

COOPERATIVE DEVELOPMENT INSTITUTE



An Assessment of Boston's Housing Cooperatives

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EXECUTIVE SUMMARY



Discussions of permanent affordable housing solutions are becoming more widespread in the US as the nation's wealth and land ownership reach unprecedented levels of concentration, resulting in accelerating levels of displacement and homelessness. Cooperative approaches to housing affordability and stability have been implemented worldwide and to a limited extent in the US. Cooperative housing offers a viable, affordable pathway to home ownership at a time when this is out of reach for many.

The 1980s and 90s saw an expansion of public support for income-restricted co-op housing in the nation's urban centers where these cooperatives and/or tenant-controlled developments were funded and supported by HUD, the USDA, municipal and state agencies, as well as philanthropists. Private investors also participated through tax incentives such as the Low Income Housing Tax Credit. After the 1990s, the development of new multi-family, income-restricted housing cooperatives slowed as funding and strategies for keeping low-income residents housed shifted toward approaches such as subsidized rentals, first-time home-buying, nonprofit ownership, and shelters, among others.

Public conversations are returning to the housing cooperative as a model for protecting residents from unstable markets while investing in long term community building. A look at the current state of the existing cooperatives is instructive, and can inform ways of preserving this precious housing stock as well as the stability of longtime resident owners who have made these communities successful.



In a first of its kind, the Cooperative Development Institute (CDI), with support from the Community Economic Development Assistance Corporation (CEDAC) and the Boston Mayor's Office on Housing, conducted an assessment of the successes, challenges, outstanding needs, and organizational conditions of publicly funded multifamily housing cooperatives in Boston. Though local conditions vary across the country, the themes shared by cooperators in Boston are relevant to hundreds of cooperatives –and the thousands of units that they represent– in similar circumstances throughout the US. They are largely in communities suffering from public disinvestment and predatory market forces that result in gentrification and displacement.

CDI hopes this report provides public agencies and nonprofit organizations an opportunity to revisit previous discussions of housing cooperative developments and to review the subsequent state of the housing field, locally and nationally. By assessing the condition of past efforts of housing cooperation, communities and public officials can engage in supporting existing housing cooperatives, while preparing for new models, investment, and public support for additional housing stabilization.

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Summary of Findings



Through public records research and extensive interviews with cooperative leaders and resident owners, this assessment of the Boston housing cooperative marketplace returned the following major findings:

- The housing cooperatives in Boston have made positive community contributions beyond housing. This adheres to the stated values of cooperatives internationally.
- The co-ops are fragile and are currently under extreme internal and external pressure to survive and succeed. The major concerns and needs fall into several themes:
 - Funding and financing needed for capital improvements
 - Tension between corporate property management services and democratic cooperative operations
 - External interference in cooperative resident selection and orientation processes
 - Tension between maintaining affordability and accumulating equity
 - Market forces and external relations
 - Increased isolation of cooperative leaders facing these unique challenges
- The study participants and CDI consultants have many recommendations for solutions which address each of these themes. They include training, technical assistance, financial support, networking and more ideas to meet and provide support for the challenges of managing Boston's housing cooperatives

Although the number of obstacles faced by Boston's affordable housing cooperatives over the decades are concerning, many of the accounts of the co-ops' contributions, resilience, and willingness to share ideas for solutions were inspiring. The recommendations provided will help co-op leaders, public officials, investors, and communities across the country plan for reinvestment and resilience of the current properties, and guidance for the success of future cooperatives.

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