



Ideas and opinions  
on cooperative  
housing



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## Group Housing Cooperatives: The Expanding Alternative to Meet New Needs in a Changing Society

**By Jim Jones** In recent years, the cost of housing has increased much more rapidly than average salaries. While housing has always been a problem for low income wage earners (including students who don't have wealthy parents), it is becoming an increasing problem for young professionals. For many with college degrees, entry level salaries just don't go as far as they used to – particularly after making student loan payments.

Many in this group are single, unsure of what they want to do and where they want to do it, highly mobile, and in many ways lifestyles are still similar to those of students. Graduation from college can also mean the stress of a new job in a new city far from friends and familiar surroundings. Finding a new community is equally as important as saving money, and there's a clear understanding of the dangers of isolation in apartments.

An increasing number of recent graduates who have lived in student cooperatives are asking why the same model can't be used to meet their newer needs in the working world. While traditional "family" housing cooperatives, frequently subsidized townhouses or apartments, can fulfill some of these needs, the group housing model is far better at meeting others. In particular, they are able to

instantly bring a new member into a ready-made social group.

Because young people seldom plan to stay in jobs for more than a few years, equity accumulation in housing is rarely a concern. Renting is the realistic alternative, and the control that comes through group ownership is seen as a value to those who have spent years suffering under landlords or in university residence halls.

Even though the privacy of a room is important, the space of an entire apartment is generally not as important. Young, single people have fewer possessions and less need for space than those with spouses, children and years of accumulated "stuff." But this has always been true, while the realities of unaffordable rents and still higher down payments for ownership are relatively new. In a world where two income families are needed to support mortgage payments, later marriages are also becoming common. While the economics of a single life are not as bad as those of a single parent, they are clearly more difficult than in the past. While marriage brings more income and increased density in an apartment or home, the same can be accomplished by living with roommates – or in a cooperative.

The biggest difficulty of the group housing

### Student Co-ops: An Old Model Revisited

The history of student housing cooperatives reaches back nearly 140 years, to the 1870s. The student cooperatives have primarily used a group housing model, although there has been some development of apartments as well, particularly in Canada, Minneapolis/St. Paul, Berkeley and Portland. This paper focuses on group housing, however, both because it has been unique to the student model and because of its growing popularity as affordable housing for the general public.

The earliest student housing cooperative in the US was started at the unbelievably early date of 1873. The house was purchased by a group of women in Evanston, Illinois as a place for women to live while in college. Women had only recently been allowed to go to college, and housing was a particular problem. The house was supervised by the women and had a house mother, but the work was shared and there was some degree of self-determination in the operations.

This definition of "cooperative housing" as meaning "shared work" was adopted at many schools in the late 1800s and early 1900s, particularly for women's housing. However it wasn't until the Great Depression that this form of housing became seen as a way for students to stay in school. At the same time, the growing importance of other types of co-ops – particularly grocery, agricultural, rural electric and credit unions – meant that a new definition of "cooperative" as meaning "member-controlled" began to creep into student consciousness.

cooperative option is simply that there are almost none in existence for non-students. But the concept is beginning to spread, and perhaps 75% of new inquiries to NASCO and the Campus Cooperative Development Corporation are coming from non-student or mixed student and non-student (“community”) groups. Because they have few resources, these groups have a difficult time establishing new cooperatives. They can sometimes lease buildings, but ownership remains elusive. Banks will rarely work with such groups, and government programs will rarely assist them.

Most commonly, the group will lease a building.

### The Student Cooperative Difference

The early roots of the student housing cooperatives were quite separate from the mainstream of the cooperative movement, however, and despite convergence, the student groups have always had distinct differences from other housing cooperatives. The most striking differences are:

**An emphasis on self-management and member labor.** Even the earliest, university or community owned cooperatives had an interest in developing internal management structures. Often these groups would have power over a budget for food and utilities, with elected officers managing food purchasing, work schedules, accounting, etc. The degree of self-management would vary, depending often on the degree of paternalism in the sponsoring group or institution.

Almost invariably, however, there was a sense that democratic self-management of some type was a goal, and as the student groups became more independent, they also took on more and more responsibility, up to and including full ownership. Many smaller groups still own and manage their property with no hired assistance, often considering this a matter of pride.

Even in larger groups, almost no student cooperatives have seriously considered hiring management companies. Instead, they have opted to directly hire and supervise staff. Often boards and members have continued to perform a variety of management tasks even after staff are hired, preferring to do as much as possible with their own labor.

The organization of labor to do as much of the work as possible, whether administrative or household tasks, is a hallmark of these cooperatives. Cleaning, cooking and maintenance tasks are all done by members to whatever degree is possible, in addition to planning, accounting and other work. Substituting member labor for hired labor saves money, but it is also seen as a value in itself.

**An emphasis on community.** While many members join these cooperatives to save money, others join (and almost all stay)

In other cases, one or more members may buy a building in their own name and lease to the group. Both of these models are unstable, and the co-ops tend to have short life spans. Sometimes a group will find a way to purchase a building, but they almost always become “stand-alone” co-ops, rarely using their equity to expand.

There are a few important exceptions to this general rule. One is the Madison Community Cooperative, which started as a student cooperative but evolved into a mixed membership, even including single parents and children. Because they were already an expansion oriented, multi-site cooperative, they were able to continue growing to serve more people in Madison.

A second exception is Stone Soup, a cooperative in Chicago which began as a non-student rental group in an old Catholic residence. They have now expanded through the purchase of two houses and are quickly becoming a model for group-based, multi-site development that could be used by others. Another group in Chicago is the Cooperative Living Laboratory of the Keystone Ecological Urban Center.

The largest exception is NASCO Properties, a national title holding corporation originally organized by NASCO to purchase property for student cooperatives. In three of its six locations, however, NASCO Properties is leasing to community based groups, including many non-students. Because the purpose of NASCO Properties is expansion, it’s likely that this will be increasingly true.

If these exceptions become more of the norm, then it is possible that a rapid expansion of this kind of housing could occur. There are no government programs to assist this kind of group housing, but the student model has always relied on self-help. Zoning and housing ordinances are often obstacles to development of group housing cooperatives, and yet they have increasingly found ways to exist in a NIMBY world. The biggest stumbling blocks are financial, however expansion oriented models can produce a substantial number of units over time.

As the housing needs of this new group of non-students grows, and as group living becomes seen as an acceptable alternative, it’s likely that cooperatives once again will become a means to an end. People working together can accomplish amazing things. Students have developed a successful model over more than a century, and it can be adapted to meet the new needs of our time. It’s truly a time to expand our vision. **CHB**

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### The Student Cooperative Difference

because of the strong communities which are formed. The group interactions include both decision making and labor, which together may take up to six or seven hours per week, depending on the cooperative. This investment of time and energy almost always results in a strong sense of community, although it is also true that personality conflicts or strong disagreements within the group can also tear it apart.

The shared work is an important element in this community building, and this is the primary reason, aside from savings, that it is valued. In particular, periodic “work holidays” where all members work together on larger projects can bring a group together. House meetings, parties, and (in some co-ops) sports teams, educational events and community service projects are all valued for their community building aspects.

These cooperatives differ from other housing co-ops in that the labor – and sometimes house meetings – are required. This contribution of time is understood to be integral to the success of the cooperative, both as a business and as a social entity. And success as a community is seen as perhaps the most important of the two.

**A group equity model.** While debates rage in the broader cooperative housing sector over limited vs. market equity models, this has never been a concern of students. Students generally stay in cooperatives for a few years, and the concept of housing as an investment is simply foreign to their experience. If there are membership fees or member shares, these are generally small. Shares sometimes substitute for security deposits and are handled and returned in similar ways.

Coupled with rapid turnover, this lack of equity investment leads members of student groups to relate to the group in a slightly different way than do members of other housing cooperatives. Specifically, they regard themselves as stewards of an on-going entity base which is very separate from themselves. As time passes, this sense of the cooperative as an identity separate from that of the short term members becomes stronger and stronger. There is a general acknowledgement that others who came before made the cooperative possible for the current group, and that there is a responsibility on the part of that current group to protect and improve the cooperative for future residents whom they will never know.

**Expansion to serve an increasing number of members.** While some student housing

cooperatives will begin with a single building and continue that way forever, many others begin with an ethic that places expansion over even low cost. This idealistic approach has led to the large, scattered site systems found at many universities around the U.S. and Canada. Examples include the University Students Cooperative Association in Berkeley, with over 1,200 members; Riverton Community Housing in Minneapolis; the Inter-Cooperative Council at the University of Michigan; College Houses in Austin, Texas; Campus Co-operative Residence Inc. in Toronto; Science '44 Co-operative in Kingston, Ontario and many others.

This interest in expansion to serve an increasing number of members is related to the zero-equity model and the sense of a cooperative identity separate from the current membership. In many cases, the equity, which accumulates as mortgages are paid down can be accessed through refinancing, providing money for down payments on new property. Other groups charge themselves special fees or charges which accumulate in development funds for down payments. In some cases, members in older properties will raise their own charges to subsidize the mortgages on a new property.

Expansion of this kind is almost unheard of in the broader cooperative housing movement, but in the student cooperative sector it is critical to success. Outside assistance by the government or by university administrations has rarely been available, and self-help has been the only way for development to occur. In those cases where colleges and universities have purchased or built housing for cooperatives, the costs for the group have included both heavy regulation and an insecure future. All of these factors have pushed the student groups toward a determined emphasis on self-reliance and expansion.

**Inter-dependence and support.** Since the late 1980s, the larger group housing cooperatives around the United States and Canada have been heavily involved with expansion. Both the Campus Cooperative Development Corporation (CCDC) and NASCO Properties were developed as movement supported tools to assist with development in places where student cooperatives did not yet exist. These complemented the educational and outreach efforts of the North American Students of Cooperation (NASCO), formed two decades earlier. The older, more established groups have contributed and thousands and

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thousands of dollars to support these CCDC, and loaned many thousands more to NASCO Properties to assist in the purchase of buildings for lease to local cooperatives.

Meanwhile, the Kagawa Fund, a loan fund administered by the Cooperative Development Foundation to assist with the development of new student cooperatives, was also created. While the original capital for this fund came as a contribution from the Japanese cooperatives, the corpus has been greatly increased through contributions and loans from other student housing cooperatives.

**Savings and a sense of community through increased density.** In the early days, student housing cooperatives were often in rooming houses, which were the norm for campus areas. The group would simply rent or purchase a whole house instead of individuals renting single rooms. Cooperative dining, in

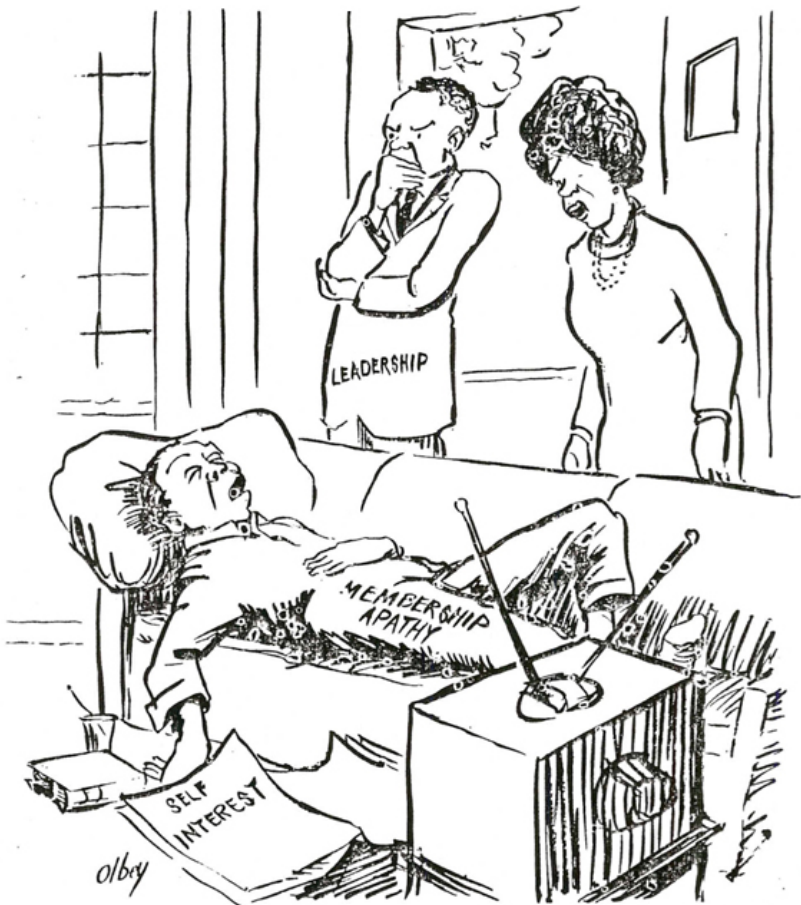
place of eating out or individual cooking in a common kitchen helped the group to develop social and governance systems as well as saving money and labor.

As rooming houses were converted by investors to more easily managed apartment houses in the post-World War II era, this became increasingly difficult. Moreover, society came to regard rooming houses as inherently unsafe and undesirable. Zoning laws and housing codes increasingly made this kind of "single room occupancy" housing difficult to own, much less to build. Problems with fraternities also became more common, and cooperatives were often tarred with the same brush by communities fearing for their children and their property values.

Nonetheless, rapid turnover of members meant that strong communities were vital for success in student cooperatives. And for many, the strong communities that were forged were equally important to the savings of cooperative living. Beginning in the 1960s, many cooperatives began to look for ways around the zoning laws which would allow them to exist and expand.

An early example of this was found in East Lansing, Michigan where a co-op sold their old building and purchased a 5 unit apartment building built shortly after the War, in the late 1940s. They constructed a kitchen and dining room in the basement and increased density by simply converting all of the smaller kitchens into bedrooms. This resulted in a 17 bedroom house, with 23 members, arranged in five suites. Other examples of this kind of conversion to higher density use abound. They range from a duplex in Texas which was converted to a 7-bedroom home (including the conversion of an interior garage into two bedrooms) to the recent conversion of a 12-unit apartment building in Chicago into a 52 room cooperative.

While cooperatives in other sectors are often amazed at the extent to which the student cooperative movement works together, this is perceived as normal behavior among the student groups, who believe that they have a debt to the past for their own success. Making that same opportunity possible for others is a source of pride and excitement for those involved. **CHB**



**"If we could just think of some way to wake him up and not make him mad!"**

DRAWN BY W.R. OLBHEY WHILE A MEMBER OF THE CHATHAM PARK VILLAGE COOPERATIVE, CHICAGO, IL