



Co-operative Housing Federation of Toronto Inc.

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Co-operative Housing Federation of Canada
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November 8, 2007

His Worship
David Miller
Mayor, City of Toronto
Toronto City Hall
100 Queen Street W., 2nd floor
Toronto, Ontario M5H 2N2

Dear Mayor Miller,

Re: Creating Financial Relief for Municipalities: A Proposal to Upload
Co-operative Housing

We are writing on behalf of the Co-operative Housing Federation of Toronto (CHFT) and the Ontario Region of the Co-operative Housing Federation of Canada. Our organizations represent 168 non-profit housing co-operatives, home to more than 45,000 people across our City.

We applaud you for determination in passing the recent revenue package which will assist in addressing part of the City of Toronto's financial problems. Now that these revenue measures have passed we believe it would be a good time to revisit a proposal we submitted to you in January of this year for uploading municipally administered co-operative housing. We think this proposal can provide significant financial relief for the City of Toronto. In order to gain support we have also submitted a copy of the proposal to all City of Toronto Councillors.

Much has been written and said about the City of Toronto's precarious financial situation. Toronto, in common with many other municipalities across Ontario, does not have the financial resources it needs to pay for the critical services that the City delivers. This unsustainable state of affairs has arisen because a large portion of the budgets of the City and Regional governments goes to pay for social programs downloaded by the Conservative government in the 1990s.

Premier McGuinty has agreed that the current situation is untenable and in August, 2007 launched the Provincial/Municipal Fiscal and Service Delivery Review to try to find sustainable solutions. The Review panel is scheduled to issue its recommendations early in 2008.

Municipalities have been pressing the Province to provide financial relief by uploading a range of social services, including social housing, from the municipal level back to the Province. In the recent provincial election, all three major political parties acknowledged that the province must take on more of the financial burden of these costs.

We want to share with you again the January 2007 proposal that we have submitted under the Review to yourself, the Association of Municipalities of Ontario and the Ontario government. A copy of the proposal as well as a pamphlet setting out its key elements is enclosed with this letter.

Under our proposal the Province would take back the cost of the co-op housing portfolio from municipalities. Co-ops represent about 8% of the devolved social housing stock province-wide. Queen's Park would then outsource program administration to the Agency for Co-operative Housing. This realignment would provide an opportunity to amend the provincial *Social Housing Reform Act* (SHRA) and put in place a more suitable program framework for community-based, co-operative housing.

Program administration and the costs of the 70 housing co-ops in Toronto that operate under the SHRA were downloaded by the Province to the City over five years ago. More than 7,500 households live in these co-ops. The annual cost for rent-geared-to-income (RGI) and operating subsidies to the City of the devolved housing co-ops is about \$56.5 million.

Other housing co-ops in the City operate under federal programs and are administered by the Agency for Co-operative Housing whose role is described below.

A key element of our proposal is the transfer of program administration to the Agency for Co-operative Housing under a contract with the Province. The Agency is a non-governmental organization set up in 2004 for the specific purpose of administering co-op housing programs. It already oversees all federal co-ops in the Province of Ontario (about 19,000 units), as well as co-ops in three other provinces. It does so under a contract with Canada Mortgage and Housing Corporation.

We believe that the Agency offers an innovative, cost-effective and fully accountable alternative to traditional government oversight. You can find more information on the Agency for Co-operative Housing on its website at www.agency.coop.

We think that our proposal has very significant benefits for the City of Toronto and other municipalities, as well as for the Province and the co-operative housing sector. The proposal:

- gives municipalities substantial savings in program funding costs
- relieves them of long-term liabilities
- leaves them with a portfolio that is easier and more cost-effective to administer because the remaining housing providers have more in common

- offers the Province a cost-effective way to give municipalities a significant measure of financial relief from the costs of downloaded services
- does not require Ontario to take on program administration again
- helps resolve the issue of pooling of social housing costs between Toronto and other GTA municipalities
- allows housing co-ops to benefit from specialized program administration by the Agency and unites all Ontario housing co-ops under one roof.

We are aware that there are many issues and programs to be considered under the Fiscal and Service Delivery Review. However we feel strongly, that because of the range of benefits our proposal brings, it merits support as one of the early solutions delivered by the Provincial/Municipal review. As noted above, our proposal would significantly benefit the City with annual savings estimated at \$56.5 million.

We would welcome the opportunity to meet with you, at your convenience, to discuss our submission in more detail and try to answer any questions you may have.

Thank you in advance for your consideration of our proposal.

Yours truly,



Tom Clement
Executive Director
Co-operative Housing Federation
of Toronto (CHFT)



Harvey Cooper
Manager of Government Relations
Co-operative Housing Federation
Canada, Ontario Region

Attachments:

- “Uploading” of Ontario-Program Housing Co-operatives
- *Creating Financial Relief for Municipalities* pamphlet