee in charge of handling money or securities and every signing officer must be bonded.

The members appoint an auditor at each annual members' meeting. The auditor stays in office until the members appoint another auditor. The auditor reports at the annual members' meeting on the financial statement of the co-op.

The president, the vice-presidents, secretary and treasurer will be signing officers.

### **Membership in Federations**

The co-op should become a member of co-operative federations and associations which support and promote co-operative housing.

**Atkinson Housing Co-operative**  
**A Summary of the Occupancy By-law**  
**Approved by members: October 16, 2000**

This is a summary of some of the most important rights and obligations of the Atkinson Housing Co-operative and its members. For more information, refer to the Occupancy By-law.

**Members' Rights**

The co-op gives members the right to live in their housing unit, use their parking space and use the co-op's common facilities.

**Housing Charges**

Each member must pay housing charges. They include all amounts that the co-op charges to members. Members must pay their housing charges on the first day of the month. Monthly housing and parking charges can be set only by a majority vote of the members at a members' meeting.

The co-op calculates the monthly housing charge as a whole. If more than one adult occupies a unit, they are each responsible for the full charges.

The co-op manager determines who is entitled to subsidy and the amount of the subsidy.

Members are expected to attend all general members' meetings and to take part in the activities of the co-op.

**Privacy**

Members have a right to privacy. The co-op may not enter a unit without the member's permission unless there is an emergency or proper notice has been given.

**Violence and Harassment**

The co-op is a community which includes all the residents and employees. Residents and employees must not commit violence against another person or harass another person in the co-op. The co-op does not tolerate domestic violence. Members who are victims of domestic violence can ask the board to evict any person who commits domestic violence.

**Maintenance**

Members must keep their units reasonably neat and clean. Members who damage co-op property are responsible for its repair. Members cannot make alterations and improvements unless they obey the *Maintenance and Improvements By-law*. Members must not change the locks on their unit, or add additional locks, without the permission of the co-op. When members move out of their unit, they must leave it clean and in good order.

## **Occupancy Rights and Standards**

The number of persons in a household may change. The member must give prompt written notice of the change to the co-op office. Members must agree to a credit check of any new person in their household. Members must be able to live independently and take care of themselves, or arrange for their care.

Members can have only a reasonable number of guests at any one time. Members must have the board's permission to allow a guest to stay for more than two consecutive months for a single visit. The board can allow members to have a guest for an indefinite period. These guests are long-term guests. Members and their guests must sign a Long-Term Guest Agreement.

All members must use their co-op units as their principal residence and personally occupy them. Normally, the income of long-term guests is to be included in the household income when a housing charge agreement is calculated.

Members must not profit from sharing expenses with anyone using their unit. They must not profit when they give up occupancy rights, or allow others to use their unit. Profit does not include guests or sub-occupants paying their fair share of the housing charges.

## **Members Who End Their Occupancy**

Members must give at least sixty-five days written notice. The notice period must end on the last day of the month. If a unit is vacant, the co-op can take possession.

## **Eviction**

The board can evict a member if the member:

- owes housing charges at the time of the board meeting,
- has been repeatedly late in paying housing charges, or
- has broken the by-laws in a serious way.

The board must pass a resolution by majority vote to evict a member. Before deciding to evict a member, the board must give a written notice to the member that there will be a meeting to consider the eviction. The member has the right to attend and speak or to present written material at the meeting. If the board decides to evict a member, it must give the member a written eviction notice. A member can appeal the board's decision to a members' meeting.

The co-op can sign a performance agreement with the member. If they do this, any outstanding decision to evict will be cancelled.

When the co-op serves documents to members about an eviction, it must give a separate notice to each member being evicted, and to any member who has left the unit.

## **APPENDIX J**

### **SUMMARY OF A DRAFT OPERATING AGREEMENT SUBMITTED BY THE ATKINSON CO-OPERATIVE**

#### **Term**

The term of the Operating Agreement begins on July 1, 2001 (the Commencement Date) and ends on June 30, 2049.

#### **Managing the Co-op**

The Co-op will manage, operate, maintain and repair the project. Well in advance of the Commencement Date, the Housing Authority will give the Co-op copies of

- an up-to-date rent roll
- financial statements for the last three years
- all leases and tenant files of all residents
- leases, files and other documents that relate to non-residential use
- any service, maintenance, laundry room or other contracts or similar documents
- all of the following that the Housing Authority may have:
  - plan of the survey
    - plans and specifications of original construction or repair
    - “as built” drawings
    - reports from staff or consultants
    - a list of equipment that is part of the Co-op other than fridges or stoves.

Confidentiality of residents’ personal information must be maintained as required by the Co-op’s by-laws.

#### **Residents**

Member residents will have occupancy agreements and must obey the by-laws of the Co-op. The Co-op will take over all tenancies and will be the landlord of all those who remain tenants by not joining the Co-op. The Co-op may vary these leases when they are renewable or for new tenants.

#### **Charges**

The Co-op will charge each resident a housing charge that is geared-to-income (4.3 contains an exception). Ministry Requirements set out how the Co-op must calculate the geared-to-income charge. Parking spaces will be \$30 extra. Residents who lived in the project before 1984 will not have to pay a parking charge. Future parking and

other charges will follow the Housing Authority's general policy that it uses in its similar projects.

### **Ceiling Charges**

The ceiling charge will equal the fair market rent. No resident will have to pay the housing charge if this is greater than the ceiling charge. This charge will be set at the Commencement Date and every three years after that date.

### **Residents who are not members**

Any resident that does not join the Co-op will receive the same privileges regarding accommodation as members. There will be no special charges. Note that the *Co-operative Corporations Act* governs members, and the *Tenant Protection Act* governs tenants. Normally any new residents must become members of the Co-op.

### **Filling vacancies**

The Co-op will fill vacancies by taking referrals from the waiting lists of Toronto Housing Connections. Before the Co-op accepts new residents, it may make the appropriate landlord and credit checks.

### **Overhousing**

The Co-op can require residents to move to another unit if their unit is too big or too small. It will not require any resident to leave the co-op because of a change in household size. The Co-op can evict any resident who refuses to comply with the co-op's requirements for moving into a unit of an appropriate size.

### **Budget**

The Co-op will submit a budget to the Housing Authority about four months before each fiscal year. The Authority and the Co-op will work together to settle and agree on a final budget. They will agree on the budget for the first year before the Commencement Date, and this budget will end at the end of the Housing Authority's fiscal year.

The budget will include dues normally paid for membership in the Co-operative Housing Federation of Toronto and the Co-operative Housing Federation of Canada.

### **Cash flow float**

The Authority will pay to the Co-op an amount equal to the deficit shown in the agreed budget. Instalments will be payable on or before the first day of the month to which they refer. The Authority will provide the Co-op with a cash flow "float" so that the Co-op can meet its obligations between instalments.

**Surpluses and deficits**

After the end of each year, there will be an adjustment based on a reconciliation of budget amounts with actual amounts. A balancing payment will be due from the Co-op to the Housing Authority or from the Housing Authority to the Co-op.

**Financial reports**

The Co-op will submit a financial report to the Housing Authority within four months of each fiscal year. This will include the audited financial statements.

**Staffing**

The Co-op will begin staffing and property management arrangements at the beginning of the term. These arrangements must be satisfactory to the Housing Authority and the Co-op.

**Community Centre**

Part of the project is a community centre. The Co-op may decide to have the centre managed through a separate Community Centre management committee and/or the Alexandra Park Residents Association Inc, which has charitable status. Any funds raised through fundraising efforts will not be part of the annual reconciliation.

**Use**

The Co-op will use the Project for the purpose of a non-profit housing project. The Co-op may use parts of the project for a store, a daycare centre and a learning centre, and any other non-residential uses that are being carried on at the Commencement Date.

**Care of the property**

The Co-op will be responsible for maintenance, equipment and repairs and alterations. It will make sure that they meet the standards of any government, municipality or utility that has jurisdiction, and the standards set out in 7.3 of this Agreement.

**Insurance**

The Co-op will carry property insurance for the full replacement cost of the project. Article 9 of this Agreement contains details of insurance and indemnity.



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