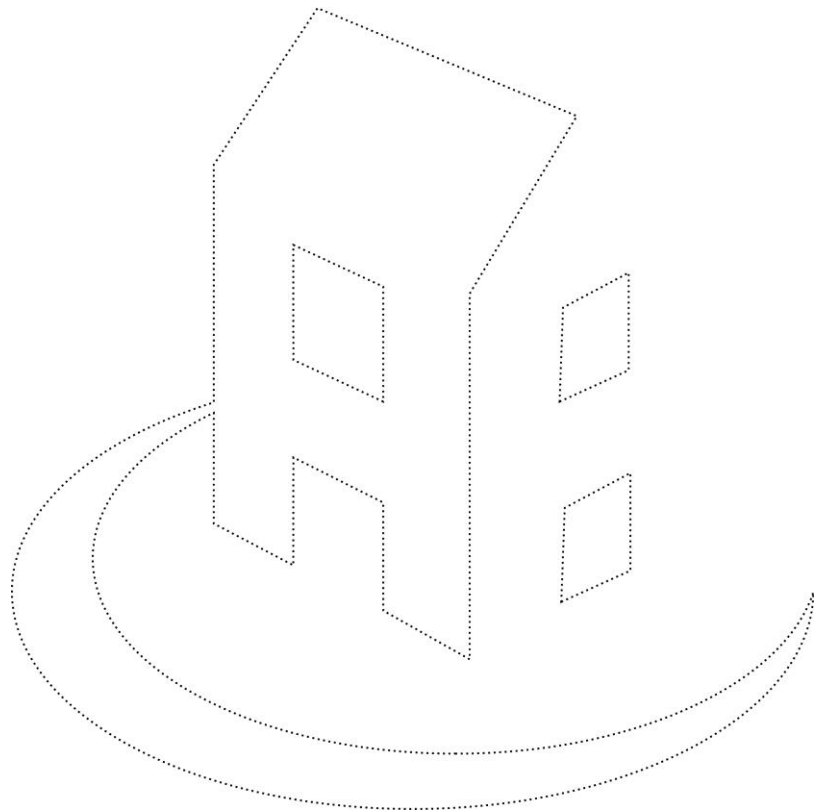


*The*  
**CO-OPERATIVE  
HOUSING  
FEDERATION**  
*of Canada*



**Pre-Budget  
Submission in  
Advance of the  
2019 Budget**

**August 2018**



## Recommendations

As the unified voice for Canada's 900 housing co-operatives, the Co-operative Housing Federation of Canada is advocating for three policy priorities for the 2019 budget:

1. **Transfer \$50 million in surplus federal land to the co-operative housing sector towards the development of new affordable housing;**
2. **Amend National Housing Co-Investment Fund program criteria to include greater accessibility for co-ops seeking access to program funding;**
3. **Provide \$7.5 million in funding per year to re-enroll housing co-ops with expired operating agreements to provide homes to low-income Canadians until 2028.**

**Canada's national competitiveness is built on the economic security of Canadians.** In rural communities and urban centres alike, the shortage of homes is causing a national struggle to find an affordable place to live. When half of Canadians are spending nearly a third of every paycheque on housing, local economies suffer, the nation is less competitive, and we are a less inclusive society than we can be.

Housing co-operatives offer community-oriented affordable housing to over a **quarter of a million Canadians in every province and territory**. The co-op model of housing is inherently inclusive and has a decades-long track-record of permanent housing affordability, particularly serving traditionally-disenfranchised groups like seniors, new and Indigenous Canadians, single-parent families, and those living with disabilities.

A CMHC study found that those living in housing co-ops saw more improvement on quality of life indicators such as skills development and labour force participation.<sup>1</sup> These key contributors to individual economic performance enhance our national competitiveness from the ground up. **Now is the time to leverage that advantage and to invest in co-op housing.**

## Provide Land to Build New Co-op Homes

Supply-side measures are a necessary component of solving Canada's housing crisis. By working in partnership with housing co-ops, the federal government can catalyze the development of permanently-affordable homes available to Canadians.

The co-operative housing sector has recently developed 300 new, affordable homes using government-owned land provided to them, at a token cost, by the City of Vancouver. **The newly-developed co-op will offer housing units at 75% of average market rent, and as low as 20% of average market rent for households in deep financial need.**<sup>2</sup> This level of affordability will be achieved without continued operational funding from government.

**The Co-operative Housing Federation of Canada proposes to replicate that model nationally with \$50 million of surplus federal land.** The National Housing Strategy committed to transferring \$200 million in surplus land to housing providers for the development of mixed-income communities.<sup>3</sup> **Partnering the expertise and experience of the co-op housing sector with surplus federal land will catalyze the development of thousands of permanently-affordable homes across the country.**

## Make the National Housing Co-Investment Fund More Accessible to Co-ops

Certain criteria tied to the National Housing Co-Investment Fund make access to this program prohibitive to co-ops. For example, one criteria requires that co-ops ensure 20% of their units meet strict accessibility standards. While this is a noble goal, renovating existing buildings to meet this criteria would require costly structural changes and a net-loss in the number of affordable units in the building.<sup>4</sup> **As a result, the program may not provide co-ops with sufficient value to pursue support from the Fund.**

As it stands, there exists financial supports and case-by-case flexibilities for co-ops to achieve those minimum targets, but the amount of funding and the extent of the flexibilities is unclear. Without clarity, co-ops cannot determine whether accessing the Fund is a prudent business decision.

**With clearly-defined criteria flexibilities and financial supports to help co-ops meet the ambitious criteria tied to the program, co-ops can fully access the Fund and begin important renovations to protect affordable units for decades to come.**

## Allow Co-ops to Re-Enroll in Program to House Vulnerable Canadians

The National Housing Strategy laid out the government's plan to protect low-income co-op homes through to 2027-28. However, a small portion of the co-op portfolio was left out of the solution, simply because their federal operating agreements expired before April 2016. **This oversight has meant that a significant number of co-ops were no longer able to provide homes to low-income households requiring financial supports in B.C., Alberta, Ontario, Quebec, and P.E.I.**

These co-ops want to offer homes to vulnerable Canadians again. The homes are already built, paid for, and situated within strong communities. **A rent supplement program delivered through the co-op portfolio is a quick and cost-efficient way to house more Canadians on the path towards the government's goal of reducing housing need by 530,000 by 2028.**<sup>5</sup>

Funding set aside for the Federal Community Housing Initiative (FCHI) introduced in the National Housing Strategy could be used to fund this re-enrollment. The \$500 million FCHI is already providing continued support to the majority of co-ops with a direct relationship with the federal government.<sup>6</sup> **At a cost of \$7.5 million per year, co-ops could house approximately 1,100 low-income households B.C., Alberta, Ontario, Quebec, and P.E.I.**

## Conclusion

Affordable housing is the foundation for both a competitive economy and an inclusive society. The co-operative housing sector is looking to partner with the Government of Canada in the development of new affordable housing units across the country. **The transfer of surplus federal land, greater accessibility with the National Housing Co-Investment Fund, and re-enrollment of co-ops into a rent supplement program, will provide thousands of Canadians with an affordable place to call home.** More co-op homes will enable Canada to compete and succeed in the global economy.

We welcome the opportunity to speak to the House of Commons Standing Committee on Finance about our recommendations in this submission in the near future.

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<sup>1</sup> CMHC, Co-operative Housing Programs Evaluation (2003), <http://publications.gc.ca/collections/Collection/NH15-418-2003E.pdf>, 36

<sup>2</sup> O'Connor, Naoibh. "More than \$2,000 a Month for a Co-op Unit in Vancouver — What Gives?" *Vancouver Courier*, July 11, 2018. Accessed July 24, 2018. <https://www.vancourier.com/real-estate/more-than-2-000-a-month-for-a-co-op-unit-in-vancouver-what-gives-1.23364759>.

<sup>3</sup> Canada. Canada Mortgage and Housing Corporation. Canada's National Housing Strategy: A Place to Call Home. <https://www.placetocallhome.ca/pdfs/Canada-National-Housing-Strategy.pdf>, 12

<sup>4</sup> Units with high accessibility standards require a larger floorplan than traditional units built in the 1970s-1980s, when many housing co-ops were built. Co-ops may need to sacrifice a number of units to accommodate the additional space requirements associated with accessible units.

<sup>5</sup> Canada. Canada Mortgage and Housing Corporation. Canada's National Housing Strategy: A Place to Call Home. <https://www.placetocallhome.ca/pdfs/Canada-National-Housing-Strategy.pdf>, 3

<sup>6</sup> Ibid. 14