

**BY COURIER**

January 26, 2007

Dalton McGuinty  
Premier  
Room 281  
Legislative Building, Queen's Park  
Toronto, ON M7A 1A1

Dear Premier:

**Subject: Ontario-Program Housing Co-operatives and the Provincial-Municipal Review**

As president of the Agency for Co-operative Housing (the Agency), I have a proposal to make in connection with the Provincial-Municipal Fiscal and Service Delivery Review that your government is now undertaking in partnership with the Association of Municipalities of Ontario and the City of Toronto. My proposal concerns housing—one of the areas under review—and responds to the determination of AMO, the City of Toronto and the Ontario government to identify long-term sustainable options.

My organization is an accountable not-for-profit agency incorporated in 2004 to administer federal co-operative housing programs for a fee, under contract with Canada Mortgage and Housing Corporation (CMHC). We operate in the four provinces, apart from Quebec, in which these programs have not been devolved to provincial control (PEI, Ontario, Alberta and B.C.). The mandate of the Agency is to assist government clients in ensuring that public funds committed for co-operative housing programs are used as intended and are properly accounted for, and to safeguard the public's investment in co-operative housing. More information about the Agency's risk-based, data-driven and client-focused approach is available on our website at [www.agency.coop](http://www.agency.coop).

The Agency is aware that, in connection with the Provincial-Municipal Review of housing, the Ontario Region of the Co-operative Housing Federation of Canada has proposed that the cost and control of Ontario-program co-operative housing (21,631 units in 261 co-operatives) be returned from the municipal to the provincial level. The Ontario Region has also proposed the reform of some current program features that have proved unworkable for resident-controlled not-for-profit housing co-operatives. In connection with these proposals, I urge the Ontario government to enter into an agreement with the Agency to administer the reformed program, once the housing co-operatives that come under it have been restored to the provincial level. This outsourcing agreement would reflect the focus of the Provincial-Municipal Review on delivering the best

possible services to the people of Ontario—both housing co-operative residents and the Ontario taxpayer—in an affordable way.

In May of 2005, following the signing of a service contract, CMHC began preparations for the phased transfer to the Agency of administrative responsibilities for federal co-operative housing programs. (CMHC retains the authority for broad federal housing policy, as well as program policies and financial arrangements, and remains a party to the agreements with housing co-ops.) As a specialist organization working only with housing co-operatives, the Agency, on CMHC's behalf, is now administering several legacy programs that provide assistance for more than 500 co-operatives, 267 of them in Ontario, comprising 30,623 units of housing across the country.

In delivering administrative services of high quality tailored to the requirements of both housing co-operatives and government, the Agency will enable the Province to achieve the strategic and forward-looking outcomes it seeks. By contracting with the Agency, the Province of Ontario will obtain the services of a program administrator, working in both official languages, that thoroughly understands housing co-operatives. Moreover, in the service of good public and fiscal policy, the Agency will make full use of current information technology and the Internet to reduce the risk of default and ensure that these member-led housing organizations operate in accordance with program stipulations and objectives.

My proposal provides a fair and equitable solution to the untenable situation in which housing co-operatives now find themselves. It also honours the original intentions and the high regard in which community-based housing was held by the Peterson government, which created the first Ontario program in 1986. I believe that the merits of my proposal are such that, at the very least, it warrants further discussion. I and our CEO, Alexandra Wilson, would be pleased to meet with you and your staff for a preliminary exploration of the advantages it would afford the government and the people of Ontario, as well as housing co-operatives themselves.

Yours sincerely,

Ray Hession  
President

cc: Honourable Greg Sorbara, Minister of Finance  
Honourable John Gerretsen, Minister of Housing and Municipal Affairs