

**The California Mutual Housing Association:**

## **Organisational Innovation for Resident controlled Affordable Housing**

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The California Mutual Housing Association (CMHA) is a statewide, resident controlled, non-profit organisation that assists in the development and preservation of resident controlled affordable housing. Resident controlled housing, in CMHA's definition, ranges from housing co-operatives to mutual housing associations to resident associations with meaningful roles in the operation of rental housing. The three year old organisation combines both the inherent strengths of large scale with the local legitimacy and the accountability of resident control. This article examines CMHA's experience in Los Angeles and looks at its importance and potential as an agent for the provision of affordable housing.

The CMHA is governed by a statewide board of directors. Board seats are divided equally among northern and southern regions of the state. To guarantee that majority power remains with representatives of resident-controlled housing organisations, seventy percent of the seats on the board must be held by representatives of resident controlled or want-to-be-resident-controlled resident organisations. These organisations include: limited equity housing co-operatives; local mutual housing associations; and residents organising to obtain control. The remainder of the seats are available to advocacy groups, local non-profit housing development corporations that actively support resident controlled housing, and service providers - housing packagers, housing manager, and technical assistance people. The statewide board meets four times a year to set policy. In between the statewide meetings, regional councils meet. These are made up of people elected from each region and additional local representatives. The day-to-day operational decisions of the organisation are left to the regional councils.

The CMHA represents a notable innovation in that it has been structured as a secondary co-operative, accountable directly to its membership organisations.

Yet, in contrast to England's locally based secondaries, it has the scale more typical of a statewide or national co-operative housing association. Combining technical assistance and an association creates the potential for the organisation being stronger than the two in separated form. The statewide form also allows for the potential of co-operative development throughout the state in areas without previous concentrations of development.

Employing a broad definition of resident control, CMHA has been able to link the tenants movement in both public and private housing with the supportive community development corporations (housing associations) and co-operatives in a fashion that can broaden the collective power of all the sectors. It is important to observe that CMHA is also different in potential from the great mutual housing associations in Europe. CMHA is an association of autonomous groups rather than a large holder of property. This should avoid the inevitable rigidity of such large organisations, although it will clearly make the organisation less economically powerful than these large organisations. CMHA's power will have to come from its ability to build upon and maintain its considerable coalition potential.

Activity has been increasing at a rapid rate and the organisation will operate in 1995 with a budget of approximately \$500,000 per year, although its income potential is substantially greater. The Southern California office is located in Los Angeles. In the first three years of CMHA, more than twenty developments in southern California have received service from CMHA. These developments consist of more than four thousand units and have a combined gross annual income of more than 24 million dollars.

The CMHA has completed or has underway:

- Project management for tenant associations purchasing four HUD prepayment development and residents of one abandoned slum building in Los Angeles.
- Technical Assistance to seven Community development corporations throughout southern California.
- Creation of four local mutual housing associations.

- Acting as corporate secretary for three co-operatives.
- Leadership training for three public housing developments.
- Training for staffs of two Cities.
- Advocacy for a number of resident organisations fighting their landlords and seeking to purchase.

## **The CMHA Development Strategies**

The CMHA has developed an approach to development, a series of principles that inform CMHA's actions and differentiate it from the more "mainstream" non-profit development organisations:

### **CMHA Strategy 1: Don't Own, Organise:**

CMHA does not seek to own any development. Rather, the objective is to work with residents of individual buildings, existing supportive community development corporations, (where they exist) or help create a local mutual housing association. This last approach has become increasingly important to the organisation. CMHA staff act as staff to the mutual housing associations, creating increased local legitimacy and the efficiency of a single staff, which is particularly important in this period of declining resources.

### **CMHA Strategy 2: Begin with the People, not the Building:**

CMHA seeks out resident associations looking to buy the building in which they live. Therefore, CMHA can work with legitimacy wherever an existing tenant group, interested in controlling their housing, requests assistance. Bringing housing residents directly into development decision-making has already yielded powerful results. For instance, when the city of Los Angeles Housing Department began to require the addition of certain costly design features during the rehabilitation of a slum-building, instead of CMHA staff arguing endlessly about the wisdom of the requirements, the residents quickly ended the debate by making it clear that they did not share the city's architectural vision. Public presentations about the CMHA are almost always made by residents, with CMHA staff in a

background role. These presentations highlight the residents as the chief resource of CMHA, with much of technical assistance being provided "people to people." This resident-centered development programme has also meant that CMHA staff have not had to aggressively market their services. As the word spreads about CMHA-supported tenant victories, many potential referees are created in the network of tenant organisations, advocacy groups and co-operatives.

### CMHA Strategy 3: Let the People Decide:

CMHA emphasises social development over physical development. To approach development from this resident-based perspective requires that the CMHA have very special development staff, skilled on multiple levels, organisational as well as technical. Rather than simply get through development checklists, CMHA staff must be skilled at framing development problems as opportunities for organisational capacity-building, repeatedly asking the question: "How can decisions be made in ways that enhance an organisation's long term strength?" A major development challenge is that residents may seek to draw CMHA staff into internal conflicts as adjudicator or ally. CMHA staff must be very adept at maintaining an appropriate role in a highly charged political environment. The CMHA must be careful in supporting the democratic process rather than stepping in with the "answer" or becoming too aligned with one faction or another. Structuring real estate decisions can enable resident groups to go through a learning process aimed at increased control over their living environment. A process can be undertaken in which the residents come up with an internal relocation plan and divide up vacated space to accommodate those with the greatest need. The design work can involve collectively resolving issues of equity - who has priority for living space, on which floor, near which household. Perhaps as importantly, residents begin to see the building, which may have both sheltered and victimised them as theirs, as malleable, as reparable, as something which the residents can collectively shape and improve.

### CMHA Strategy 4: Emphasising Long Term Housing Management:

CMHA sees housing management as the opportunity for

residents to develop their own style of democracy. The development is viewed like an endowment which generates resources to support this democracy. The emerging democracy provides an excellent long term framework for community development. The opportunity presented by property management, broadly defined, is that residents can apply their own experience-based understanding of the property and the neighbourhood, design solutions to problems and then, because they are on site, monitor the results. Development consultants typically swarm around a project when it is in the planning and construction phases and then abandon the residents when the resources have been raised and expended. In co-op training, residents are reminded that all of these development activities are just like preparing for a wedding ceremony and reception. The residents must direct the florist and the caterer not vice versa. But most importantly, they must remember not to mix up the "wedding event" with the importance of building a strong relationship for the many years of "marriage". Just as couples can best live together with each other over the years if they have open and respectful ways of communicating, so too co-operatives. Marriages are also better able to survive if income is sufficient to cover bills, hence the importance of housing management to a co-op. CMHA does not abandon its projects when they are completed. Rather the organisation intends to have a continuing role as corporate secretary to the board. The services covered will include assistance keeping the minutes and conducting and overseeing elections, making sure that procedures follow the bylaws, and other organisation development functions not provided by private property management companies.

#### CMHA Strategy 5: Peer based Technical Assistance:

The CMHA continually seeks to break down the division between technical staff and resident leadership. The greatest knowledge of running resident controlled housing comes from having done it. This is not textbook knowledge, this is not computer knowledge, this is not something one learns in graduate school. Rather, operating co-operative housing skills requires very specific and context based understanding, drawing upon knowledge of a community and of particular buildings and

properties. Beyond the ability to read management financial reports or interpret by-law provisions, comes the requirement that people have the democratic process skills to resolve thorny value-based problems in ways which build group cohesion and fairness. Many decision making issues have important moral components that cannot be simplified into formulaic technical problem solving. These decisions involve the creation of policies and procedures for admitting new members, revoking membership rights, establishing priorities for repairs and so forth. Interpreting policies and procedures is even more challenging. Often there are no clear cut answers; reliance is needed on the judgement of those most involved and most knowledgeable.

Sometimes those with the most knowledge can be found within the resident association, but often much can be learned from the experience of those who have struggled through similar issues in other circumstance. In co-operative development training, it is very important to teach the residents how to become their own "researchers." in other words, if they have questions, who can they identify within and outside their group as resource people. The CMHA staff and board representatives help in this networking function. Additionally, in the training process, residents meet an array of CMHA co-op leadership who can be contacted for follow-up. The CMHA's real strength lies in these direct people to people exchanges. There are already signs that this approach may be able to contribute community-based job development.

The central mechanism for strengthening the inter-organisational CMHA community is through the week-long Twin Pines Summer Housing Institute at Co-op Camp Sierra, a 50 plus year old tradition in California that has been the birthing place of many co-op institutions. The CMHA is the only development organisation in the State with its own folk school for continuing education. Co-op Camp serves to break down divisions between technical staff and residents in a retreat setting, Participants bring their entire families and begin to establish long term friendships as well as co-op "networks". Although there are formal training sessions, mostly in the mornings when the childcare programme operates, much of the most valuable information is transmitted in one to one discussions in front of the general store or along a walking trail. The camp's programme

is dependent upon the contribution of the residents, so individuals from around the state create "a co-op for a week" in this beautiful setting. Co-op Camp serves as an incentive for year long participation in the co-ops and resident associations; these groups can reward those most active through sponsoring a week of training/vacation in the Sierras.

The CMHA is emerging just as federal housing programmes are being severely trimmed. A great deal of the CMHA's funds come directly or indirectly from the federal government. These cuts could shrink the organisation as quickly as they have helped its expansion. The long term growth pattern of CMHA will depend on how it manages changes which take place in what is likely to be a very critical period.

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