



# The Co-operative City

Social and economic tools for sustainability

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## Executive Summary

The City of Vancouver is currently engaged in an unprecedented effort to make sustainability the driving force that will define what the city aspires to and how the city operates. This vision of sustainability has prompted the City to rise to the front rank of cities promoting sustainability and to declare that by the year 2020, Vancouver will be recognized as the world's Greenest City. It is a bold and inspiring vision and one that rests, in large part, on the means by which the City engages its citizenry in realizing this ambitious goal.

This paper argues that a key element in making this vision a reality is the adoption of social technologies that both embody and advance the social values and relationships that are implicit in the City's sustainability goals. It argues that co-operation is chief among these and central not only to making sustainability the foundation for the growth of key sectors and the provision of essential services, but also a key to greatly improving the quality of life in our cities. Sustainability is not just about the impact of our way of life on the carrying capacity of our ecosystems. It's also about whether our social and economic institutions enable a life of dignity and worth for all our citizens.

It is also important to note that while the City of Vancouver's Greenest City initiative has sparked the drafting of this paper and many of the examples cited relate to Vancouver, the arguments that are presented and the examples that are shown are equally applicable to other municipalities with an interest in exploring co-operative solutions that mobilize citizens around sustainability goals.

The co-operative movement has a long history in the effort to place economic goals within the larger frame of social values and collective benefit. This principle is at the heart of the sustainability idea.

The co-op movement was founded on the principle that economics must serve social ends. This is one reason co-operatives have made a profound contribution to the advancement of sustainability goals in such areas as affordable housing, transportation, the development of clean energy, the promotion of arts and culture, the protection of local food systems, and the advancement of social inclusion for vulnerable and marginalized people. More than this, co-operatives provide an important means for municipalities to mobilize the communal values and aspirations of its citizens for the attainment of common goals. We argue that by so doing, the City not only encourages the participation of its citizenry in its sustainability vision, it also fosters the creation of lasting social institutions that can carry on this vision independently of the City itself.

In this paper, we propose a long-term partnership between the City of Vancouver and the co-operative and credit union sector for the support of the City's sustainability agenda in a number of key areas:

- a) Renewable Energy
- b) Affordable Housing
- c) Food Security and Local Food Systems
- d) Arts & Culture
- e) Social Inclusion

For each of these areas, the paper outlines specific examples of how the co-op model is being used in ways that complement the City's own sustainability goals. In most cases, the models include a direct role for the municipality and the basis for a strategic partnership with the co-op sector.

The paper concludes with a series of recommendations on how the City of Vancouver might move forward in the exploration of these models adapted to the context of Vancouver.

Chief among the recommendations is the proposal that a formal partnership be established between the City of Vancouver and the co-op community for the advancement of the City's sustainability goals as a legacy project for the UN International Year of Co-operatives in 2012.

We believe the time is right for co-ops and credit unions to mobilize their considerable expertise and resources for the realization of a vision that is in keeping with both the ideals and the practices of the co-operative movement in BC. Co-operatives and credit unions are major contributors to the unique quality of life in Vancouver, as they are in many other cities. In everything from environmental protection to affordable housing and ethical social investing, co-ops and credit unions have become national leaders in their fields. The Co-operative City project is a unique opportunity for both the City and the co-op movement to come together in the promotion of co-operation as a means for realizing a sustainability agenda that can be a world model for the engagement of citizens around a compelling vision that enriches us all.



## The Co-operative City

Cities are a product of co-operation. Their character, how they function, and the quality of life they offer is perhaps the most telling expression of a society's capacity to transmute personal goals and individual interests into a common life, a sense of community that in turn gives meaning and depth to individual experience. Even the most dysfunctional cities cannot be sustained without a substratum of co-operation as their foundation. The great cities, the ones that offer the most satisfying quality of life, are those that cultivate in their citizens a capacity for co-operation – a disposition for working together toward common goals that allows cities to do great things. This capacity for co-operation is also called a city's social capital.

The social capacity for co-operation powerfully affects not only the daily environment in which people live. At a more intimate level it also determines individuals' sense of connection to others and their feelings of personal security, happiness and wellbeing. <sup>i</sup> In short, a community's tendency to co-operate is one of the most telling signs of personal and social health we can find.

The co-op sector has a vital role to play in realizing a sustainable vision for the city. Indeed, as democratic, member-owned organizations, co-operatives embody many of the values that underpin the idea of sustainability itself. Concern for Community, the 7<sup>th</sup> co-op principle, relates the social role of co-operatives directly to the promotion of sustainable values:

Co-ops work for the sustainable development of their communities through policies approved by their members.

This paper aims to set out the ways in which co-operation, and more precisely the co-operative model, can be used to address a range of issues that have risen to the top of the City's agenda in recent years. It proposes a long-term partnership between the City of Vancouver and the co-operative sector in crafting initiatives that advance strategic initiatives in the following areas:

- The promotion of renewable energy
- The strengthening of small business in the green economy
- The development of affordable housing
- The promotion and protection of arts and cultural industries
- The promotion of food security and local food systems
- The promotion of social inclusion

Virtually every one of the proposals that are outlined below is currently being used with great success in other jurisdictions and are applicable to municipalities large and small. Their adoption would immediately place Vancouver at the vanguard of cities exploring innovative solutions to these central questions affecting the quality of life in our city. Moreover, the co-op and credit union sector is uniquely placed to share its expertise and resources to a long-term partnership with the city and to collaborate with other stakeholders from business, labour, arts & culture, and the broader social economy to bring these ideas to fruition.

Finally, the pursuit of a sustainability agenda such as that outlined here, offers a unique opportunity to link social inclusion as a component of implementing the solutions outlined in this paper. Economic and environmental sustainability can be a powerful force for the promotion of social cohesion.

The recent announcement by Vancouver City Council to choose a co-op option for the development of affordable housing in the Olympic Village and the selection of the Co-op Housing Federation of BC to manage two of the Olympic site buildings is a most welcome step in this direction. The decision has been warmly received and endorsed by a wide range of groups and it reflects the city's interest in promoting solutions that draw on the unique strengths of the co-op model in addressing economic issues while also advancing important social goals. This is only one instance of how the co-op sector can work closely with the city in finding progressive solutions to the issues that the City has identified as central to its long-term strategy for sustainability.

There is a wealth of strategic opportunities for closer collaboration between the City and the co-op sector remaining to be explored. The areas outlined below indicate additional ways in which the co-op model can further strengthen Vancouver's Greenest City agenda while improving the quality of social, cultural, and economic life in the city.



## Renewable Energy

The promotion of sustainable and renewable energy policies ranks at the top of Vancouver's priorities in its efforts to become a world sustainability leader. In its action plan for becoming the world's greenest city by 2020, the City of Vancouver has identified the following top three priorities for realizing this goal:

1. To become an internationally recognized mecca for green enterprise;
2. To eliminate dependence on fossil fuels;
3. To lead the world in green building design and construction.

The co-op sector can play an important role in helping the city to realize these and other sustainable energy goals through the application of existing models that use the co-op structure to mobilize both community and commercial interests to advance progressive energy goals.

### a) A Mecca for Green Enterprise

Vancouver is already the locus of an advanced green energy sector composed of primarily small, highly specialized enterprises that produce goods and services geared to the advancement of a green economy. As the Vancouver Economic Development Commission's 2010 report to the Business Council of BC points out

“ The Vancouver region is home to many firms that provide a wide variety of technology and services to improve use of energy and materials, backed by strong support from post-secondary institutions. Vancouver's expertise falls into three sectors: clean energy technologies, green building and urban design, and environmental management.”

The clean energy sector employs 3,000 people in 90 companies, located mostly in the Vancouver region, with revenues of \$750 million. A recent study by the Globe Foundation found that BC's green economy contributed roughly \$15 billion to the province's economy in 2008, representing about 10% of total provincial GDP. The knowledge sector generated about 10% of green GDP in 2008. Furthermore, a range of growth scenarios suggest that GDP from BC's green sectors could grow from \$15 billion in 2008 to between \$20 Billion and \$27 Billion in 2020.<sup>1</sup>

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<sup>1</sup> British Columbia's Green Economy, Globe Foundation, February 2010, p. 12.

The region's fuel cell cluster is recognized as the world's leader, and other local companies are at the forefront of technologies such as power conversion, natural gas engines, and photovoltaic applications. Micro-hydro, power measurement, grid management, energy conservation and storage technology are also areas of specialized expertise and rapid growth. The green building sector alone has more than 1,000 companies ranging from design firms and green developers to product manufacturers and research groups. Included in this group are co-operatives such as Sustainability Solutions Group that are recognized leaders in this field.

Nevertheless this vital, forward-looking sector is operating at far below its potential because it remains fragmented, largely unorganized, and lacking in the system supports that are so essential for small firms to be able to compete and excel in a global economy. It is the same systemic weakness that hampers the growth of other key sectors in the city including arts & culture, fashion, film, and education.

As stated in a recent concept paper, <sup>2</sup>

BC is home to an exceptionally rich and under-marketed resource of individuals and small companies offering knowledge-based services related to sustainability. Our educational institutions are leaders in this area, and our economy has attracted and developed many experienced and knowledgeable people who have much to offer the global market. Individuals and small companies have limited financial resources to market their services widely, and so tend to find themselves competing in a small and over-served local market.

While the competition is good, the result is that the price paid for the services is depressed with negative impact on the companies operating in this area. Yet the potential of this knowledge sector to bring economic benefit to BC through consulting fees brought in from elsewhere is enormous. The challenge is to determine how this fragmented group can work together for mutual benefit, and realize this overall economic benefit for the Province.

The City of Vancouver can play a vital role by promoting co-op models to develop those systemic supports that can transform a collection of largely disconnected and isolated firms into a cohesive sector that not only advances the strength and commercial potential of its individual component firms, but also increases the economic and social value of the sector by enabling it to better pursue its green energy objectives. The most effective approach for doing this has been the Emilian Model of industrial clusters and shared service-centres in Emilia Romagna.

BCCA has researched and documented the Emilian Model and the cluster-system of economic development for over a decade. Both utilize a co-operative structure to maximize the effectiveness and competitiveness of highly specialized small firms. Vancouver's green energy firms can adapt this model to become a true green energy sector. Moreover, the co-op strategy that is being proposed for green energy can be utilized to dramatically increase the viability and success of other sectors as well.

## BC Clean Knowledge Co-op

Recently, a number of leaders in the green enterprise sector have approached BCCA for assistance in designing a co-op model to increase the effectiveness of green energy firms by supplying a set of shared services that will increase the competitiveness of both individual firms

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<sup>2</sup> BC Sustainability Knowledge Co-op – A concept paper, Intuit Strategies, June 2010

and the sector as a whole. Initial discussions for the creation of a Clean Knowledge Co-op have already yielded a high degree of interest among firms, funders, and government officials.

The purpose of a BC Clean Knowledge Co-op is twofold:

- a) To strengthen the viability and success of green energy firms by providing systemic supports that individual firms are not able to access on their own;
- b) To generate a long-term strategy for sector growth and impact that identifies and builds on common goals, needs, and linkages among green energy firms and between firms and the City of Vancouver, post-secondary institutions, and other strategic stakeholders.

The kinds of systemic supports that the co-op would provide includes the following:

- Shared business services such as accounting, payroll and bookkeeping
- Group insurance and health benefits
- Group deposit and loans programs
- Marketing and communications services
- Delivery of training and professional development programs
- Proposal writing and management of bidding processes, including facilitation of group bids for large projects
- Facilitation of access to funds promoting green energy projects
- Support for innovation and new research, and the transfer and application of existing research for use by firms
- Sales and promotional support for services and sales to the international market

## Structure

The most effective structure for a shared service system of this type is one that places control in the hands of the firms and organizations that will use its services. This may be a co-operative, or another form of association. However, it is important that participating firms are assured that large interests won't prevail over smaller ones. For this reason, a co-operative, one-member one-vote structure is viewed as the most democratic.

The shared service co-op would benefit from the formal involvement of other key stakeholders. This includes university departments and research agencies, green energy funders, and the City of Vancouver itself. For this, a multi-stakeholder structure works best, with stakeholders sharing in the decision making structure.

The co-op would have three primary sources of funding.

- a) Member dues
- b) Sales of specialized member services
- c) Government and foundation funding

The emergence of a Clean Knowledge Co-op of the type described above would be a major resource for advancing the city's sustainability goals. (Another option might be the development of a Green Federation of energy companies and service organizations that would pursue the same goals). The City of Vancouver can play a key role in advancing the concept

by contributing a combination of marketing, land use, and procurement policies that promote cohesion and interaction among green energy firms while partnering with the co-op to drive a strategic green enterprise program for the city. The City might also identify selected city staff to work with representatives of the green energy sector and BCCA to identify where the most effective contributions of the city may be and to chart a course of action that would yield the kinds of synergies described above.

## b) Eliminate Dependence on Fossil Fuels

The City of Vancouver has embarked on a policy of supporting the establishment of small-scale Neighborhood Energy Utilities (NEUs) that use sustainable sources of energy to heat buildings within a defined neighborhood. The first of these NEUs was built in Southeast False Creek and is owned and operated by the City of Vancouver.

NEUs are also being proposed for other neighborhoods, as are other models of ownership. Community energy co-operatives should be considered as an important model for the promotion of this policy. NEUs could continue to be financed and built by the City of Vancouver, or they can be cost shared using a co-op model.

One approach to expanding this concept is to transfer ownership of NEUs to a co-operative whose members would be the consumers of the utility services. The co-op board would be composed of community members, but could also include representation from the city and other stakeholders such as Metro Vancouver and energy groups.

What are the advantages of a joint city/co-op model?

- 1) The co-op structure extends the responsibility for the promotion of sustainable energy use to consumers and community members. The co-op then becomes more than a producer and distributor of energy services. It becomes a potent means of advocacy and education around sustainable energy use at a community level.
- 2) The co-op structure provides a means of promoting sustainable energy use by returning energy savings directly to co-op members through a reduction of rates.
- 3) The co-op's mandate can include the development of community programs that promote sustainable energy use, environmental awareness and education, and targeted educational activities in conjunction with local schools and community organizations. Funds for these activities could come in part from NEU revenues or from community investments in shares.
- 4) A co-op structure allows direct involvement by the city and other stakeholders in its management and operations, thus ensuring that both community and broader civic priorities are being met.
- 5) Consumers can share financing for the building and operation of the NEUs. Their contribution to costs can be factored in as a component of their utility rate and can, over time, provide a return on their investment.
- 6) Using a co-op model, NEUs can be organized as either for profit, or non-profit entities. A for-profit model allows for the capitalization of an NEU through the issuance of investment shares. Investors need not be co-op members, but can help support the production of renewable energy systems at a local level while realizing a return on their investment. Moreover, the Province is currently exploring legislation, currently in use in the UK, for the creation of Community Interest Companies (CICs). CICs are intended to provide a vehicle for the raising of capital by non-profits for the financing

of projects that benefit communities. These too, could be structured as co-operatives with the express purpose of promoting NEUs as green energy investments.

## Other Community Co-op Energy Models

NEUs based on the recovery of heat from sewage disposal systems are only one form of small-scale sustainable energy models for local communities. Other co-op models that have proved successful include wind turbines, mini generators, and solar heating. The production of heat by burning waste is another technology that is currently being considered for use in the East Fraser Lands development.

## WindShare Co-op

WindShare Co-op, located at Toronto's Exhibition Place, is North America's first urban-sited wind turbine. It is also Ontario's first community-owned wind power project.

WindShare was developed in 1999 when the **Toronto Renewable Energy Co-op** (TREC) received a grant from the municipality to explore three potential sites for the creation of a wind turbine project in the Greater Toronto Area. The Toronto Renewable Energy Co-operative is a non-profit, environmental co-op that develops community-owned renewable energy projects and educates Ontarians about renewable energy, energy conservation and the community power model. TREC took its inspiration from Denmark where three quarters of the country's annual energy production is privately owned, with 50% being run by community power co-operatives. The WindShare ExPlace turbine was TREC's debut project.

In 2002, TREC identified Exhibition Place as a viable location for a wind turbine and within four months, 427 pioneer members had invested an average amount of \$2,000 each in support of the Exhibition Place turbine. By the second day of the turbine's construction WindShare membership was fully subscribed and the \$800,000 capital investment target had been reached. The total cost for the construction and installation of the turbine in 2001 was 1.8 million. Remarkably, even after the capital needs of the turbine had been met, community investment continued. Over 250,000 in additional investment capital has been placed in trust to develop additional community wind projects.

The ExPlace turbine generates an average of 1,000-megawatt hours per year and meets the electricity needs of 200 homes. The turbine production capacity helps displace up to 380 tonnes of carbon dioxide annually – this is the equivalent of taking 1,3000 cars off the road or planting 30,000 trees each year. With the exception of the converter at the base of the turbine all the parts, including the tower and blades, are manufactured in Ontario.

## Structure

WindShare is a separately incorporated for-profit co-op with the ExPlace turbine being jointly owned by WindShare Co-op and Toronto Hydro Energy Services, a wholly owned affiliate of Toronto Hydro Corporation, which is owned in turn by the municipality. All costs of maintenance and operation as well as revenues are shared 50/50 between the two partners. From the beginning, the City of Toronto and Toronto Hydro were champions of the idea and without municipal support the demonstration project might never have gotten off the ground. This municipal support continues to this day and is reflected in the strong working partnership between the City and the co-op and formalized in a technical committee composed of three representatives from each of the two entities.

In addition to providing clean energy at a neighborhood level, WindShare's mission is to demonstrate leadership and action in the community wind power sector, and to develop community power projects that are sustainable economically, environmentally, and socially. WindShare Co-op provides an alternative to large, centralized energy generation with the development of local, profitable and inclusive community power projects.

Currently, TREC is in the final approval stages of building Lakewind Power Project, North America's first community-owned wind farm, with five turbines providing 100% wind power to 13,000 homes. The project will be located near the shores of Lake Huron. Another TREC project is SolarShare Co-op. In development for two years, SolarShare will build multiple rooftop and ground mount solar- electric projects of up to 250kW in size, which it will finance, develop, maintain and operate. All Ontarians will be able to invest in the SolarShare projects.

## Membership and Investment

Membership in WindShare Co-op grants members part ownership of the ExPlace turbine and also provides a source of investment in WindShare's community power projects, including the Lakewinds Power Project.

WindShare has three classes of membership: individual, institutional, and investors. In addition to the benefit that members receive through their dividends, co-op members receive additional savings through the Ontario Power Authority's Feed-In Tariff program, the most aggressive renewable energy support program in North America. The program pays WindShare an above-market rate for its power, including an additional price adder for being a community-owned project.

As a co-op, WindShare's annual dividends are recommended by its elected board of directors and approved by the co-op's membership at its annual general meeting.

Investor returns for the proposed Lakewinds Power Project are projected at over 7% over a 12-year payback period. SolarShare Co-op projects are forecasted to bring up to 8% return on investments. Both represent a strong rate of return for social investment projects.

## Education

TREC's vision is to create a world in which everyone is aware of the link between their energy habits and environmental impacts, and to provide all people with a clear and easy choice for participating in renewable energy and conservation activities. Since 2003, TREC has been offering renewable energy tours, curriculum-linked workshops and hands-on activities related to renewable energy. The co-op reaches over 20,000 students, youth, families and professional groups each year. In 2009 TREC introduced its latest program to help youth and high school students pursue a future in green collar careers.

Below is a list of the co-op's programs.

### *Kids' World of Energy*

Through the Kids' World of Energy program, TREC offer In-Class Workshops and Renewable Energy Excursions for grades 5, 6, 7 and 9, which are linked to the Science and Geography Curriculum, as well as an annual Kids' World of Energy Festival for grade 5 and 6 students. TREC's Kids' World of Energy team also participates in a number of community events throughout the year.

### *Green Collar Careers (GC<sup>2</sup>)*

GC 2 is a new initiative to engage secondary-school students in the green energy sector through relevant green industry co-op placements, informative workshops, a new website with information and resources about green careers and more!

### *Youth Energy Network*

The Youth Energy Network is an initiative to empower secondary school students to develop renewable energy generation and energy conservation campaigns within their communities and share their experiences with their peers through social media.

### *Renewable Energy Tours*

TREC offers a variety of Renewable Energy and Sustainable City tours for people of all ages, which can be customized for individual groups.

## Relevance to NEUs

In Many ways, TREC and the WindShare Co-op in Toronto provide an ideal template for adapting the co-op model to the purposes of Vancouver's plans for Neighborhood Energy Utilities. The triple focus on sustainable energy, community-based power, and long-term partnership with the municipality have been admirably met with the co-op model established in Toronto.

The model has provided a flexible mechanism for mobilizing community investment in clean energy while simultaneously providing a development role by the municipality through the participation of Toronto Hydro Energy Services, which provides energy efficiency products and services and develops, operates and provides technical assistance for renewable energy generation projects. The membership and investment structure for the model have been tested to great success and may be adapted to the purposes of Vancouver's NEU plans.

In addition, this type of co-op/municipal partnership has the advantage not only of sharing the capital risks and benefits of community-based clean power projects – it greatly enhances the goals of green energy education and training at the community level through the co-op's community education programs.

Through its linkages with the co-op movement in Ontario, BCCA is well placed to mobilize and adapt the knowledge and expertise of the co-op community power sector in Ontario to Vancouver's sustainability plans and to the unique demands of those neighborhoods where these models might be applied. With the recent selection of the Co-operative Housing Federation of BC to develop new co-op housing in the Olympic village area and to manage an additional two condominium buildings, this may be the ideal time to explore the use of a community-based co-op ownership structure for the Southeast False Creek utility.

### c) Green building design and construction.

Vancouver already ranks high in the promotion of green building design and construction. In this, it has benefited from the presence in the city of a number of national leaders in this field. Prominent among them is Sustainability Solutions Co-op, a national consulting group whose members have provided technical assistance to green building projects across the country. In Vancouver, Sustainability Solutions members were key consultants for a number of LEED building projects including the city's world-renowned convention centre. Sustainability Solutions, along

with other prominent co-ops such as Vancity and MEC, also sit on the Mayor's advisory committee on sustainability.

Clearly, co-ops with a green energy priority are playing a key role in the advancement of Vancouver's sustainability agenda. But much more might be done through the expansion of the co-op model to promote energy audits, upgrades and retrofits for Vancouver buildings, including private dwellings. With the assistance of existing co-op expertise, a new co-op could be established with the twin aims of training and employing youth and the difficult to employ, and increasing the awareness and participation of property owners in green retrofits to their buildings. Such a co-op, utilizing existing expertise, would be an ideal resource for supporting the community education and promotion efforts outlined above.

The implementation of such an initiative, with the support of the BCCA and the broader co-op sector, would greatly enhance the expansion of green energy products and services within the city. Similar programs in other jurisdictions have resulted in dramatic improvements in the energy efficiency of a city's buildings and the reduction of energy use. One logical place to start for such an initiative is the city's housing co-ops.

## Co-op Housing

Housing co-ops have established a well-earned reputation as the most cost effective option for promoting affordable housing while establishing strong, safe communities for their members. There are 105 non-profit housing co-ops with a total of 5,654 units in the City of Vancouver. There are also 11 equity co-ops with over 200 units.

Housing co-ops have been leaders in the promotion of policies that advance sustainability. Many have been leaders in the movement to retrofit buildings for more energy efficiency. In this, they are aided not only by their social ethic, but also from the support they receive from their federations which enables the sector as a whole to mobilize around shared goals & objectives.

Recently, the Co-op Housing Federation of BC (CHF BC) launched an ambitious effort to address the sustainability issue through the pursuit of strategic actions within the co-op housing sector. The plan is supported through a new partnership between CHFBC, City Green Solutions, and eaga Canada with backing from BC Hydro, BC Housing, Terasen Gas, and Vancity. The initiative focuses on an Energy Use Survey of all housing co-ops, and a complete energy audit for sample types of housing co-op. The collection of this data from individual housing co-ops can then be quickly matched with available programs to fund energy upgrades. CHFBC's leadership on sustainability has made it Canada's first carbon-neutral federation of housing co-ops.

With the assistance of CHF BC, some co-ops in Vancouver have also taken advantage of the CMHC renovation-retrofit grants, the Live Smart Efficiency Assistance Program (LEAP) grants and other opportunities like The Home Depot Foundation grants. CHF BC also led the effort to help leaky co-ops get the resources they needed to get repaired or rebuilt. So far, about ¾ of them have been repaired.

Similarly, the BC Non-Profit Housing Association (BCNPHA) performed a survey of their members that included energy audits. With this data the association has been able to screen programs to determine which of their housing providers is eligible for support, and then match those societies with the resources they need. To date, BCNPHA has matched more than 500 eligible housing societies with free energy assessments, energy savings kits, grants for energy efficiency retrofits and more.

The outcomes from these initiatives alone will substantially reduce the energy costs of the city. But it is only a beginning. The same initiatives could be extended as a service to each and every apartment building and home-owner with the support of the city and other partners, and the creation of a specialized, non-profit, green home service co-op to apply the tools, conduct the audits, and even carry out the retrofits and energy upgrades. The co-op could also play a central role with the city in marketing the program, raising public awareness, and recruiting resources and skills to the movement for a green city.

What is key for the success of such an effort is mobilizing and targeting the existing commitment and resources of the co-op sector, particularly the organizational capital that is available through the federations that link co-ops together. Organizations like the Co-op Housing Federation of BC, the BC Co-op Association, and Central 1 which links together the credit union system, are invaluable social assets whose expertise, commitment, and membership base constitute a great reservoir of untapped potential for realizing the city's sustainability goals.



## Affordable Housing

The use of co-ops as a source of affordable housing is one of the co-op movement's most successful, and best known, contributions to the creation of sustainable communities. In the late 1960s a unique partnership between faith communities, student co-ops, and the Canadian Labour Congress created the Co-operative Housing Federation of Canada which then went on to craft a groundbreaking partnership with the federal government. This partnership resulted in over 2,200 housing co-ops across Canada, providing safe, secure, affordable housing to nearly 92,000 families. Today, this system has been languishing ever since the Federal government ended its support for affordable housing in 1992.

In Vancouver, the lack of affordable housing has risen to the very top of the issues that must be addressed if the city is to remain a favourable environment for families and workers. Homelessness is visible enough for anyone to see, but the hidden social costs of speculative real estate markets also threaten the viability of the city as a place to live and work not only for the average family, but for the artists, actors, musicians, and other cultural workers that are at the foundation of a city's identity. Unless the housing issue is addressed, it matters little whether the City of Vancouver becomes the greenest city in 2020 if by then, only the rich can afford to live here.

What follows are ways in which the city can work with the co-op sector to pilot new models for the development of affordable housing. They focus on mechanisms for protecting housing markets from speculation, on creative use of social housing set asides, on the opportunities afforded by redeveloping existing housing co-ops, and on the use of co-operatives for the provision of affordable housing, and services, to seniors.

### a) Land Stewardship

The City of Vancouver has designated 20% of the land being used for new housing developments to be set aside for the construction of affordable housing. However, the biggest challenge for creating affordable housing on these designated sites is the high cost of development. One solution is to increase allowable densities to developers as a means of subsidize the cost of building affordable housing on the parcels. Another is to create a Development Fund to finance building on these sites and other city-owned land from the surpluses generated by housing developments, both in the private and the co-op sector.

There are also lessons to be gained from the experience of land trusts that have been successful in protecting existing affordable housing from speculation. And while these models may not be appropriate for the creation of new housing on their own, they provide effective tools for protecting existing affordable housing through the application of resale formulas on housing developed on public land or with public subsidies.

## Toronto Islands Residential Community Trust (TIRCT)

One of Canada's best examples of a successful land trust for housing is the Toronto Islands Residential Community Trust on Wards' and Algonquin islands in Toronto Harbour. The land trust was established in 1993 as a solution to the long-standing conflict between homeowners and the city over housing tenure on public lands. (The land on which the houses now stand was converted to parkland in the 1970s). The solution entailed three goals: to establish security of tenure for homeowners; to retain the housing as an affordable option; and to prevent windfall profits on public land.

The Land Trust operates essentially as a multi-stakeholder co-op with homeowners electing a board of directors that includes representation from both the City of Toronto and the Province. The members of the Toronto Island Residential Community Trust are the individual homeowners who lease their land from the city. Their homes are their own property.

All leases are for 99 years and are handled through the Land Trust. Direct sales by individual homeowners to buyers are not allowed. Moreover, the sale price of individual homes is set by a formula: the replacement value of the house plus a premium of 1.5 % over the replacement value for each year the owner has lived in the house. This rewards long-term residence and supports community stability. Finally, to curtail absentee landlords, there are limits on how long a homeowner can stay away from their residence. The building inspections, house value assessments, listings, and sale of the houses are all handled by the Land Trust, which has a small administrative staff. The Trust also administers a waiting list of buyers for leases that come up for sale. A small percentage of each house sale goes to the Trust to pay for its operations.

The model has had spectacular success not only in preserving a unique cottage community, but also in protecting a valuable stock of affordable housing for the city. The model allows a municipality to protect affordable housing by designating municipally owned lands for this purpose, much as the Agricultural Land Reserve does for farmland. Any below market housing that is developed on these lands would be subject to the type of resale restrictions described above. Using a similar approach the city could begin to address land costs for other strategic uses - for example, fledgling industries, artists and cultural workers, as well as vulnerable populations such as seniors.

## b) Redeveloping Existing Co-op Housing

Approximately 50% of Vancouver's housing co-ops are situated on land leased from the city. Most of these leases are coming up for renewal over the next ten years. Meanwhile, the demographics of these co-op communities have changed radically since many of the co-ops' residents became members years ago. Families have grown up and children have moved out. Many residents are nearing retirement age and their needs have changed also. They don't need the space once required by a family. If new, smaller units were built for them the larger family units could be freed up or redeveloped for new residents. Another issue is the need for adapting housing units to allow aging-in place for existing members.

The low density of most housing co-ops is another opportunity. The density levels of many of these co-ops, while seemingly appropriate at the time they were developed, might be increased to make room for new infill housing and add to the stock of affordable housing at minimum cost since the land has already been developed and is fully serviced,

Another feature of new co-op leases might be the generation of a Co-op Housing Development Fund, financed in part by a portion of extended lease revenues. Such a fund, in combination with development financing from the credit union sector, would help offset the development costs of new infill housing in existing co-ops and support new co-op housing on other sites. The fund might also be used to upgrade and retrofit existing housing co-ops.

With the impending renewal of co-op leases, this is an opportune time for the City to begin discussions with the co-op housing sector to consider how existing co-op assets might be leveraged both to improve and expand the City's stock of affordable housing.

### c) Conversion of Rental Properties

The present day realities of the real estate market in Vancouver have made it very difficult for rental properties to generate a satisfactory rate of return for a number of rental property owners. The City might consider buying such properties and converting them to co-ops, with the purchase price being repaid to the city over the life of the lease. Here again, if some of these units were equity co-ops, speculation on their resale could be controlled by a leasehold formula.

These and other options offer the basis for a broader dialogue between the City and the co-op housing sector on how the resources and expertise of both partners can be pooled to address the City's urgent housing crisis. Meanwhile, the confluence of existing co-op housing stock and term renewals for co-op leases, coupled with innovative use of land tenure and leasehold arrangements may provide the basis for a new approach to the creation of affordable housing once a commitment to this effort has been made by the co-op community and the City.

Finally, other important stakeholders such as the City's credit unions, and faith communities with an interest in redeveloping their own properties for social benefit could also play a substantial role in this process. For faith communities, this may be of particular interest with respect to housing and services to seniors.

### Seniors Housing

As pointed out with increasing urgency by a growing list of research and newspaper reports, the absence of adequate programs and policies to deal with Canada's aging population is an issue that threatens to swamp the social care systems of municipalities if left unattended. This has become more acute as responsibility for these social issues is devolved from Federal to Provincial to municipal jurisdictions. There is however, a range of effective models available for addressing the most pressing of these concerns – housing for seniors – and many of them are adaptations of the lease models outlined above.

### Life Lease Co-op

Life lease co-ops are an innovative housing model in which co-op members purchase life leases whose proceeds go toward the development costs of the housing. In this model, the co-op retains ownership of the housing unit. The value of the life leases is returned to the users when they no longer occupy a unit.

Life lease co-ops are often sponsored by a local organization or group of organizations that agree to act as a guarantor(s) for the initial development period of the co-op. Once the co-op is established and the development work is completed, the control of the co-op transfers to the co-op's board of directors.

Typical sponsoring organizations for life-lease co-ops include senior's groups, social service agencies, local credit unions or co-ops, labour organizations, and faith groups. The city however, could play a major role in catalyzing these types of developments by entering into partnerships with other partners such as credit unions and community organizations providing services to seniors.

The great advantage of life-lease co-ops is that they can be built for below market cost since developer profits are excluded. In addition, once life-leases have expired with a given member, the existing unit may be offered to a new leaseholder for below market rates. The co-op may set the lease price to include a surplus that may be allocated toward the provision of additional services to members such as home care and assisted living services, or toward the financing of new housing.

This is a model that is in the financial reach of many seniors since the costs of a life-lease can be met with the profit that is generated when seniors sell their current homes. However, it is most appropriate for seniors who are able to live independently or with a moderate amount of assisted living services.

## Equity Co-op

Equity co-ops are similar to life lease co-ops with the difference that co-op members own the units they occupy. Shares in the equity co-op cover the development costs of the housing and once again, due to the exclusion of developer profits and sales commissions, the equity co-op can develop housing at below market cost.

In some equity co-op models, co-op members are required to take a second mortgage on their unit which is paid off at the time of resale. The proceeds from this second mortgage are allocated toward the construction costs of additional equity co-ops.

## Ambleview Place Housing Co-op, West Vancouver

Ambleview Place Housing Co-operative is a four-storey seniors co-op with 42 units and a number of shared amenities, including a community lounge, meeting room, workshop, laundry and underground parking space for each unit.

The District of West Vancouver B.C initiated the project in the mid-1980s. The municipality acquired the site and had expected to build non-profit seniors' housing on the site, but applications for provincial funding were turned down because family housing had priority. After considering various options, the municipality decided to request proposals for the private development of a non-profit and non-subsidized housing project for seniors with some form of co-operative ownership.

## How the Co-operative Works

The municipality leased the land to the co-op for 60 years. The value of the prepaid lease was set at \$775,000, which in 1987 was estimated to be 60% of the freehold value of the land. In return for the reduced price, the co-op agreed to maintain the building for non-profit seniors housing.

At the end of this term, the municipality will buy the building from the co-op. The co-op members pay into a sinking fund for that purpose. They pay \$10 per month for the first 14 years, \$15 in years 15-29, \$25 in years 30-44 and \$40 in the following years. The sinking fund is expected to be large enough by the 60th year to pay the 42 members then in residence the market value of the building.

At the time of its construction, the development costs of the project were just over \$3 million, including the land costs of \$775,000 and construction costs of \$1.7 million. Based on the strength of the land lease and the 25% equity raised from members, Vancity Credit Union provided the construction financing and then the permanent financing for the project. The mortgage for the co-op was initially equivalent to 53% of the total cost of development. Unit prices at the time ranged from between 73% and 83% of market value for units of comparable value in West Vancouver.

Finally, The affordability of the project is ensured over the long-term by the terms of lease agreement, whereby the co-op must maintain the original degree of affordability for subsequent co-op members.



## Car Sharing and Sustainable Transportation

Since the creation of the Co-operative Auto Network (C.A.N.) from a student project at SFU fifteen years ago, car sharing has become one of Vancouver's most influential exports for the promotion of sustainable car use across Canada. Pioneered in Europe, car sharing was enthusiastically adopted by Vancouverites and with the early support of other co-ops like CCEC Credit Union, Vancity and The Co-operators; C.A.N. became the world's first English-speaking car share organization with a starting fleet of two cars and 16 members.

Today, the Co-operative Auto Network has been renamed Modo – the car co-op, and with a fleet of nearly 250 vehicles and 7, 400 members the co-op is a North American leader in this vibrant new transport sector. Modo is recognized not only for the scale and innovation of its operations in Vancouver, but as a skilled champion of car sharing and a mentor and resource to groups wishing to start car sharing in their own cities. The co-op has been an invaluable resource for the organization of every one of the ten car share co-ops now operating across the country. This includes carsharing organizations in Victoria, Cowichan, Nanaimo, the Kootenays, Smithers, Calgary, Edmonton, Regina, Winnipeg, Guelph, and Grand River. And now that the model for car sharing has been established by the co-ops, private for-profit businesses like *Zipcar* are also entering the market extending even further the use of shared transport.

But Modo's leadership as a car share organization has extended far beyond Canada. The co-op has been pro-active in helping to foster carsharing on 4 continents: North America (various CSOs in Canada + US), Australia, Asia (Japan, Korea, Singapore), Europe [UK mainly], as well as providing information and expertise to Sao Paulo, Brasil's *Zazcar* in South America. Modo is a founding member of the newly formed CarSharing Association - and adheres to its Code of Ethics and Standards of Practice.

The City of Vancouver recognized early the potential of car sharing as a strategy for reducing car use and thus a key ingredient in any sustainability plan. The use of cars for individual use is a major source of the greenhouse gases emitted by cities. By contrast, carsharing has been shown to reduce the production of greenhouse gases by a volume of 1.5 tonnes for every car sharer. And for every carsharing vehicle, an additional 20-30 vehicles are taken off the road.

The benefits of carsharing for advancing sustainability and quality of life goals to cities are substantial. This is in addition to the billions that can be saved in transportation costs borne by cities for the construction and maintenance of roads, highways and parking that come at the expense of expanding shared forms of public transit and the reclaiming of public land for something better than the storage of private vehicles.

Some examples of the close working relationship that grew up between the City of Vancouver and the car co-op include:

- The support of car sharing by the City through the provision of a parking spot at City Hall for the first co-op vehicles in 1998 and the provision of residential parking permits to the co-op.
- Modo partnered with the City on the creation of a bylaw giving developers the option to purchase vehicles and provide parking for carsharing thereby reducing their minimum parking requirements (and building costs). The bylaw came into effect in June 2005 and was updated, with lots of help from Modo, in June 2009.
- Modo lobbied the City of Vancouver for 7 years and won designated on-street parking (no parking except Modo) for carsharing. Since 2010 there are 16 designated on-street parking spots.
- Modo currently has a contract to provide the City of Vancouver with carsharing services through 2012. This includes carsharing by City employees with co-op vehicles and the managing of carsharing for some of the City owned fleet as well.
- Modo continues to contribute to City of Vancouver planning - especially around Greenest City initiatives. These include supporting cycling initiatives and being on the Transportation 2040 Stakeholder Advisory Group. Modo and the City continue to work together on future initiatives such as electric vehicles + their infrastructure (charging stations).

In many ways, the relationship that has evolved between Modo and the City of Vancouver exemplifies the kinds of mutual benefit that arise when citizens are supported by their municipality in the pursuit of progressive initiatives that rely on local innovation and co-operation. The car co-op in Vancouver was the start of a whole new movement to rethink the paradigm of individual car ownership in Canada. The City of Vancouver deserves credit for recognizing the vision that lay at the heart of a project that is now one of the City's most influential exports in support of the sustainability movement.



## Food security and local food systems

The City of Vancouver has identified the improvement of the local food economy as one of the most important ways its leadership could help reduce the city's carbon footprint while simultaneously improving the health of its citizens. In its report "A Bright Green Future" the city identified a number of significant food-related measures that would advance the goal of becoming the world's greenest city by 2020. These include:

- a) The creation of food processing systems for local producers.
- b) The conversion of lawns into gardens.
- c) The creation of a Vancouver city market and food hub system

- d) Assisting city landscapers to create edible landscapes and distribute produce to low income communities and food banks.
- e) Promoting low carbon eating habits and improving community education on food issues.

For many years, co-operatives have been at the forefront of promoting precisely the kinds of practices outlined above. Indeed, it was co-operatives that triggered the shift in public consciousness with respect to food systems beginning in the 1960s with their promotion of organics and the rise of the health food industry. They continue today with the creation of community farms, community kitchens, ecovillages, and system supports for small scale, local food producers. Few sectors have as much commitment and experience in the promotion of healthy food systems as co-operatives.

Given the centrality of the food economy and food security in the city's sustainability plans and the ongoing involvement of the co-op sector in food issues, we propose a strategic partnership between the City of Vancouver and the co-op sector to identify how co-op models can advance the city's commitment to building the urban food system. The following three areas in particular suggest fertile ground for such collaboration.

- a) Creation of gardens in schoolyards.

A comprehensive program to build and maintain gardens in the city's schools would provide a powerful impetus to the expansion of the community garden program while promoting a lasting educational opportunity for students. Utilizing a social co-op model, a partnership between the City of Vancouver and the area's school boards could pilot a school garden program that also provides people with disabilities with a means of offering their own skills to a meaningful public project.

- b) Creation of a Hub system for local producers.

BCCA has been engaged in a dialogue with a broad array of food organizations promoting the development of a new market in the City of Vancouver to serve as a hub and driver of a regional food production and distribution system. The City of Vancouver has already indicated strong support for the concept by setting aside a parcel of land for the development. Once again, a co-op structure is one model for linking the range of stakeholders, both public and private, which have a shared interest in the promotion of a local food system. Such a structure ensures parity among both small and large interests. It also reflects many of the social and economic values that are common the leaders and organizations that are driving this project. Similar projects are being proposed across the province in, for example, Victoria and Vanderhoof.

- c) Promotion of pocket markets

A Pocket Market is a mini version of a Farmers Market. Their small size means they can be tucked into "pockets" such as community halls, neighborhood parks, on a roadside or sidewalk, in office buildings, recreation centers, or churches. Pocket markets are intended to serve specific communities or neighbourhoods and to develop links between local producers and community members.

Richmond Food Security has been running Pocket Markets since 2009 when a project was launched at the Steveston Salmon Festival by selling fresh local strawberries, and continued with weekly markets and an expanding range of produce at various locations.

The markets proved to be “valuable feasibility studies in action” that achieved two objectives as a social enterprise: educating and building good relationships with local farmers, and bringing fresh local produce at good prices to low-income people. In addition, pocket markets provide locally grown produce at sites that are accessible and don't require locals to drive long distances.

A co-op model is well suited to the organization, marketing and co-ordination of pocket markets on behalf of local producers and vendors who would use the markets to sell their products. Co-ops that play this role also develop and deliver community education programs that focus on food security and sustainability issues, healthy eating practices, and the promotion of attitudes and practices that strengthen local food systems.



## Arts and Culture

Despite the rich diversity of top ranking artists and craftspeople living and working in Vancouver, the city is not a welcome environment for the arts and cultural community. The funding systems available for the support of the arts are fragmented and difficult to access, the cost and availability of studio and exhibition space is prohibitive and scarce, and there is little municipal support for the promotion of synergies among artists.

Many of these issues were discussed in an analysis of the local creative sector by Professor Pier Luigi Sacco in a report commissioned by Vancity and entitled *The Power of the Arts in Vancouver: Creating a Great City*. Sacco notes: “Vancouver is strong in almost all sectors of the creative industry spectrum: from visual art to film & video, from radio & TV to performing arts, from software and advertising (and it has AdBusters, too), from architecture to music, from design to publishing.”

However, he also highlights some significant problems: “ ... even a casual inspection readily reveals an incredible quantity of loose ends. Vancouver does not have a cultural system of interacting actors; instead, it has an astounding collection of isolated players that try to make a living on their own.”

There are however, encouraging attempts on the part of the arts and cultural community to address many of these issues through the adoption of co-op models that improve the capacity of artists to make a living in Vancouver. These models deserve wider recognition and support from the city.

## Marketing Co-ops

With respect to the visual arts, marketing co-ops allow artists to sell their work, sometimes through a centrally located storefront.

Because in such arrangements member artists can expect to pay lower consignment fees than if their art were sold through a private gallery, more money remains in the hands of the artist. There is no set structure for a marketing co-op, as each is established to meet the specific needs of its members. Typically, an artist interested in joining such a co-operative would apply to a member selection committee and would be expected to meet certain criteria, such as being a local resident or achieving a certain quality of work. Successful candidates would be required to purchase a share.

A notable local example of such a marketing co-op is **Circle Craft Co-operative**, established in 1973. The co-op maintains a storefront on Granville Island to sell the juried work of its 200 members at a 40 percent commission, and its gallery space features monthly solo or group exhibits. In addition, Circle Craft organizes a Christmas Craft Market each November at Canada Place with guaranteed access for members, and provides members with access to a group health plan. Circle Craft is financially self-sustained through membership dues, sales commissions and membership fees.

## Co-op Galleries & Artist-run Centers

Another form of co-operative organization employed by visual artists is co-op galleries, member driven and directed organizations that provide members with a facility to show their work, usually with access to resources to facilitate artistic creation.

**Gallery Gachet** is a co-operative for artists who have experienced mental health issues, or are survivors of abuse, or who have been the victims of classism, racism, sexism or homophobia. A non-profit society partially funded by the BC Ministry of Health, Gallery Gachet supports artists that have been denied access to the realm of contemporary critical theory and art practice due to stereotypes and misconceptions. However, applying artists must be highly skilled and experienced, with a strong portfolio showing strong thematic structure and resolve. The Gallery's 30 members actively influence decisions made about the co-op and their needs. Members are expected to volunteer to support the activities of the part-time manager, must serve on at least one committee, and otherwise support the co-op as needed. Gallery Gachet's interaction with its surrounding community is a crucial component of its activities, and the gallery regularly holds fundraisers and special events featuring Vancouver-area performers and organizations in addition to its regular exhibits.

Other local examples of co-op galleries include **Malaspina Printmakers Gallery** on Granville Island and the **Aurora Gallery** in the Tinsel Town Mall.

## Co-operative Creative Space

In 2008, the artists working in the studios of 901 Main St. were forced to seek new facilities when the building was sold by its owner. For many years 901 Main had served as one of the largest venues on the Eastside Cultural Crawl, an annual showcase of community-based artists and a major attraction to the visiting and buying public.

With the assistance of the BC Co-operative Association, the **901 Co-op** was established with the aim of securing new space for the displaced artists. Not only did the 901 Co-op secure affordable space for its members and maintain their participation in the Eastside Culture Crawl, it saved a community of artists. Now located at the newly established Portside Studios on MacLean Drive, the co-op has secured a long-term lease for its 27 members who now enjoy an ideal studio location in the catchment area of the East End Culture Crawl. The co-op saved these artists from dispersal to isolated little studios in garages and basements throughout the Lower Mainland and provides them a voice in the ongoing dialogue of the development of the city's cultural community. The co-op is also serving as an inspiration for other artists who have also come to BCCA for assistance in setting up their own co-op. All this was achieved by the co-op on little more than a few words of encouragement and some technical assistance.

**45 West** is a co-operative that manages a leased, 3,000 square foot rehearsal space at 45 West Hastings St. Vacant for some 40 years prior to 2008, the space is currently a vibrant, multi-use cultural and community space. Current members include media artists, photographers, dancers, actors, theatre companies, puppeteers, poets and others. The \$120 per month membership fee

provides eight hours of studio use, 24/7 shared access to a 2,000 square foot multipurpose space, and a members-only rate of \$15 per hour for additional studio bookings.

## Artist Live/Work Co-ops

Although there are a great many housing co-ops in Vancouver, there are very few focused on artists.

The **CORE** Artist Live/Work Co-op at 275 Alexander St. is a Vancouver City-owned, 30-unit, artist live/work complex that is leased on a long-term basis (60 years) to the co-op. CORE was created as an initiative of the City of Vancouver in partnership with a property developer to attach a public benefit to a new live/work condominium development project. In addition to the units, the co-op includes separate wood and metal shops as well as other creation space.

This is only a sampling of the innovative ways in which artists in Vancouver are using the co-op model to establish the conditions they need to remain creative, productive contributors to the cultural life of the city. For every example cited above, the City of Vancouver can play a pivotal role in extending these models through a combination of innovative land use and planning policies; creative funding with stakeholders such as foundations, credit unions and arts organizations; and the mobilization of co-op technical and organizational expertise through a partnership with BCCA and its members.



## Social Inclusion — Social Co-ops and Social Care

Over the last two decades, federal and provincial governments have continued a policy of cutbacks to social care for Canada's most vulnerable populations. As a consequence, many of these services have been downloaded onto municipalities that then have to deal with the social fallout from reductions in such essential programs as affordable housing, home care, and assistance for those with physical and intellectual disabilities. In turn, charitable organizations, non-profits and social enterprises have been stretched to their limits in their attempt to address the increased demand for services.

While it is clear that the role of government remains central to the funding and provision of social care programs, it is also true that municipalities must take on a new role in the design and delivery of social care. By utilizing social co-ops as a tool not only for the development of new services, but also for the improvement of social care itself, the City of Vancouver can use its ambitious green city program to pilot employment and training programs that go hand-in-hand with the implementation of many of the ideas outlined above - particularly in the energy and food sectors.

## Social Co-ops – background

Social co-ops are a recent innovation of the co-op model. Pioneered in Italy in the early 1980s, social co-ops were formed by caregivers and families of people with disabilities to provide services to the disabled that were not available from the state. They are now the fastest growing use of the co-operative model in Europe and increasingly, in Canada. Municipalities have been a key factor in their growth and success.

In the city of Bologna, over 87% of that city's social services are delivered via service contracts between the municipality and social co-ops. As a result, the city has experienced a dramatic

growth in the number and variety of health and social services available, an improvement in the quality of care offered, and a lowering of the cost of providing these services. At the heart of this success is a unique partnership between the municipality and the broader co-op sector. The key to the partnership is the combination of preferential contracting policies for selected public services and the use of social co-ops that have a specific mandate to provide employment and support to marginalized groups. This includes people with physical and intellectual disabilities, seniors, youth-at-risk, former prisoners, and recovering drug users.

As described in Italy's Law 381, social co-ops have as their purpose "to pursue the general community interest in promoting human concerns and the integration of citizens." In this sense, social co-operatives are recognized as having goals that promote benefits to the community and its citizens, rather than maximizing benefits solely to co-op members. Moreover, Italian legislation acknowledges the affinity between public bodies such as municipalities and social co-ops in the promotion of public welfare, and emphasizes the possibility of collaboration between them.

Typically, the membership of social co-ops is composed of either the workers who are employed by the co-op, or the recipients of the service, or a combination of the two. For services to people with disabilities for example, it is the service users or their families that are co-op members.

The type and volume of services provided by social co-ops are determined at the district level within a municipality by boards set up to analyze a district's needs, negotiate budgets, and then offer service contracts on the basis of competitive bids. These contracts are restricted to non-profits or social co-op providers. The municipality and associations representing the social co-op organizations monitor quality standards and service targets jointly.

The results of this unique, civil approach to the design and delivery of social care has been one of the great success stories in the reframing of how social services are provided in Europe. In Italy alone, over 6,000 social co-ops employing some 125,000 people provide a wide range of services to their communities. Fifteen thousand of those employed are people with disabilities. In Canada, the social co-op model has now established an important presence in Quebec, where social co-ops (known as "solidarity co-ops") play a major role in the provision of home care services in that province.<sup>ii</sup> There are now 51 solidarity co-ops in Quebec that service approximately 14% per cent of the home care market in that province.

Here are some examples of how social co-ops contribute to the delivery of public goods in partnership with local municipalities.

## Recycling

**Piazza Grande** is a social co-op in Bologna that started out as a service to provide assistance to the homeless. Its members originally earned money by selling the organization's newspaper, but the co-op expanded to operate a house and apartment cleaning service that was paid with donations of repairable items. The city provided the co-op with a warehouse space to collect and sell these items. Piazza Grande also refinished old furniture, repaired and resold appliances, motor scooters, and bicycles, and now operates the city's largest bicycle rental business.

An example of an enterprise that operates a similar service, although not structured as a co-op, is United We Can in Vancouver.

## Grounds keeping and landscaping

Bologna's city parks employ social co-ops to assist in the upkeep of public parks and the grounds surrounding public buildings. Many of those employed in these services are people with disabilities.

## Rehabilitation.

**Altercoop** is a social co-op whose members are former prisoners. It operates a stationary business specializing in the production and sale of items made from recycled materials. It has long-term contracts with a number of municipalities and public agencies for the supply of their stationery needs.

We propose that the City of Vancouver explore the use of social co-ops as a component of its sustainability agenda by identifying projects in which social co-ops could provide a source of meaningful employment for marginalized groups. The following examples illustrate areas where this might take place:

- a) Building and supporting the operation of community and school gardens
- b) Removal of graffiti and the improvement of public spaces
- c) Provision of services for the organization and staging of city-sponsored public events (e.g. music festivals).
- d) Expansion and maintenance of the city's greenways and parks.
- e) The planting of trees and orchards.
- f) The restoration and protection of wetlands, streams and riverbanks.

Finally, and perhaps most importantly, the City can greatly advance the social inclusion of marginalized groups by reviewing its procurement policies with a view to targeting those purchases of municipal goods and services that might be supplied by social co-operatives, as is currently done in many European cities.



## Co-operation, Community, and the Sustainability Mission

The conscious use of co-operation as a social technology for the pursuit of sustainability is in part founded on the basis of complementary economic and social values between co-operatives on the one hand, and the economic and social ethic of sustainability on the other. As indicated throughout this paper, there is a wealth of experience and a high level of interest within the co-op community to engage more actively on this issue.

But there are other reasons why the City should consider the promotion of co-operation as a central element in its sustainability mission. This has to do with the impact of co-operatives on the promotion of reciprocal ties among citizens, the element that lies at the foundation of healthy communities. There is an overwhelming amount of evidence that is now showing a direct correlation between the presence of co-operative social institutions and the overall well-being and life satisfaction of people in their communities. As indicated at the outset of this paper, this is a function of the level of social capital that is available in a community, and co-operatives are the types of social institutions that generate and replenish social capital.

Co-operatives help to identify and reinforce the common interests that allow individual agents, whether they are independent small businesses or individual citizens, to band together to achieve common goals. With respect to sustainability, this is the element that will make a crucial difference in the degree to which citizens will mobilize collectively to achieve the kinds of goals outlined in the city's sustainability plan. For the establishment of community gardens or neighborhood composting programs, for example, it makes a big difference whether neighbours have learned to work together. It also makes a difference whether or not there are social mechanisms in place for them to be able to do so.

The creation of co-operatives builds positive, pro-active attitudes and promotes leadership skills at the level where they count most if many of these programs are to succeed – at the local community. The payoff for the city is not only an array of active community organizations with a focus on sustainability with which city planners can partner. There is a community payoff as well; people that are actively mobilizing around projects that generate mutual benefits feel better about themselves, *and* their community.

By partnering with the co-op sector around the broad objective of making Vancouver the greenest city by 2020, the city will not only be placing itself at the forefront of progressive municipal policy when it comes to questions of sustainability. It will also be taking a lead in promoting the types of social attitudes and organizations that in the long run, will help maintain a sustainability ethic not only by enlisting citizens in its realization, but also by building the organizations at the community level that can promote sustainability goals with future municipal administrations long after the current politicians and policy makers have left the scene.

By building co-operative economic and social systems for sustainability, the City of Vancouver is inoculating itself against future backsliding in a field of activity that must, at all costs, continue regardless of the political winds and particular interests that hold sway at any one period. This is perhaps the least obvious, but most lasting, benefit from using the co-op model to popularize and democratize the sustainability message.



## Recommendations

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Focusing on the twin goals of promoting sustainability and improving the quality of life in Vancouver, this paper outlines an ambitious prospect for a long-term partnership between the co-op sector and the City.

The following recommendations are intended to provide an initial framework and some first steps to establish the means for exploring such a partnership. Moreover, given the significance of this partnership, both for the City of Vancouver and for the co-op sector, BCCA proposes that the proposal outlined in this paper constitute a major co-op legacy project in recognition of 2012 as the UN International Year of Co-operatives.

We recommend:

1. That the Mayor's office designate a working group of councilors and City staff to review the Co-operative City proposal and to meet with BCCA and representatives of the co-op sector to discuss its content and to identify where, and in what manner, the city might take part in a proposed partnership.
2. That an overview of this proposal be presented to Vancouver City Council.
3. That working groups composed of City staff, co-op sector representatives, and other stakeholders, be established to explore in detail those areas of opportunity where the co-op model might be applied in support of City objectives (affordable housing, renewable energy, arts & culture, etc.).
4. That these working groups be mandated to prepare a report on their respective areas of study including the identification of concrete steps, resources, and costs associated with implementing an action plan.
5. That a timeframe of January 1, 2012 be established for the completion of these reports.
6. That, contingent on the endorsement of the Mayor's office and City Council, a formal agreement be concluded outlining the purpose and content of a Co-operative City partnership.