

# SECTION VIII

# HISTORY

*In This Section:*

*An interesting look at the history of Co-operative Housing, spanning from its early roots in mid-1800s England to Shamrock's founding in 1990.*



**SHAMROCK CO-OPERATIVE HOMES INC.  
MEMBER HANDBOOK - SECTION VIII - HISTORY**





SHAMROCK CO-OPERATIVE HOMES INC.  
MEMBER HANDBOOK – SECTION VIII – HISTORY



# TABLE OF CONTENTS

## A. HISTORY OF THE CO-OPERATIVE MOVEMENT

*In England*

*In Canada*

*Co-operative Housing Federation of Canada*

*Co-operative Housing Association of Ontario*

## B. HISTORY OF HOMESTARTS INCORPORATED

*Project Development Services*

*Member Development Services*

*Contact Info*



**SHAMROCK CO-OPERATIVE HOMES INC.  
MEMBER HANDBOOK - SECTION VIII - HISTORY**





SHAMROCK CO-OPERATIVE HOMES INC.  
MEMBER HANDBOOK – SECTION VIII – HISTORY

## A. HISTORY OF THE CO-OPERATIVE MOVEMENT

### IN ENGLAND:

The year was 1844, and Rochdale was a dirty industrial town in the heart of England's manufacturing area. Men, women, and children worked in factories under oppressive conditions. After an unsuccessful strike, twenty-eight weavers decided to set up a co-operative store to help each other during those hard times.

They drafted eleven principles of co-operation and began to raise capital. Each member contributed one pound over a period of several months. Finally, they rented a tiny store on Toad Lane and opened for business.

The Rochdale Pioneers were successful. Many people decided to shop co-operatively, and soon they became (as they are today) one of the largest retailers in town. More importantly, their ideas spread and formed a model for successful co-operatives. Soon, co-operatives were developing all over Europe.

In 1864, Friedrich Raiffenson started the first credit union of the type we know today. Another kind of co-op idea caught on and spread.

The movement grew and reached into virtually every sector of the economy: food, finance, agriculture, housing, insurance. The larger it grew, the more clearly the need was seen for an international organization to aid new co-op development and encourage mutual self-help within the movement.

For this purpose, the International Co-operative Alliance was formed in 1895. Among the principles adopted by the I.C.A. are some that are particularly applicable to housing co-operatives:

1. **Democratic Control** - *Co-operatives are democratic organizations that are administered by people elected or appointed by and accountable to the members. They are operated on a "one member, one vote" basis.*
2. **Co-operative Education** - *It is vital to the success of the co-op that all members be informed of and trained in the principles and techniques of co-operation.*
3. **Co-operation Among Co-operatives** - *In order to best serve the interest of their members and their communities, co-operatives should work together toward mutual goals at local, national, and international levels.*



SHAMROCK CO-OPERATIVE HOMES INC.  
MEMBER HANDBOOK – SECTION VIII – HISTORY



**IN CANADA:**

The Canadian co-operative movement began in 1900, when Alphonse Desjardins started North America's first successful credit union in Levis, Quebec. Credit Unions and caisses populaires in Canada now have assets in the billions; there are over 1200 credit unions in Ontario alone.

Around and after the turn of the century, agriculture co-operatives such as United Co-operatives of Ontario were banding together to buy farm supplies. (Gay Lea is one of the brand names used by farm co-operatives.) The early 1920's saw the formation of co-op creameries and wheat pools.

The Co-operative Union of Canada was formed in 1901 to encourage sharing of information, mutual self-help, and concerted actions among the co-op organizations. It was the large farm co-ops, particularly in the west, that provided the main political thrust to the movement. In fact, the Co-operative Commonwealth Federation (C.C.F.) grew into one of the three main political parties of Canada, the New Democratic Party.

The 1930's saw the birth of the building co-op and the continuing housing co-op. Building co-ops are those incorporated for the bulk purchase of materials and constructions services. Once the houses are built, the co-operative dissolves and the members own their houses individually. This type of co-op is popular particularly in the Maritimes, Quebec, and Saskatchewan.

In a continuing housing co-operative, the group not only builds or acquires the buildings, but continues to own or lease them. Members have right of occupancy, but no individual ownership.

Aside from student housing co-ops that began to appear on university campus in the Thirties, the first continuing co-ops was Willow Park, built in Winnipeg, Manitoba in 1964. Between 1964 and 1970, eight more family projects were built, including Alexandra Park Co-op in Toronto and Ashworth Square in Mississauga. As the Seventies approached, rising land and construction costs made financing co-ops more and more difficult.

The supporters of the co-operative movement began arguing for legislative changes which would make financing easier. Finally, in 1973, a number of amendments to the National Housing Act gave a preferred rate of interest to non-profit housing co-operatives.

From 1973 to 1978 more than 100 co-operatives were developed across Canada. The concentration, however, was in Ontario, Quebec, British Columbia, and Alberta. This was primarily because these provinces piggybacked another subsidy on top of the Federal government's subsidy. This meant co-operatives could be viable in large urban centres. The programme did not work easily in provinces without provincial participation.



**SHAMROCK CO-OPERATIVE HOMES INC.**  
**MEMBER HANDBOOK – SECTION VIII – HISTORY**

Thus, in 1978 the Federal government held a program review in order to develop a universal program not dependent on provincial participation. Under this programme co-operatives were developed across Canada in greater numbers than ever before.

With growth comes recognition, and the co-op movement has taken its place as the "third sector" of housing, being neither "public" nor "private" in nature.

One of the factors contributing to the growth of this third sector was the support and energy committed by such organizations as the Canadian Labour Congress and the Co-operative Union of Canada. Their joint committee, the National Labour Co-operative Committee, worked very hard to get funding for housing co-ops from Canada Mortgage and Housing Corporation and to involve churches and credit unions in the process.

**CO-OPERATIVE HOUSING FOUNDATION OF CANADA:**

In 1970, that Committee formed the Co-operative Housing Foundation (C.H.F.), a resource and special interest group to promote the co-operative concept and lobby in favour of the 1973 amendments to the National Housing Act. Another important mandate of the Foundation was to encourage the establishment of regional resource groups at the local level to assist with the development of non-profit housing co-ops. (One of these resource groups, Homestarts Incorporated, assisted in the development of your co-op.)

C.H.F. is an organization of housing co-ops and related groups, which include local associations of co-ops as well as resource groups. C.H.F. members work together in a network whose purpose is two-fold: (1) to ensure the effective operations of housing co-ops, and (2) to develop new co-ops.

C.H.F. played a fundamental role in negotiations that resulted in the 1978 "56.1" program and the Federal Index-Linked Mortgage program which succeeded it in 1986. It continues to monitor legislative activities that can affect the sector and the member organizations.

**CO-OPERATIVE HOUSING ASSOCIATION OF ONTARIO:**

In 1986, the new Liberal Government of Ontario announced its intention to expand its non-profit housing program to include co-operatives.

This was greeted with mixed joy and fear by the co-op sector. On the one hand, the sector was encouraged to hear that the Province would provide much needed co-op housing. On the other hand, it was not encouraged by the history and reputation of the Ontario Housing Corporation. O.H.C. had delivered many affordable housing projects which appeared to be slum ghettos of poor people. The management of many of these projects did little to foster a feeling of belonging among the residents.



**SHAMROCK CO-OPERATIVE HOMES INC.**  
**MEMBER HANDBOOK – SECTION VIII – HISTORY**



The co-op sector wished fervently to prevent the co-operatives developed by the Ontario Ministry of Housing from suffering the same fate. So, the Co-operative Housing Association of Ontario (C.H.A.O.) was established in 1986, with offices and staff in Toronto and a mandate to play a role in Ontario similar to that of C.H.F. nationally.

C.H.A.O.'s membership is made up of delegates from local federations of housing co-ops, resource groups, and staff associations. At this writing (1990) C.H.A.O. was monitoring and participating in the development of the Federal/Provincial program, Homes Now, Project 3000, Project 3600, and all such Provincial initiatives in an effort to improve and enhance the nature of non-profit housing development in Ontario.



SHAMROCK CO-OPERATIVE HOMES INC.  
MEMBER HANDBOOK – SECTION VIII – HISTORY

## **B. HISTORY OF HOMESTARTS INCORPORATED**

In 1975 the Social Planning Council of the Peel Region recognized the urgent need for affordable housing for families and established a housing committee to study the issue. After long study, the committee released a report concluding that co-operatives provide the most effective form of affordable housing. The committee decided to take action to promote co-op housing in Peel, and in 1977 they established Terra Cotta Housing Co-op.

In 1978, the committee became incorporated as a non-profit resource group called Homestarts and began operating under a Community Resource Organizations Program start-up grant. Since this beginning, Homestarts has worked on a fees-for-services basis on a scale set by C.M.H.C, assisting local volunteers in planning and development of co-operative communities.

After Terra Cotta, Homestarts developed Midwich Co-op, both funded under a Federal-Provincial agreement. These were followed by 16 projects under Section 56.1 of the National Housing Act. At this writing (1990) over 2,000 units have been completed and a further 800 are underway or are being planned. Some of these are being funded Federally and some Provincially. They are located in the regions of Peel and Halton, Metro Toronto, and such other communities as Brantford, Orangeville, Tottenham, Alliston, Cambridge, and Kitchener.

### **PROJECT DEVELOPMENT SERVICES:**

During the initial phase of a project, Homestarts assists with land search and purchase, site planning, and unit designs. It co-ordinates the services of architects, engineers, lawyers, and other consultants. It secures government approval and financing, as well as negotiating on behalf of the Co-op. When construction is underway, Homestarts monitors site progress and provides budget control. It assists with marketing, introduces office systems and sound financial management practices.

### **MEMBER DEVELOPMENT SERVICES:**

Member development services include a broad range of learning opportunities provided to volunteers in emerging and established co-operatives. Workshops and experiential training are designed and presented by Homestarts staff for members who want to participate effectively in the ongoing management and operation of their co-operative. In addition, Homestarts provides information on co-operative development in the areas it serves.

Homestarts consulting staff has a wide range of experience in the areas of housing design, financial planning, project administration, community development, and organizing. Additional staff is hired on a contract basis to augment these skills when necessary.



**SHAMROCK CO-OPERATIVE HOMES INC.  
MEMBER HANDBOOK – SECTION VIII – HISTORY**



Homestarts operates with a volunteer Board of Directors whose members reflect the sector it serves. They include trade unionists and professionals as well as co-op sector activists.

**FOR MORE INFORMATION CONTACT:**

**Homestarts Incorporated**

6535 Mississauga Road

Mississauga, Ontario

L5N 1A6

<http://www.homestarts.org>

**Telephone:**

1-877-858-1110

**Fax:**

905-858-5040

[info@homestarts.org](mailto:info@homestarts.org)