

**Is Cooperative Housing Still the Answer? : A Case Study of the Cedar Riverside
Neighborhood in Minneapolis.**

By

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A Master Project submitted to the faculty
of the University of North Carolina at Chapel Hill
in partial fulfillment of the requirements
for the degree of Master of Regional Planning
in the Department of City and Regional Planning.

Chapel Hill

2002

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Table of Contents

Executive Summary	2
Introduction.....	2
Literature Review.....	4
A Rich History	10
Where the Co-ops Stand Today	14
Survey Instrument.....	16
Survey Implementation.....	16
Phone Survey	16
In Person Survey	17
Survey Results	20
As Compared to Birchall’s Criteria	20
In Regards to All Residents	21
In Regards to the Immigrant Residents.....	22
Data Analysis.....	24
Length of Tenure.....	24
Table 1: Participation vs. Length of Tenure	24
Table 2: Knowledge vs. Length of Tenure	25
Table 3: Satisfaction vs. Length of Tenure.....	26
The Effects on Participation.....	26
Table 4: Satisfaction vs. Participation	26
Table 5: Knowledge vs. Participation.....	27
The Immigrant Presence	27
Table 6: Knowledge vs. Language.....	28
Table 7: Participation vs. Language.....	29
Table 8: Satisfaction vs. Language.....	29
Recommendations.....	29
References.....	34
Appendices.....	37
Resident Letter	
Survey Instrument	

Executive Summary

Cooperative Housing has a long history of providing affordable housing in the United States and abroad. The cooperative housing tenet of democratically based resident control helps to keep rents low and encourages member empowerment. Over time, many cooperatives face challenges in remaining both financially and socially viable. Many factors such as neighborhood demographics or adherence to basic cooperative principles are thought to contribute to the success of cooperatives.

This paper adds to the collective cooperative knowledge by examining whether cooperative's can serve immigrant populations effectively. The research is based on a literature review and a survey analysis of the Riverside Cooperatives in Minneapolis, Minnesota. The survey results indicate that while the Cedar-Riverside cooperatives are indeed struggling, the problems are due to a departure from the core operating principles rather than the presence of immigrant residents.

Introduction

Central cities have been in transition since the turn of the last century. Once booming industrial and cultural centers became overcrowded and polluted, encouraging wealthier families to seek refuge further and further away from the core. Over the years, this exodus, fueled by policies such as federally insured home mortgages and the National Highway Act, eroded the tax base of inner cities. Consequently, once thriving central cities have seen decreases in services and deterioration in housing stock. Not everyone has been able to escape the erosion of the central city. A combination of economic and racial barriers confined low-income, minority populations to urban areas.

Over the past decades, municipalities have adopted various approaches to address the ills associated with urban change. Cooperative housing is one such approach. Cooperative housing has been in existence across the United States for decades (NAHC 1980). Many co-ops have been quite successful in providing affordable housing options and continue to thrive today. Other cooperatives have floundered and struggle to remain financially and socially viable. The reasons for a particular cooperative's success or failure are undoubtedly as diverse as the various communities they are located in. Demographic, economic and social trends all conspire to create unique cooperative "cultures".

One such cooperative culture exists in the Cedar Riverside neighborhood in downtown Minneapolis, MN. This neighborhood has seen a dramatic shift in its demographic make up as scores of immigrants have established themselves in the community. At the same time the cooperatives have been struggling to remain viable as participation levels have fallen and budget shortfalls have placed the project in jeopardy. This paper will examine the cooperatives in Cedar Riverside to determine if the co-op model is still a feasible solution despite the challenges it faces today. First of all the paper will present a review of the current literature on the topic, next the paper will present a brief history of the cooperatives in Cedar-Riverside, this will be followed by a discussion of the survey design. In the final section, we present results and propose recommendations to examine the viability of the co-op model for immigrant populations.

Literature Review

The literature on cooperative housing approaches the subject from a number of angles. Most commonly, authors have written about the principles and benefits of the cooperative model particularly in providing affordable housing. Additionally, a number of researchers have presented case studies of both thriving and struggling cooperatives and the reasons behind their success or failure. Much of the literature was written during or reflects upon the 70's and 80's, the height of the cooperative movement. The cooperative ideals of resident control and community resonated with the hippie and beatnik cultures of that era.

There is a noticeable lack of literature on the state of cooperative housing communities today. Modern cities are changing as young professionals look to adopt urban lifestyles and thousands of new immigrants arrive escaping economic hardship and political turmoil at home. Is the cooperative model still a viable means to address affordable housing needs given the new face of American cities?

Beyond failing to address the current state of cooperative housing, the literature also falls short in dealing specifically with immigrants and whether or not cooperative housing is an appropriate method of meeting their housing needs. While cooperative housing has been in existence since the early 1900's and undoubtedly housed new Americans, does it remain viable for today's immigrants? In an effort to address the gaps in cooperative housing literature, I will begin by presenting what the literature does offer.

Cooperative housing has a long tradition of providing affordable, resident controlled housing both abroad and in the United States. The Amalgamated Clothing Workers of America sponsored the first large new construction cooperative in New York

City in 1926 (NAHC 1980). While there are various cooperative models, the basic concept gives residents control over their living situations through a democratic process. The literature is rich in examples of both thriving and struggling cooperative communities. Through the research we have attempted to outline the essential elements of a successful housing cooperative. In much of the literature one common theme emerges, the importance of the basic operating principles. Thriving cooperatives typically follow these principles closely while struggling cooperatives have fallen short in some or all aspects (Wadsworth 2001).

Most housing cooperatives are built on a common foundation of governing principles. These basic principles, known as the Rochdale Principles, were developed in the mid-1800. They are:

- Open and voluntary membership,
- Democratic control, one member one vote,
- Limited interest on capital,
- Ongoing member education and
- Cooperation between cooperatives (Birchall 1988; Hands 1975; Franklin 1981; Meeks 1981; NAHC 1980).

While these principles have been adapted over time, the essential spirit and purpose have remained the same. Typically, success is measured against how closely the cooperatives adhere to their basic principles.

Johnston Birchall in *Building Communities the Cooperative Way* establishes a framework for evaluating cooperatives. His framework is rooted in the Rochdale principles and provides six key variables for evaluation: participation, extensity, duration, adequacy, intensity and purity (Birchall 1988). We will walk through each of these variables and briefly address how they pertain to the success of a cooperative.

Regarding participation the important question is: how committed are the residents? Birchall describes five types of individuals: true believers, freeloaders, skeptical conformers, holdouts and escapees. Beginning with the true believers, the range of commitment gradually declines until you reach escapees, individuals who seek the next opportunity to leave the cooperative. Obviously the greater percentage of true believers, the more successful the cooperative will be. Co-operatives are ultimately democratic organizations and like any true democracy, they depend on participation. How much time a member devotes to the cooperative is tied to how much control they exercise over the cooperative.

A committed core of strong leaders willing to invest considerable amounts of time to shape and direct the cooperative is essential. This leadership, however, can do little without a cadre of members to support their efforts. Resident volunteers are needed to sit on various committees to develop and ultimately vote on policies. Weak participation levels undermine the cooperative atmosphere. Many cooperative models have a selection process where residents are able to interview and choose their potential neighbors. This process provides a forum for members to explain the cooperative concept and ideals to newcomers and thereby helps to ensure that the cooperative culture remains strong. The use of incentives to lure less active members into participating is a common practice. Some examples are combining meetings with social events or establishing a reward system that gives members points for attending meetings.

Birchall's second variable, extensity, refers to the size and geographical concentration of the group. Some researchers feel that the greater the size, the fewer members will want to take part. As size grows the process becomes increasingly

impersonal. Conversely, too small a group can pose difficulties in recruiting active participants. Generally, it is recognized that smaller co-ops foster higher participation and can be cheaper to run as there is no need to hire workers to compensate for a drop in volunteer help (Birchall 1988). Cooperatives that are geographically dispersed tend to experience difficulties in generating participation as members are faced with a lack of cohesion and are less able to identify with the co-op. Essentially, the ideal coop structure is compact or concentrated within a few neighborhood blocks and small enough so that the members can gain a sense of familiarity and shared purpose.

Thirdly, duration refers to how long a cooperative has been in existence. With older cooperatives there is a risk that the organization will become entrenched as bureaucracy grows and a few individuals monopolize leadership positions. Older co-ops often mean more long-term members. This can be both positive and negative. Having long-term residents can insure institutional memory imparting stability to the cooperative culture. Conversely, a high percentage of long-term residents may produce apathy and stifle creativity. A fine line exists between too much and too little resident turnover. A healthy mixture of experienced residents and new energy is ideal.

Adequacy considers how well a cooperative is serving its members. Does the cooperative enable its members to achieve their common goals while still serving the needs of the individuals? Care should be taken so that adequacy does not become a level beyond which members become complacent. By establishing a threshold by which to judge performance, the risk arises that leadership will strive for that standard and become unresponsive to needs beyond that. Open communication can assure that the cooperative remains committed to the residents concerns.

Intensity measures the level of commitment that members feel towards each other and towards their community. Intensity can be measured in regards to four concepts: conditions, means, sense of community and outcomes (Birchall 1988). Do the existing conditions lend themselves to intensity (i.e. a small scale, adequate meeting facilities, common areas that encourage interaction and settled populations)? Are the means available to encourage intensity for instance, regular meetings and social events? How strong is the sense of community and how is it expressed? Do the conditions, means and sense of community lead to an atmosphere of mutual support? Cooperative supporters propose that the greater the intensity, the greater the participation.

Burchall's sixth and final evaluation variable is purity. This refers to how committed a cooperative is to the Rochdale principles that were outline previously. While adhering to the basic principles is important, it is equally important to realize that cooperation is a dynamic process. Striking a balance between order and chaos is essential, as neither extreme is effective. Members should develop a basic framework that defines the character of the cooperative but provides opportunity for adaptation.

Much of the literature looks at specific cooperatives to gauge their success (Andrews 1976; Bader1999; Burns 1981; Cooper 1992; Franklin 1981; Fuerst 1979; Hands 1975; Kolodny 1973; Martineau 1981; Street 1992; Van Ryzin 1994; Weeks 1999). The themes of participation and education reoccurred frequently as benchmarks. The thriving cooperatives were those with a large percentage of well-informed and active members. Burchall's six variables refer to both participation and education but delve even further by offering other variables that also play a role in defining a cooperative's success. So far, the literature has provided us with the terminology to discuss the key

aspects of a strong cooperative. Now we will examine what the literature tells us about the specific housing needs of immigrants.

One of the most telling items in the literature stated that making broad generalizations about immigrant experiences, particularly African immigrants, is difficult as their cultures, traditions and histories are incredibly diverse (Owusu 1999). This underscores the importance of working closely with any group of immigrants to learn about their particular culture and ascertain their unique housing needs. Immigrant families typically have non-traditional households where parents and relatives may all live under the same roof (Myers 1996; Schill 1998). Most planning and zoning codes do not recognize these extended households as acceptable (Murray 1998). As a result rental units and single- family homes are rarely built with more than three bedrooms.

Immigrant families are forced to live in overcrowded conditions or split their families up and incur economic hardship and emotional distress. Lastly, retaining one's ethnic identity is central to many immigrants today. This integrative approach is distinctly different from the assimilative, or melting pot, mentality that characterized earlier immigration (Heskin 1996; Newbold 1999). Neighborhoods that allow immigrants to maintain a sense of their identity and foster their social networks are critical to their wellbeing

Cooperative housing and its focus on resident control can empower members and teach valuable leadership skills that are central to immigrants as they struggle to become self-sufficient in this country (Bratt 1991; Sazama 2000). The low rents associated with co-op living can lead to capital accumulation, an essential aspect of self-sufficiency. The sense of community that is fostered through sharing a collective purpose will help to

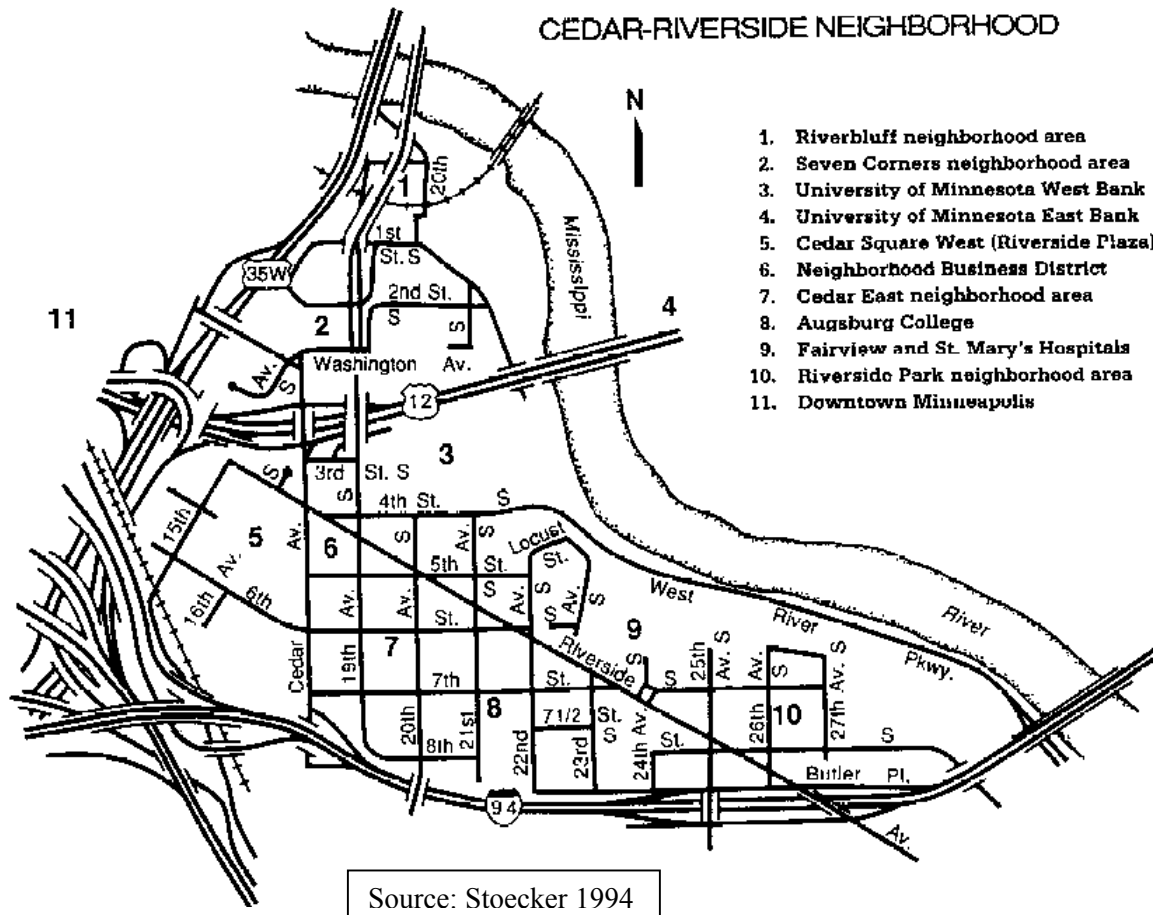
establish a social network that can support immigrants as they adapt to life in the United States (Ponizovsky 1997). Cooperatives create a healthy political environment where immigrants gain experience that can lead them to become involved in the greater community (Street 1992). While cooperative housing is an old concept, it has not become a common practice in this country. The cooperative housing movement in general would benefit from wider publicity but specifically targeting marketing and outreach to immigrant groups will help explain how the principles and merits of cooperatives apply to their experience (Ratner 1996).

As outlined above, the literature adequately addresses the principles of successful cooperatives and evaluates many cooperatives created during the cooperative boom of the 70's and 80's. The literature is less extensive in regards to how housing cooperatives are fairing today and more specifically how and if cooperative housing is appropriate for immigrant populations. In the remainder of this paper, we will examine a group of cooperatives in Minneapolis. These cooperatives present a unique case study. They provide an opportunity to examine cooperatives that grew out of community activism, have survived over the past twenty years and now face great change due to an influx of east African immigrants.

A Rich History

Cedar Riverside has long been home to immigrant populations. Situated on the west bank of the Mississippi River, the area attracted Scandinavian immigrants who worked in the flourmills and lumberyards that lined the river. In the early 1800's, newcomers established thriving businesses, built homes for their families and the

neighborhood prospered. In the late 1800's the old milling and lumber economy began to fail. In response, Minneapolis began developing a diversified industrial base with firms such as Minnesota Mining and Manufacturing (3M) Electric Thermostat Company (Honeywell) (Stoecker 1994). The development that accompanied the economic transition had a great effect on Cedar-Riverside. Two major highways were built essentially cutting the neighborhood off from downtown and the University of Minnesota expanded across the Mississippi river onto the west bank applying pressure on the Cedar-Riverside Neighborhood (see map below). The community retained its neighborhood character but institutional pressures along with an aging housing stock threatened its viability.



In the late 60's the city of Minneapolis, encouraged by visions of urban renewal, developed a plan to level the single-family homes and replace them with a high rise "New Town in Town" development (Stoecker 1994). One high rise, Riverside Plaza, was built and ten more were to follow. Neighborhood residents balked at this plan. They foresaw the loss of their affordable housing and the destruction of their historic and quaint community. Neighborhood activists came together in protest. After a decade of political battles, they were successful in stopping the project. A revised renewal plan was developed based on community solutions. The resident's priorities were; community control, housing for people not profit, no displacement of low-income people, and the preservation of the historic character. Residents opted to rehabilitate the single-family homes and form housing cooperatives. They saw co-ops as an ideal combination of the best aspects of homeownership and renting. From homeownership they adopted the ideal of resident control and from the rental concept they adopted the ability to use money from tax credit investors. The West Bank Community Development Corporation (WBCDC) was created in 1975 to raise money and facilitate the process. Eventually five distinct coops were formed. The coops were not organized by geography but rather in an adhoc manner as funding became available. As a result the homes that make up each cooperative are actually separated by several blocks. Surprisingly this separation did not hinder the success of the cooperatives. Each coop came together and created distinct identities.

The initial success of the cooperatives was largely due to the activist atmosphere within the neighborhood. The cooperative culture thrived and members became increasingly connected to their community. Unfortunately the success did not prove to be

sustainable. Resident boards adopted a short-term approach by minimizing rent increases and neglecting routine maintenance. As a result, there was no reserve fund to pay for the maintenance and upkeep. The properties began to deteriorate and financial insolvency became a real threat. The 90's saw the cooperatives struggling to remain viable.

Aside from financial difficulties, the cooperative culture began to suffer. The original support base of student activists and hippies began to leave the neighborhood after graduating or marrying and starting families. Their departure was fueled by the shortage of homeownership opportunities in the neighborhood. As resident's preferences shifted from rental living to a desire for ownership and the chance to build equity, they were forced to look outside of Cedar-Riverside. As these residents moved on, there was no shortage of individuals looking to replace them. The difference was that the majority of these people moved to the neighborhood in search of affordability rather than cooperative housing.

Ethiopians began to move into the neighborhood as early as 10 years ago and Somalis within the past 5 years. Commonly immigrants, particularly new arrivals, establish ethnic communities to ease the transition into American life. As a reflection of this tendency, the Cedar-Riverside neighborhood has grown into one of the largest population centers for East African immigrants in the United States. Cedar Avenue is lined with ethnic shops and restaurants and glimpsing a pedestrian in western clothing is fast becoming an anomaly. The high-rise towers of Riverside Plaza are home to thousands of Ethiopians and Somalis. Many of these families are looking to move to the low rise and single-family dwellings of the cooperatives. While immigrants occupy only

a quarter of the 191 cooperative units, the majority of families on the waiting list are Ethiopian and Somali.

Where the Co-ops Stand Today

The neighborhood continues to serve as an important source of affordable housing in Minneapolis. Section 8 funds 103 of the 191 cooperative units. Riverside Plaza, the only remaining evidence of the urban renewal plan and a largely subsidized development, houses approximately half of the neighborhood's population. The single-family homes, tree lined streets, parks and perhaps most importantly, the proximity to downtown, two universities and one major hospital continues to attract low-income individuals and families. The cooperatives play a vital role in providing desirable affordable housing. Waiting lists of over a year for vacancies demonstrates the importance of this role.

In order to address the financial and social troubles facing the cooperatives, the CDC established a joint board with members from each of the co-op boards. The primary task of this new board was to develop a refinancing scheme to rescue the cooperatives. The refinancing plan was adopted in 1999 and provided for rent increases to meet operating expenses and establish a reserve fund for repairs and replacement (WBCDC 2000). Additionally, thirty-two homes were organized into a market rate rental project called *Transition Homes*. This project was established to provide residents with an opportunity to purchase homes within the neighborhood. In an attempt to create cohesion and reduce inefficiencies, the joint board voted to merge the five cooperatives into one large cooperative called Riverside Homes.

In theory, merging the cooperatives was a sensible decision. Recalling Burchall's six evaluation variables, the former configuration of the five cooperatives violated his extensity variable. The cooperatives were dispersed over several blocks and even in completely separate sections of the neighborhood. It was common to find a house belonging to one cooperative next door to one from another cooperative. Despite the geographical confusion, the cooperatives managed to develop cohesive cultures. The joint board's decision to merge the cooperatives threatened to destroy the unique cooperative cultures. Some residents vehemently opposed this decision.

The refinancing and restructuring of the cooperatives did not receive wide support from co-op members. Some of the remaining original residents grew to resent the WBCDC's interference. They expressed their disapproval by developing an opposition faction through misleading information and negative publicity. Many of the newer residents who had not become involved and knew little of the co-ops history were understandably confused and upset. The one thing they knew for sure was that their low rents were slated to increase. The average unassisted co-op rent was \$470 while the Federal Affordability guidelines (50% of area median) suggested rents of \$740 (WBCDC Newsletter 2001). The rent increases were a tangible result of the refinancing. These increases would directly affect the resident's lives and all the misinformation left them unsure as to whether increases were even justified. The confusion and negativity served to further debilitate the cooperative culture that had been suffering from a lack of participation for years. The WBCDC began to question if cooperative housing was still feasible given the negative atmosphere. In order to gauge the thoughts and opinions of the residents, they decided to perform a survey.

Survey Instrument

The overarching purpose of the survey instrument was to learn how much the residents know about the cooperative structure and to determine their opinions regarding the effectiveness and the importance of the co-op. The final draft of the survey contained twenty-three questions to include:

How long have you lived in the cooperative;

How well do you understand the cooperative concept; and

Do you participate in cooperative activities?

Please refer to the Appendix for a complete copy of the survey instrument. The CDC preferred an open-ended question style that would leave residents free to respond and would not lead them in any given direction. Additionally, they felt it was best to keep the survey brief, around ten to fifteen minutes if the resident did not wish to elaborate, and then gauge interest in a more extensive interview or perhaps focus group sessions in the future.

Survey Implementation

Phone Survey

The CDC was looking to survey the largest number of residents in the shortest time possible. Ideally the development, implementation and analysis phases would all occur during the summer of 2001. It was decided that a phone survey would be the best approach as mail surveys normally have low response rates and in person surveys, while they typically have the best return rates, would require too much time. The WBCDC

composed a letter to inform the residents that we would be conducting this survey. The letter outlined why the WBCDC had decided to conduct the survey, briefly introduced the intern and informed them that they would be contacting them over the next weeks ([please see the Appendix for a copy of this letter](#)). This letter was only sent to the English-speaking households. Separate letters, in Somali, Ethiopian and Vietnamese, were sent to the respective immigrant households.

The management provided a phone list for the residents. The list was reviewed for foreign sounding last names and these were separated out. With the remaining names, a list was created, sorted by cooperative that did not contain names or addresses in order to assure anonymity. The intern began making phone calls in the evening from the WBCDC office. After a couple weeks many of the residents had been surveyed and attempts had been made to contact everyone on the list. Several of the numbers were disconnected or no longer in service. This result indicates that the list had not been updated and suggests that certain residents, particularly new or perhaps low-income residents that struggle to pay their bills, were inadvertently being missed. In an attempt to improve the response rate, the remaining residents were contacted during the daytime and on weekends. Several more residents were interviewed but there remained a number of individuals that had not been reached. After several weeks and after calling some numbers over ten times, we agreed to settle for the 75% response rate achieved so far.

In Person Survey

While the phone survey proved to work well for the English-speaking households, we were less confident that it would be appropriate for the immigrant households. While

many of these households often have children that speak English quite well, securing their participation and facilitating a phone survey would likely be difficult and ultimately ineffective. For these reasons the CDC opted to interview the immigrant households in person. This decision, while requiring additional time and special accommodations, would ensure that the results for the immigrant families were as accurate as possible.

Surveying the immigrant families in their homes necessitated the involvement of representatives from each ethnic group to serve as translators and cultural guides. The cooperatives are home to Somali, Ethiopian and Vietnamese immigrants. While the Somalis and Vietnamese each have a common language that their people can communicate in regardless of their specific ethnicities, the Ethiopian population in Cedar-riverside is divided between the Oromo and the Amharic speakers. Deep-seated resentment between these groups keeps them divided, even after immigrating to the United States. As a result they often refuse to speak one another's languages even though they may be quite capable.

Locating an Oromo translator proved to be difficult. We compromised and hired an Amharic speaking Ethiopian and a Somali hoping that enough of the Oromo would be willing to speak Amharic or would know Somali given the fact that many Oromo had migrated to Somali to escape political oppression in Ethiopia. The original intention was to use current residents to fulfill these roles but unfortunately language abilities and constricted schedules made this difficult. The CDC was able to hire one man, a Somali who had recently moved into the cooperative, and was eager to become involved. Neither the Ethiopian nor the Vietnamese translators were residents, but they were both

familiar with the community and knew several of the cooperative residents through their social networks.

The translators spent a great deal of time translating the survey into their native languages as they recognized the importance of communicating the concepts correctly rather than simply translating word for word. Each of them commented that they struggled to translate the term “cooperative” as in all of their cultures the word has negative associations with government control. The translators attended a training session with WBCDC staff to learn about the history of the cooperatives, the objectives of cooperative housing and the reasoning behind and purpose of the survey. Each translator reviewed the names of cooperative residents and developed lists of the Ethiopian, Somali and Vietnamese households. Each translator was responsible for calling the families on their respective lists and setting up times for us to visit and complete the surveys.

The survey process for the immigrant families proved to be much different from that for the English-speaking residents. The translator contacted each resident and prearranged a meeting time. The intern accompanied the translators on each interview. Typically they were invited in and offered food and drink. The atmosphere was very casual and cordial. The translator conducted the survey and the intern was merely present to observe and answer any questions that came up. Translated copies of the surveys were provided but typically the translator read the questions and recorded the responses.

Despite their efforts, the Amharic and Somali translators were not able to contact all the residents on their lists. After several attempts copies of the survey were dropped

off in mailboxes and the translators agreed to call and follow up. This approach proved to bring up the return rate for the Amharic residents but really did little to affect the Somali rate of return. This discrepancy may be attributable to the greater level of commitment and diligence on the part of the Amharic translator.

Survey Results

As Compared to Birchall's Criteria

Using Birchall's evaluation criteria, we will now discuss what the survey results tell us about the state of the cooperatives. While the survey questions did not address all six of Birchall's variables, we can draw inferences about participation, duration, adequacy and purity. The results for participation levels are not promising. Sixty-nine percent of the resident's that responded to this question said they do not participate in cooperative activities. This is a high level of uninvolvedness and explains a great deal about the struggles facing the cooperative.

Question four regarding how long residents have lived in the cooperative addresses the tenancy aspect of Birchall's duration variable. Less than half of the residents that responded had lived in the cooperative more than 5 years. This indicates a nearly equal division between short and long-term residents. Birchall stated that some balance between new and old members was desirable but did not provide specific numbers for reference. It may prove useful to consider some other variables before passing judgment.

The twelfth question asked whether the residents felt that the cooperatives were working well. Essentially, this addresses Birchall's adequacy variable that refers to

whether a cooperative is meeting the needs of the residents. Only half of the respondents indicated that they were satisfied with how the cooperatives were operating. This implies that at present the cooperatives are not meeting their needs.

Finally, question five asked residents how well they understood the cooperative housing concept. This question addresses Burchall's purity variable. A high degree of knowledge regarding cooperatives would indicate that residents are well informed and that by extension the cooperative is fulfilling its responsibility to educate members.

Unfortunately, only 20% of the respondents answered that they understood the cooperative concept very well. The highest percentage, 40%, responded that they knew very little about the cooperatives. Examined collectively, these four variables indicate that the cooperatives are indeed struggling.

In Regards to All Residents

Generally, the survey results demonstrate that the cooperatives are facing some challenges. Participation levels are low and the majority of residents indicate that they know little about the cooperative. The important distinction to make is whether the difficulties are due to poor operating principles or to the demographic shift that has brought a large immigrant population to the neighborhood. More specifically, is the cooperative failing on its own accord or is the immigrant population having some specific negative effect on co-op operations. The survey results were separated into English and non-English speaking residents in order to highlight any distinctions.

Despite all of the extra effort extended to survey the immigrant residents, the response rate was only 54%. These results may be attributable to suspicion or

unwillingness on the part of the immigrants or an ineffective process. The specific return rates for the different ethnic groups indicate that it was more likely the process. The return rate for the Vietnamese residents was 75% and for the Amharic it was 83%. The Somali return rate was quite low at only 47% and the Oromo was even lower at 13%.

The poor return rate for the Oromo population can likely be attributed to not having an Oromo translator coupled with the ethnic tensions that discourage the Oromo residents from speaking either Somali or Amharic. The poor return rate for the Somali's is more likely due to process. Unlike the Oromo, we had a specific translator for the Somali's. Despite this effort the return rate remained low. This may be due to distrust of or frustration with the WBCDC but it is more likely due to the translator's overextended schedule and his inability to remain diligent in contacting the Somali residents.

As may be expected, the in person interviews with the immigrants proceeded somewhat differently than the phone surveys with the English speaking residents. Frequently the immigrant respondents needed some prompting when answering the questions while it was rare that one of the English-speaking respondents needed any assistance. As a result the immigrant responses tend to be more focused and easily quantifiable though perhaps less spontaneous.

In Regards to the Immigrant Residents

The survey responses indicate that the immigrant households are largely unaware of and uninvolved in co-op business. When asked why they chose to live in the cooperatives, 57% indicated that they liked the location and 53% cited affordability while only 24% indicated that an interest in cooperative housing influenced their decision.

Over half of the respondents said no when asked whether they were aware that their housing was part of a cooperative. When asked how well they understood the cooperative housing concept, 62% responded not much, 29% responded pretty well and a mere 10% said very well. This unfamiliarity with the cooperative concept is likely due to how long a family has been living in the co-op and their level of participation in co-op activities. The majority of the families, 62%, have only lived in the co-ops between one and three years and 72% of the respondents do not participate in co-op activities. It is encouraging to note however, that 94% of the immigrant respondents are interested in learning more about the cooperative.

The results suggest that poor communication is a major cause of low participation amongst the immigrant families. When asked why they do not participate in cooperative activities, 72% said they do not know about the activities. When asked what circumstances would encourage them to become involved in the cooperative, 13% said better information regarding the time, location and purpose of the meetings, 13% said interpreters would be helpful and 40% said that they needed more information about the cooperative concept in general before they would consider becoming involved. This general look at the survey results has provided some insight into how the cooperatives are functioning. Further data analysis will help to draw conclusions about the relationships between the important variables of participation, length of tenure, knowledge, and nationality.

Data Analysis

The data analysis looked to draw conclusions about several relationships. Specifically, how does length of tenure affect a resident's level of understanding, their level of participation and how well they think the cooperative is working? Additionally, how does one's knowledge of and satisfaction with the co-op affect one's degree of participation? Finally, does being an immigrant have a significant effect on knowledge, satisfaction or participation? All of the models were run using binary logistic regression.

Length of Tenure

In the first three models, tenure was the independent variable and the dependent variables were respectively participation, knowledge and how well the co-ops work. The survey question regarding length of residency subdivided the responses into five categories: less than one year, between one and three years, between three and five years, between five and ten years and more than ten years. The best models occurred when the less than one and one to three categories were combined as the constant.

Results from the participation versus length of tenure model suggest that residents who have lived in the cooperatives for more than three years are more likely to participate in co-op activities than residents that lived in the co-ops less than three years. While the signs and magnitudes are right, none of the variables were significant, [table 1](#).

Table 1 Participation vs. Length of Tenure

Variable	B	Exp (B)
3 to 5 years	0.357	1.429
5 to 10 years	1.024	2.786
more than 10 years	1.232	3.428
intercept	-1.455***	0.233

* p<.10

** p<.05

*** p<.01

Additionally, the results indicate that the likelihood of participation increases the longer one lives in the cooperative. This result is consistent with Birchall’s theory that longevity is positively correlated with participation. The newest tenants were the least likely to participate which indicates that new member education and screening may be inadequate. Recall that participation levels on the whole were very low, only thirty-percent of the residents said they participated in co-op activities.

The knowledge versus tenure model suggests longer-term residents, over three years, are more likely to feel they understand the cooperatives as compared to new residents. All of the variables in this model were significant, [see table 2](#). The relationship was generally linear from a negative likelihood at the shortest tenure to an increasingly positive likelihood as tenure lengthened. Again, these results support Birchall’s theory that length of stay has a positive influence on how well one understands the cooperative model.

Table 2 Knowledge vs. Length of Tenure

Variable	B	Exp (B)
3 to 5 years	1.42**	4.136
5 to 10 years	1.365***	3.916
more than 10 years	2.669***	14.419
intercept	-.934***	0.393

* p<.10

** p<.05

*** p<.01

The model for satisfaction versus tenure shows that older residents are less likely to feel that the cooperatives are working well than new residents. The oldest residents, those living in the co-ops over ten years, were the least likely to be satisfied as compared to the new residents. However, this variable was not significant, [see table 3](#).

Table 3 Satisfaction vs. Length of Tenure

Variable	B	Exp (B)
3 to 5 years	-1.889***	0.151
5 to 10 years	-1.424**	0.241
more than 10 years	-0.503	0.605
intercept	1.35***	3.857

* p<.10

** p<.05

*** p<.01

It is reasonable to deduce that longer-term residents, who demonstrated a higher likelihood of participation and adequate knowledge about the cooperatives in the previous models, are aware of the cooperative's struggles and subsequently disenchanted with co-op operations.

The Effects on Participation

In the next two models, participation is held as the dependant variable in order to examine how one's attitude towards the cooperative and one's knowledge regarding the cooperatives affects one's participation level. The satisfaction versus participation model indicates that those who are satisfied with the cooperatives are less likely to participate than those who are less satisfied, however this result is not significant, [see table 4](#). Despite insignificance, the signs and magnitudes are very logical; those who are satisfied with how things are working are less inclined to become involved, as they see no need for improvement.

Table 4 Satisfaction vs. Participation

Variable	B	Exp (B)
satisfaction	-.379	0.684
intercept	-0.693*	0.5

* p<.10

** p<.05

*** p<.01

The knowledge versus participation model says that those who know more are much more likely to participate than those who know less, [see table 5](#).

Table 5 Knowledge vs. Participation

Variable	B	Exp (B)
knowledge	1.143**	3.137
intercept	-1.492***	0.225

* p<.10

** p<.05

*** p<.01

This result supports the literature’s claim that member education is critical for a successful cooperative. Through education, residents become aware of the merits of cooperative housing and the importance of their individual role in the cooperative’s success.

The Immigrant Presence

Language ability was used to tease out whether a resident was a member of one of the immigrant groups. Although some of the immigrants indicated an ability to speak English, this was ignored during the analysis so that these residents would not be cross-listed in multiple categories. In developing these models, the three ethnicities were combined because there were too few respondents for each individual group. The resulting variable (1 = English speaking, 0 = non-English speaking) was the independent variable for all three models.

The knowledge versus language model can be interpreted to say that English speaking residents, and by extension non-immigrants, are more likely to understand the cooperative model than immigrant residents, [see table 6](#).

Table 6 Knowledge vs. Language

Variable	B	Exp (B)
English speaking	1.044**	2.842
intercept	-0.693	0.5

* p<.10
** p<.05
*** p<.01

This result points towards a lack of co-op education for the immigrant residents. This may be due to language barriers that make it difficult for immigrant residents to read cooperative newsletters and participate fully in meetings and activities. Also, most of the immigrant residents are new to the cooperatives; nearly 80% have lived in the co-ops less than three years.

Participation versus language suggests that non-immigrant residents are more likely to participate than their immigrant neighbors. This result was not significant but the signs and magnitudes are as expected, [see table 7](#).

Table 7 Participation vs. Language

Variable	B	Exp (B)
English speaking	0.065	1.067
intercept	-.875*	0.417

* p<.10
** p<.05
*** p<.01

As discussed previously, many immigrant residents indicated that they were unaware of the cooperative meetings and activities. This suggests that communication is inadequate, particularly in regards to the multiple language needs. Cultural issues may also be affecting their participation levels. Recall that each translator indicated that in their specific culture, the term cooperative housing had negative associations. This association coupled with a lack of education regarding the cooperative concept may be serving to discourage immigrant residents from participating.

Finally, the model for how well the co-ops are working versus language indicates that non-immigrants are less likely to feel satisfied with the cooperatives as compared to immigrant residents, [see table 8](#).

Table 8 Satisfaction vs. Language

Variable	B	Exp (B)
English speaking	-1.124*	0.325
intercept	1.322**	3.75

* p<.10

** p<.05

*** p<.01

This result is not surprising given the lower participation levels and the lower degree of adequate knowledge regarding the cooperatives that is attributable to immigrant residents. By not being involved nor informed they remain largely unaware of the real workings or purpose of the cooperatives and thus feel satisfied with their situation.

While several of the models were not significant, all of the signs and magnitudes were consistent with theories regarding strong co-op operations, for example; participation levels and knowledge are positively correlated with length of tenure. The insignificance is likely due to the small sample size, only 114 residents were surveyed. This is particularly true in the models that compared English speakers to non-English speakers as only twenty-two immigrant households participated.

Recommendations

The survey results indicate that the cooperative culture in the West Bank neighborhood is suffering. The most critical issues are the lack of participation and the lack of education regarding the cooperative model. Most of the literature on cooperative housing stresses the importance of the universal cooperative operating principles: open

and voluntary membership, democratic control, and continual member education.

Successful cooperatives closely adhere to these principles while struggling cooperatives typically lose sight of some or all aspects of these principles. Participation and ongoing education are two of the most important operating principles. The West Bank cooperatives need to readdress their efforts in regards to encouraging participation and providing education.

In the past a committee of residents was responsible for selecting new residents. This process provided an opportunity for members to inform candidates about the principles and merits of cooperative housing. In this way the committee was able to screen residents and select those who demonstrated an interest in the cooperative ideals. Recently the selection committee has disbanded as the professional management has assumed more responsibility over the selection process. The process itself has changed due to regulations governing the provision of federally assisted housing. As a result residents have less input as to who their new neighbors will be and new members know little about the cooperative housing model. The WBCDC, the management and the residents need to collectively devise a strategy to address this problem. Perhaps the management and the residents could form a joint selection committee that focuses on educating newcomers.

Restructuring the five cooperatives into one large co-op was a positive step towards increasing efficiency. This restructuring provides an opportunity to move beyond the older, ineffective cooperative cultures and move forward recognizing the new face of Cedar-Riverside. While one united cooperative enables efficiency by allowing for economies of scale and a streamlined bureaucracy, the sense of community and

connection provided by smaller groups cannot be ignored. Creating smaller block-by-block groups will establish community amongst neighbors. Representatives from these small groups can attend the larger meetings and report back to their neighbors.

Originally, members joined the cooperatives as much for the principles of democracy and resident control as for the affordability. Today, people are joining for the affordability and location; over 80% of the survey respondents indicated these as their reasons for choosing the cooperatives. This trend does not mean that the new resident's cannot benefit from the principles of resident control but rather that they may not be aware of them. Organizing co-op initiation sessions for new members, particularly immigrants will help them to understand the cooperative concept and how they can become involved. Providing these sessions separately in the different languages will be more efficient and productive. Ultimately, the WBCDC should look into investing in translation equipment that will allow the greatest number of resident's to attend meetings regardless of their language abilities. The diversity of Cedar-Riverside should be celebrated and encouraged through community events that recognize the multiple cultures as an asset rather than a hindrance to the neighborhood.

Additionally there are some measures that could be adopted to increase participation. In the past, the co-ops used incentives and/or penalties to encourage participation. These measures may need to be revisited if education alone is insufficient to attract higher levels of involvement. Regarding immigrant households specifically, the lines of communication need to be opened. While the WBCDC publishes periodic newsletters, information is rarely translated into the different languages. Even though only a small number of respondents indicated a need for translations, providing them is a

sign of respect for their culture (Heskin 1987). The WBCDC should look into hiring full time staff that reflects the cultures and language abilities of the co-op residents. In an effort to dissuade negative associations that could be keeping immigrant families from becoming involved, a focus on community housing rather than cooperative housing needs to be adopted.

In conclusion, the survey results indicate that while the cooperative is struggling, it has the potential to thrive in the new multi-cultural community of Cedar-Riverside. While the data indicates that the immigrants are less likely to be well informed regarding the cooperatives and less likely to participate as compared to English-speaking residents, their general responses indicate that this is not due to lack of interest. The Somali and Ethiopian cultures are built on a strong sense of community. This is apparent as one walks the streets of the neighborhood. The sidewalks are filled with people socializing as they shop or wait to catch a bus and cafes and coffee shops are crowded with young men taking advantage of the social network that the neighborhood affords. Given that the cooperative model is similarly based on shared community, it is a natural fit for Somalis and Ethiopians.

The affordable aspect of cooperative housing will help the immigrant population to generate capital as less of their income will need to be spent on housing needs. The large historic homes that comprise the majority of the co-op housing stock are ideal for large, extended immigrant families. Over the years these homes have been divided into smaller apartments but the changing character of the neighborhood suggests a need to readapt these homes to their former use for single families. The CDC, along with the resident board, should investigate the feasibility of financing this venture. Lastly,

providing immigrant families with control over their living situation will empower them and foster self-sufficiency.

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West Bank Community Development Corporation (WBCDC). 2001. April Newsletter: Special Report.

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APPENDICES



WEST BANK COMMUNITY DEVELOPMENT CORPORATION

1808 Riverside Avenue South, Minneapolis, Minnesota 55454 • 612.673.0477 • FAX 612.673.0379

June 1, 2001

Dear Riverside Homes Resident,

As you may know, the West Bank CDC has been working on some difficult budget issues with the five co-ops involved in Riverside Homes. We felt we needed to take a strong stand on the budget to insure the long-term financial health of Riverside Homes. We have described this situation and our plan for the future in two "Special Reports" that were mailed out to all Riverside Homes residents. (If you would like us to mail you one or both of these reports please call us at 612-673-0477.)

Though these budget issues brought us into conflict with some co-op representatives, we remain firmly committed to the principles of co-op housing. We hope we can improve our working relationship with the residents of Riverside Homes and arrive at a way of doing business that is respectful of everyone.

As a first step in this process, we would like to know more about your thoughts and opinions in regards to the co-ops. We will be conducting a telephone survey of Riverside Homes residents and we hope you will take a few minutes to let us know what you think.

A summer intern, Jessica Treat, will be conducting this survey. Jessica was a Peace Corps volunteer in Mauritania, West Africa and more recently built homes with Habitat for Humanity in North Carolina. She is in graduate school at the University of North Carolina at Chapel Hill but has returned home to Minnesota for the summer break. Jessica will be calling each resident over the next few weeks to complete the survey.

We greatly appreciate your cooperation with this survey. All comments and responses will be confidential and will only be used to help West Bank CDC better address co-op issues.

Sincerely,



Executive Director



Community Solutions Fund™
member

Introduction: This survey has been written to gather the thoughts and opinions of Riverside Homes residents in regards to the cooperatives. All responses will remain confidential and will only be used to assist the West Bank CDC to improve their working relationship with residents.

1. Why did you choose to live in Riverside Homes?

- Interest in cooperative housing
- Affordable
- Location
- Sense of community
- Other _____

2. Are you aware that your housing is part of a leasehold cooperative?

- Yes
- No

3. What cooperative do you live in?

- West Bank Homes
- Riverbluff
- Watchcat
- Sherlock Homes
- Union Homes

4. How long have you lived in the cooperative?

- Less than 1 year
- 1 - 3 years
- 3 – 5 years
- More than 5 years

5. How well do you feel you understand the cooperative housing concept?

- Very well (go to 6)
- Somewhat (go to 6)
- Not at all (go to 7)

6. What are the roles of the cooperative? (select any or all that apply)

- Control rents
- Screen residents
- Manage the properties
- Select a management company
- Regulate resident behavior
- Send out newsletters
- Educate both new and existing residents about the cooperative concept
- Welcome new residents and create a sense of community
- Time demand
- Other _____

continue to question 8

7. Would you be interested in learning more about what a cooperative is?

- Yes
- No

*** continue to question 21***

8. How important do you feel that the cooperative is to you personally?

- Very important
- Somewhat important
- Not at all important

9. Why or Why not?

10. How important do you feel that the cooperative is to the community?

- Very important
- Somewhat important
- Not at all important

11. Why or why not?

12. Do you feel that the cooperatives are working well?

- Yes (go to 15)
- No (go to 13)

13. Do you feel that Riverside Homes should continue as a cooperative?

- Yes
- No

14. How do you feel the cooperatives could be improved?

15. Given the choice between having a cooperative (and receiving no renter's rebate) or not having a cooperative and receiving a \$200 rebate, which would you choose?

- Keep the Co-op
- Receive rebate
- Unsure

16. Do you participate in cooperative activities?

- Yes (go to 18)
- No (go to 17)

17. Have you ever participated in cooperative activities?

Yes (go to 18)

No (go to 19)

18. What types of activities?

Read the newsletter

Board Meetings

Committee Meetings

Annual Meetings

Other _____

18a. On average, how many hours a month do you devote to the cooperative?

Less than 1 hour

1 - 5 hours

More than 5 hours

18b. How much time are you willing to devote to the cooperative?

Less than 1 hour per month

1 - 3 hour per month

5 or more hours per month

go to question 20

19. Why don't you participate in cooperative activities?

Don't have the time

Don't know about the activities

Not interested

Other _____

20. What circumstances or activities would encourage you to become involved in the cooperative?

21. Do you participate in community activities outside the cooperatives?

___ Yes, what activities? _____

___ No _____

22. What types of community activities would you be interested in participating in?

- ___ Community socials/ block parties, e.g. National Night Out
- ___ Opportunity for residents to contribute to the newsletter
- ___ Community meetings
- ___ Community art project, e.g. Dania Project
- ___ Translation services i.e. newsletter, meetings, correspondence

23. Would you be willing to participate in a more in depth, in person survey about the cooperative?

Name:

Phone Number:

THANK YOU FOR YOUR TIME. We really appreciate your input.