



OPEN THE DOOR TO CO-OP HOUSING

A partnership to help build new co-ops homes and address the housing crisis

The issue: A need more affordable housing and an affordable housing program that doesn't encourage co-op housing development.

In today's housing market many low and middle income households are facing difficulties in finding a good-quality affordable home. At the heart of the issue is the gap between those who need affordable housing and a lack of supply of affordable homes. Momentum has been building to narrow that gap. The National Housing Strategy is expected to build 2000 new homes every year over 10 years in Ontario. It's an important first step, but more needs to be done. It's estimated that **Ontario needs to build 6500 affordable homes a year** over 10 years to address the need for affordable housing. All political parties need to take bold steps to bridge the affordable housing gap.

A challenge for co-op development was highlighted in a report by the Auditor General. They found that the investment in affordable housing (IAH) program does a poor job in encouraging non-profit development.¹ Co-ops and non-profits have a proven record of building affordable rental in a more cost-effective manner than private developers. Co-ops also offer members benefits not found in other forms of housing.

Our solution: A renewed effort by the province to fund the development and growth in affordable housing.

CHF Canada urges all parties take steps in partnering with the co-op and non-profit housing sector to support the development of new affordable homes. A study conducted by Evergreen found that federal co-ops and non-profits in the GTHA alone have **\$400 million dollars in land and other assets that could be leveraged for new development**². Ontario is missing an opportunity, the province should aim to partner with co-ops with ambitions to grow to unlock these assets. Take British Columbia a province with a similar housing market as ours. The B.C government is partnering with co-ops, non-profits, and cities to build 114,000 units of affordable housing over 10 years. A similar vision is needed to address the housing crisis in Ontario.

Background information on next page

¹ Office of the Auditor General of Ontario. Annual Report 2017. December 6, 2017. Quote from pp. 732. <http://www.auditor.on.ca/en/content/annualreports/arbyyear/ar2017.html>.

² Evergreen. Building affordable housing through leveraging in the GTHA. March 2016.

Background

Ontario has over 550 housing co-operatives and home to about 125,000 people. Today, we can't imagine our neighborhoods without the communities that have been built through our co-ops. Co-op housing has been a great success story of empowering members in making decisions, improving sense of community, creating better relations with friends and neighbours, and improving social supports compared to other forms of rental housing.

We don't, however, see a lot of new co-ops being built. Nearly all the co-ops in our province, where built from the 1970s to early 1990s through past government programs. Under the current affordable housing programs co-ops represent only 4% of all new housing developed, but under past programs co-ops made up to a quarter of all affordable housing being built in Ontario.

The reason we have seen so little develop is because the province's main tool for developing new affordable housing, the Investment in Affordable Housing program (IAH), isn't effective at engaging small non-profit housing providers like co-ops to build new homes. This has been a real loss for the province of Ontario. The co-ops that were built over 20 years old and are still providing good quality affordable housing today, often in communities where there are few other options for affordable housing.

Despite these challenges new opportunities are being created that could kick-start new co-op housing. Ontario is expect to receive up to \$7.4 billion over 10 years from the federal government to go towards preserving and expanding affordable housing. The province also has the resources to make a renewed investment in housing. In the last four years, Ontario has generated \$8.2 billion dollars from the Land Transfer Tax. If even a portion of it was reinvested in building new affordable housing it would go a long way to relieve pressures on the rental market.

It's important to remember that co-op housing is more than just brick and mortar. Co-op members are active in the lives of their community. They are members of local community groups. They run daycares, food drives, clothing exchanges and other services in the community. With co-ops generating a strong sense of belonging it has given residents a place within the broader community. With all the incredible benefits that co-op living brings to residents and the neighborhood, it's time that we build a new wave of co-op homes.

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