

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



THE WAY AHEAD

Strategic Plan (2009 – 2012)

INTRODUCTION

In September 2008, CHF Canada's Board of Directors and Ontario Council agreed that the 2005 – 2010 Strategic Plan should be renewed and focused on a three-year period, 2009 to 2012. The previous Plan described a period of transition. Many housing co-ops were anticipating the end of their operating agreements; co-op buildings and their leaders were aging; the roles of volunteers and professional co-op managers were changing. The new Agency for Co-operative Housing was about to enter a contract with Canada Mortgage and Housing Corporation and launch a new risk-based approach to program administration.

That Plan pointed to Canada's affordable housing shortage, identifying an emerging role for provinces. It highlighted the challenges facing *Social Housing Reform Act* (SHRA) co-ops from municipal service managers' rules that were stripping away member control. The 2005 Plan pointed to uneven delivery of co-op services across Canada, and to an inescapable role for CHF Canada in supplying local support. The 2005 – 2010 Plan provided a framework for several strategic initiatives undertaken by CHF Canada's board and staff since 2005:

- The 2020 Vision Project focused on the end of co-op operating agreements, a new financial reality for co-ops, and the need for excellence in governance and management,
- Recalibrating education program objectives toward core co-op functions and changes to education program delivery (local events, distance education, and training partnerships) and improved professional development programs,

- A leadership renewal project aimed at skills development and diversity,
- A stronger government relations program, with increased staff and consulting resources,
- Legal action to protect members' rights in Ontario, and
- A shift in member relations toward more in-person contact with co-op leaders, and more reliance on Internet-based communications.

This new Plan benefits from CHF Canada's experience over the past four years. With a three-year timetable, we can be more precise about the major issues facing co-ops and CHF Canada itself, and about how these issues can be addressed.

ENVIRONMENTAL FACTORS

Several factors will shape our environment during the next three years. Our starting point is to identify two structural issues.

The first is **financial risk**. Although most housing co-ops are operating independently, breaking even, and supported by some level of financial reserves, many will be short of money as their buildings age and need reinvestment. Land leases will need to be renewed, and the subsidy dollars available for low-income households in federal co-ops will decline to zero with the end of federal operating agreements. As we begin the years covered by this Plan, Canada is in a severe recession, too, so more co-op members will become un- or underemployed; some residents on fixed incomes may have difficulty paying their housing charges because of declining pension or investment incomes.

With the ending of federal operating agreements, our member co-ops will face a new reality. Without new subsidy programs, federal co-ops may not be able to house as many low-income households. Even if they pay a higher proportion of their income, or if internal, co-op-financed subsidy programs gain widespread acceptance, the proportion of low-income households will certainly decline.

In Ontario, some municipalities continue to wield their regulatory and supervisory powers indiscriminately; SHRA co-ops have become increasingly vulnerable to limitations on the rights that co-op members have traditionally enjoyed. Although many years have passed since it was enacted, the heavy-handed measures of the *Social Housing Reform Act* continue to plague Ontario's co-operative and non-profit housing providers, and the people who live in them. Some service managers have been far too quick to use receivership and takeovers to solve problems.

Third, in the housing co-op movement as in other economic sectors, **economies of scale can make a difference**. In comparison with community housing in many other developed countries, Canada's housing co-ops are small, as are many of the organizations that serve them. Larger co-ops in other nations, some with thousands of homes and direct links to large co-operative financial institutions, can develop new homes by assembling their own land and financing, a capacity that does not exist in Canada.

Today, government funding initiatives for affordable housing clearly favour larger players with deeper pockets than co-op groups.

Smaller housing co-ops may also have greater difficulty in meeting the financial challenges they face. Similarly, small regional federations may struggle more in responding to the more complex needs of their members.

A consolidation of Canada's housing co-ops could bring positive economies of scale in governance and management, maintenance, purchasing, and new development. Equally, the combining of small regional federations, where feasible, could mean a greater depth of regional

support to co-ops at a time when government safety nets are beginning to disappear.

Balanced against all this are several positive factors.

Management standards have improved during the past few years; so has the value placed by co-ops on good governance and principled leadership.

The 2020 Vision Project has been embraced by CHF Canada member housing co-ops.

The Agency for Co-op Housing has elevated governance and management standards among the 550 co-ops in its portfolio, and is helping many co-ops identify problems that, if left unattended, could become major difficulties.

CHF Canada has launched the Community Housing Management Network to fill gaps in management services to housing co-ops.

In Ontario, a new Asset Management Centre has brought together sector organizations, service managers and the Agency to develop resources and standards to support better co-op property management.

Housing co-ops have embraced wider community issues, and led other social housing providers in their commitment to environmental sustainability.

And in spite of regional differences, program issues that vary, and the extraordinary situation of SHRA co-ops (nearly 30 per cent of our members), membership in CHF Canada and most regional federations has been growing steadily for more than a decade. In fact, as the challenges facing members become more complex, co-ops place more and more value on each other's experience, available only from CHF Canada and regional federations.

There is a strong alignment between CHF Canada and regional federations about the movement's key strategic goals.

At the federal level, CHF Canada's government relations efforts have delivered solid successes: the successful launch of the Agency for Co-operative Housing, a constant flow of federal

dollars to provinces to pay for new housing programs, revisions to the subsidy arrangements for Section 95 co-ops, and, in 2009, a substantial program of federal grants for co-op renovations and energy retrofits. We are seen by government as a leading voice on housing policy matters.

CHF Canada's Ontario Region has achieved significantly improved property tax treatment, an improved funding model, and the 2009 launch of a process to move forward on reforming the co-op eviction process.

Overall, for politicians at both the federal and provincial levels, Canada's housing co-operatives continue to be recognized for their success in delivering affordable, mixed-income housing programs at a reasonable cost.

STRATEGIC GOALS

From 2009 to 2012, CHF Canada will be focused on helping member co-ops meet their needs.

First, co-ops will need help coping with changes to their financial situation. They will rely on CHF Canada for detailed financial planning tools, hands-on technical advice, and guidance on governance and management. The essential elements of good governance, principled leadership and sound management will need continuous promotion. We will help co-ops abandon unrealistic and counterproductive expectations about member "participation", in favour of more effective member involvement. Co-ops will increasingly focus on asset management, seeking to develop the financial capacity to repair and renovate their buildings.

Housing co-ops need professional property management. CHF Canada has delivered property management training to co-op employees, and supported the growth of sector-based co-op management companies. CHF Canada has now expanded its management support to housing co-ops through the development of a network that will pull together management resources to support co-ops facing very severe difficulties and to help fill gaps in the supply of co-op management services.

In the future, members may also want to realize the benefits that larger scale can bring – the economies

of consolidated purchasing and staffing, better harnessing the leadership skills of volunteers and managers, and better use of limited opportunities to build new co-ops or expand existing ones.

CHF Canada will provide a common table for a discussion of the issue of scale, both for co-ops and the federations that support them.

With the ending of current subsidy flows to federal program co-ops now in sight, CHF Canada will forge strategic alliances with other housing stakeholders to press governments for new subsidies for low-income Canadians and for favourable loan programs so that co-ops and other housing providers can renew their properties at the lowest possible cost.

CHF Canada will continue to encourage the development of new co-operatives and the expansion of those that already exist. Responsibility for new housing programs has fallen to provinces and territories, so CHF Canada may need to tilt its lobbying focus further toward provincial capitals.

SHRA co-ops in Ontario expect that we will continue to resist inappropriate intervention by municipal service managers. These efforts take place mostly in negotiations with the Ontario government and municipalities, but when necessary we will also use the courts to enforce co-op members' collective rights to own and control their housing. If more litigation is necessary, our resources could be severely strained despite members' willingness to contribute money to support legal action.

Ontario's government has begun its review of Ontario's affordable housing policies and programs. CHF Canada's Ontario Region is an active participant in those consultations, with two main goals: to protect the independence of existing co-ops, and to support the development of new ones.

We will accommodate members' concern for environmental sustainability.

We will continue to expand our use of the Internet to communicate with members, for training, and for other association tasks. Finally, maintaining a large, united and adequately financed federation will be indispensable to

achieving any of these goals. It will not do to rest on our past accomplishments, nor to expect co-ops to automatically renew their membership, especially in a period of financial strain. Both CHF Canada and regional federations must offer members a positive “value for dues” calculation that emphasizes relevant programs and services that cannot be found elsewhere and promotes the savings that members can realize through group buying and commercial partnerships. And we must be vigilant in continuing to build our internal business strengths, the better to meet our members’ expectations.

STRATEGIC PROGRAMS (2009 – 2012)

For the next three years, program and expenditure decisions will be linked to the goals set out above. CHF Canada’s most significant programs will be those that support and sustain housing co-ops’ long-term capacity to provide affordable non-profit housing.

Supporting co-op viability

Programs aimed at improving co-ops’ short and long-term health will grow. These include:

- efforts to assist co-ops in financial difficulty,
- the 2020 Vision Project,
- work to improve asset management and long-term preservation of co-op buildings,
- training programs for co-op managers, including programs to train entry-level managers,
- focusing co-ops’ attention on the key elements of good governance, sound management and principled leadership,
- the development of direct management resources by CHF Canada,
- securing favourable government loans for co-ops needing renovation and renewal,
- supporting the capacity of housing co-ops to provide housing to low-income members.

Supporting a strong co-op housing movement

CHF Canada’s success will rely in large part on continued work with like-minded partners. In improving co-op operations, for example, we will continue to work in close collaboration with regional federations, the Agency for Co-operative Housing, the Social Housing Services Corporation, the Institute for Housing Management, co-op management companies and others.

Our national and provincial government relations programs will also continue to bring together and harness the influence of others: regional federations, the Canadian Housing Renewal Association and its provincial affiliates, the Federation of Canadian Municipalities, the Canadian Co-operative Association, aboriginal groups and others. Both the national office and CHF Canada’s Ontario Region have great skill and experience in managing partnerships and joint ventures.

A strong CHF Canada

We will continue to ensure that CHF Canada prospers. Today, membership is at an all-time high; no other national organization is solely dedicated to the well-being of housing co-operatives. For the future, we will focus on:

- the unique benefits of CHF Canada’s experience and reach (only CHF Canada brings together the experience of hundreds of housing co-ops, over many decades),
- leadership renewal, so that our association leaders more closely reflect the leadership found in member co-ops,
- continued recruitment of excellent professional staff,
- improvements to CHF Canada’s suite of money-saving commercial programs, especially in the insurance field, and
- a focused approach to association risk management and best practices in our operations.

CONCLUSION

Our 2005 Strategic Plan found Canada’s co-op housing movement at a crossroads, facing a future “riddled with uncertainty”. Looking back over the past four years, it is fair to say that CHF Canada and its member co-ops have faced those circumstances well.

Tough problems still confront housing co-ops as they move into the end of the first decade of the 21st century. The future remains uncertain, but clearly members believe that CHF Canada is on the right track, addressing the key issues and ready to meet the challenges ahead.