

Appendix A

How the *Social Housing Reform Act* is (not) Working for Housing Co-ops

In this appendix, co-op housing staff give their own accounts of the damaging effect of the *Social Housing Reform Act* on co-op communities.

The comments are drawn from interviews with experienced staff working in several service areas across the province.

The Act is burying co-ops in paperwork

“I’ve worked in the co-op for fourteen years and there has never been as much work as there is now.”

Pam Murphy, Trent-Moira Co-operative Estates, Belleville

“We have 33 downloaded units and 18 federal units. The people living in the federal units are not any worse off due to lack of paperwork.”

Pam Murphy, Trent-Moira Co-operative Estates, Belleville

“Our co-op has eight units covered by our service manager and eighty-six federal units. More administrative time is spent on the city units than on the federal units. Two meetings a month are entirely or mainly to do with those units.”

Rob Hutchison, Kingston Co-operative Homes, Kingston

“There is a huge administrative burden imposed by the new RGI rules, particularly surrounding the proposed decision, opportunity to comment and then the appeal period. The reality is that members have always had the opportunity to comment. They would just come in and talk to us.”

Jennifer Murdoch, Clarion Co-operative Homes, Cambridge

“The system is overladen with regulations. We’re all audited, so why not include information in the annual audit – just once a year. We believe in accountability and a province-wide system, but there has to be more autonomy for housing providers.”

Rob Hutchison, Kingston Co-operative Homes, Kingston

“We’ve created a paperwork monster. Paper costs and copying costs are higher and the time spent filing has increased considerably. Is this where we want to be putting our energies in managing housing? Is the extra paperwork leading to the goal of housing people in a positive environment?”

Pam Murphy, Trent-Moira Co-operative Estates, Belleville

“The rules and regulations are so complex it is very difficult to administer and then to explain to our volunteer board members. It has created the requirement for internal review committees which is an administrative nightmare. Co-ops already have built-in mechanisms to deal with member grievances, regardless of the issue causing the grievance.”

Lori-Anne McDonald, Marlor Management, Sudbury

“Most of our time is spent doing paperwork, and not a single extra unit has been built or a single extra person housed. We got CMHC seed funding last year to look at building more units, but who has time to work on that?”

Rob Hutchison, Kingston Co-operative Homes, Kingston

“The *Social Housing Reform Act* has killed a lot of trees what with the by-laws that needed to be amended, not to mention all the new forms that now have to be used.□It seems there is a form for everything you need to do. Before the SHRA it was a lot simpler to get the work done.”

Carol Koch, Woodrose Co-operative Homes, Welland

“The administrative burden associated with the administration of the waiting list is horrific. It takes much more time to fill units than before, so we sometimes suffer vacancy loss.”

Florence Carbray, Needlewood Glen Housing Co-operative, Waterloo

“We had to purchase an expensive software upgrade last summer just to cope with all of the rule changes.”

Anne Marie Mason, Dobbin Housing Co-operative, Ottawa

“The additional layer of paper when sending out notices of housing charge recalculation, because of the opportunity to comment and internal review rules, is unnecessary. As long as I have been working in this business [16 years] I have always offered members and applicants an opportunity to question information. This has always worked very well. If I was unable to satisfy them, they could appeal to the board. This year we used the new process when we did our annual review. No one responded with a "comment" or requested an internal review. However, the same percentage of members did call staff and ask for a chance to review the calculation. All have been satisfied. I feel that this process was devised to solve a problem that doesn't exist.”

Bridget Bayliss, OWN Housing Co-operative, Toronto

Harsh and inflexible RGI rules are hurting members and the co-op

“There are no allowances for members who have lived in the community for a long time paying market to qualify for subsidy if they lose their jobs.”

Muriel Stilson, Whiteoak Heritage Housing Co-operative, London

“There are many different interpretations of the regulations. It was bad enough when we got six different interpretations from six regional offices; now we have to deal with thirty different interpretations from different service managers.”

Mary-Jane McGinn, Homestarts Staffing Services, Mississauga

“Because some of the rules for RGI members have been tightened up [for example, occupancy standards, delivery of notices] it creates even more of a difference in the way market members and RGI members are treated. I have always felt that even though there are inevitably some differences, we should try to minimize them and treat all members as equitably as possible. The SHRA has made it harder to do that.”

Bridget Bayliss, OWN Housing Co-operative, Toronto

“Market rent households with a change in circumstances are being forced to move. We need to give them a higher ranking on the waiting list to recognize their contributions to the co-op. We should use the date of occupancy to determine RGI eligibility, especially for seniors.”

Mary-Jane McGinn, Homestarts Staffing Services, Mississauga

“People’s circumstances change, but the regulations don’t take into account the needs of members. If a person has been on RGI and gets a full time job, after a year they no longer qualify for RGI. People working on contract often don’t have them renewed and that can lead to an economic eviction. There is no net gain – just a punitive approach towards the member and the co-op [which takes on the costs of a move-out.]”

Rob Hutchison, Kingston Co-operative Homes, Kingston

“Some units need a recalculation every month due to changes in income. It’s impossible to use the required waiting periods and notification periods and still keep peoples’ housing charges current with their ability to pay.”

Anne Marie Mason, Dobbin Housing Co-operative, Ottawa

“The accountability required of members is so much greater. There is much more responsibility on members to supply information and the time frames for people to get information to you are very inflexible.”

Pam Murphy, Trent-Moira Co-operative Estates, Belleville

“The deadlines for appeals are unfair to both the members and the co-op in some cases. With 261 units in our co-op, there are a lot of changes to housing charges each month. We need more flexibility.”

Elsie Harvey, Northview Meadow Co-operative Homes, Oshawa

“For members who have been living in the co-op for years and suddenly experience a loss of income, security of tenure is jeopardized because they need to apply externally for subsidy. A couple who have just retired and cannot pay market housing charges are having to move because they cannot afford to stay.”

Wendy Lucas, Jarvis-George Housing Co-operative, Toronto
Financial problems are getting worse

“Our whole area was underfunded when co-ops were first developed. Not having benchmarks means that we have to follow the old funding model and we simply are not getting enough money.”

Muriel Stilson, Whiteoak Heritage Housing Co-operative, London

“Although the Act was passed and implemented years ago, co-ops have still not received the new funding model and associated benchmarks. This has created unnecessary and undue financial pressures on our provincial co-ops as the service manager is unwilling to negotiate budgets until the benchmarks are released. An integral part of the legislation, the benchmarks, is missing and co-ops are being hurt.”

Lori-Anne McDonald, Marlor Management, Sudbury

“Because of financial shortfalls, co-ops are using reserves as cash flow instead of making monthly contributions. Sometimes their contributions are put in as much as six months after year end.”

Irene McHarg-Coey, Bethune Housing Co-operative, Gravenhurst

“Our co-ops are experiencing substantially higher vacancy rates because of the centralized waiting list process. We used to ensure that the top five people on each of our waiting lists had received an orientation, had met with the membership selection committee and had confirmed their interest so that when a notice to vacate was received, we simply had to do the credit and landlord checks which were done within a day, and then we could offer the unit. Now, under the new legislation, the waiting list changes daily so we can only check it once we have received the notice to vacate. Then we have to arrange for everything to be done only to learn that several other projects have also contacted the same applicant, who does not necessarily tell us that right away, and we spin our wheels only to have the applicant choose another location and we must start again. Our vacancy losses are increasing because the time to fill a unit has increased.”

Lori-Anne McDonald, Marlor Management, Sudbury

RGI rules are changing the character of co-ops

“The SHRA sets out so many different rules for our RGI members that do not apply to our market paying members, that a noticeable split has been created within the community. This is not productive especially in co-ops where we try to treat all members equally.”

Lori-Anne McDonald, Marlor Management, Sudbury

“It is possible for co-ops with high turnover to end up with a high percentage of victims of violence, and no means of providing support to them.”

Florence Carbray, Needlewood Glen Housing Co-operative, Waterloo

“There is a need for transitional housing. We want to help people, but co-ops don’t have the ability to provide the support that is needed by many people. Ideally, the rules should be changed so that we can take every other person one from priority list. As it stands, there is no chance of being housed from the chronological list.”

Elsie Harvey, Northview Meadow Co-operative Homes, Oshawa

“In principle, I think the idea of a centralized waiting list is a good one, but it takes away any flexibility. I have always been very strict about following waiting list protocol as I think our responsibility is to treat applicants fairly always. We have a wheelchair accessible unit available due to the death of a member. I have called all eight applicants on our Housing Connections list and none are prepared to take the apartment. I want to start calling neighbouring co-ops to ask for names from their lists, call rehab centres and disabled advocacy groups -- but no, I'm not allowed to do that. I have to wait for Housing Connections to perform a larger search on their system and try to come up with more names. The problem is that they can't do this today, it will be at least two days till I get it. And, I'm not convinced that these people will be any more suitable since they haven't applied for this building or even this neighbourhood. We may very well incur another month vacancy loss.”

Bridget Bayliss, OWN Housing Co-operative, Toronto

“Because of a shortage of available housing, the only way to get housed quickly is to get special priority. We’ve seen several examples of SPP [Special Priority Policy] status being given too freely”

Susan Taylor, Wyndham Hill Housing Co-operative, Waterloo

“The amount of paperwork required to administer the waiting list has tripled. The waiting list is needier, and often filled with people who don’t really want to be housed in a co-op.”

Pam Murphy, Trent-Moira Co-operative Estates, Belleville

Co-ops have lost control of their community

“Many service managers are taking on a much more significant role than anticipated in the Act. Instead of acting as funders, they are getting involved in areas of day to day administrative decisions.”

Susan Taylor, Wyndham Hill Housing Co-operative, Guelph

“Some service managers are less skilled than others. What do we do when a service manager is misbehaving or not doing their jobs properly? There is nobody to appeal to. Some get very defensive when problems are raised. Providers have to be careful for fear of retribution.”

Mary-Jane McGinn, Homestarts Staffing Services, Mississauga

“The Province still needs a housing bureaucracy to supervise all of the little bureaucracies and those little bureaucracies are often micro-managing housing providers. The goal is supposed to be accountability, but we’ve lost sight of that with too much detail. The SHRA needs to change to move service manager requirements towards ensuring that the funding agreement is being fulfilled.”
Rob Hutchison, Kingston Co-operative Homes, Kingston

“The Act has regulated so much of a co-op's operations, right down to member selection, that our volunteers are feeling that they no longer have a useful, valid purpose. They feel that they have become bureaucrats mandated to administer the government's agenda instead of community-based volunteers.”
Lori-Anne McDonald, Marlor Management, Sudbury

“Agreements that co-ops have signed with the service manager raise issues of board responsibility and often conflict with other legal requirements. Autonomy is being sucked out of the system. Providers are in constant legal jeopardy.”
Rob Hutchison, Kingston Co-operative Homes, Kingston

“The requirement to participate in Social Housing Services Corporation reserve pool takes away our autonomy over investment decisions.”
Mary-Jane McGinn, Homestarts Staffing Services, Mississauga

Appendix B

Ontario Region AGM Resolutions on Fixing the *Social Housing Reform Act*

2002: Getting Reform Right for Ontario-Program Co-ops

WE RESOLVE:

1. **THAT** the Ontario Region continue to press the Province to amend regulations to the *Social Housing Reform Act* to deal with co-op concerns about the new program, especially rent-gearred-to-income (RGI) rules that
 - are unfair to co-op members;
 - take away co-op discretion and decision-making when dealing with RGI issues; and
 - set requirements for administration that are out of place in a community-based housing system.

2. **AND THAT**, in the lead-up to the next provincial election, the co-op housing sector call on Ontario's political parties to commit, if they form the next government, to
 - top up capital reserves of Ontario-program co-ops so they are adequate to meet real replacement costs;
 - increase operating subsidies to co-ops if the new funding benchmarks are too low and put co-ops at risk;
 - base RGI subsidies on the full market housing charges that co-op members decide they need to charge to cover the cost of running their housing;
 - protect municipalities against operating and RGI subsidy increases that they cannot afford and that could put co-op funding at risk;
 - change the program rules, in consultation with the co-op and non-profit housing sectors, to streamline administration, , give housing co-ops more operating autonomy and get rid of unreasonable and unworkable RGI policies.
 - move the legal framework and rules for the program from the *Social Housing Reform Act* and regulations back into an operating agreement that sets up a fixed contract between co-ops and government;

OUR REASONS FOR THIS RESOLUTION ARE:

1. Since last fall, the Province has passed a series of regulations to the Social Housing Reform Act setting out the detailed program rules. Co-ops are very concerned about many of the rules – especially those dealing with RGI assistance.
2. Regulations are set and can be changed by the Ontario Cabinet or the housing minister and so are easier to change than the Act itself. The Ministry of Municipal Affairs and Housing has said that it plans to consult with co-ops about amendments that are needed to the regulations. We need to take this opportunity to press for changes to deal with the concerns of co-ops.
3. Some even bigger changes are needed to the program rules to achieve the original reform goals set by co-ops:
 - Capital reserves need to be topped up.
 - Operating subsidies may need to be increased if the Province's new benchmarks are set too low.
 - RGI subsidies need to be based on the full market housing charges that co-op members set to cover their costs – even if housing charges go up more than the rent control guideline some years.
 - Municipalities need enough money from the Province to cover their real subsidy costs or they will be under pressure to find savings. This would put co-ops at risk.
 - Program rules need to be changed to streamline administration, give co-ops more business independence and set fair and workable policies for RGI assistance.
4. Co-ops need a funding deal and program rules that they can rely on. All co-op housing programs before this one used operating agreements to set out the funding commitment and co-op responsibilities. The new program is one-sided. The Province can change the rules whenever it wants, without consultation.
5. There is very little chance that we can get this government to amend the Act to deal with our concerns. But we can use the provincial election expected in the next year to try to win a commitment from the opposition parties to make the changes that co-ops need if they are elected.

2004: Time for Action on Co-op Housing

WE RESOLVE:

1. **THAT** co-op housing members in Ontario mount a campaign to convince the new provincial government that it's time for action on co-op housing;
2. **THAT** we call on the government to overhaul the *Social Housing Reform Act* to
 - dramatically simplify the program rules to put co-op members back in control of their housing
 - get rid of rules that are unfair to low-income members
 - make investment of capital reserves in the Social Housing Investment Funds voluntary
 - give co-ops enough operating and capital funding to maintain their housing now and in the future;
3. **THAT** we call on the government to overhaul the Federal/Provincial Affordable Housing Program so that it
 - delivers the promised 20,000 units of affordable housing over the next four years
 - produces housing that operates over the long-term on a not-for-profit basis
 - provides rent supplement funding for low-income members in at least half the units
 - targets and supports the development of at least 25% of the housing as co-operatives;
4. **AND THAT** all Ontario co-ops – provincial and federal – join in the campaign to win a new deal from the Province that will let us run our co-ops as co-ops and let us build more co-op housing.

OUR REASONS FOR THIS RESOLUTION ARE:

1. Against the loud protests of co-op members, the *Social Housing Reform Act* cancelled operating agreements that co-ops had signed in good faith. In their place, the Act imposed a set of complex new program rules that have
 - left government, rather than co-op members, in control of day-to-day decisions
 - buried co-ops in paper work
 - forced co-op boards and staff to act as subsidy police, and

- left co-ops with a big shortfall in their capital reserves and no idea how much money they will have to run their housing.
2. Ontario joined with other provinces to sign a framework agreement for affordable housing with the federal government in 2001. This gave co-ops some hope that Ontario was getting back into the affordable housing business. But when the government finally announced the program details last year, it was clear that no new co-ops would be built. The Province refused to put in its share of funding, shifting the cost to Ontario's cities, which can't afford it. And they geared the program to produce private rental housing delivered at market rents.
 3. At last year's annual meeting, delegates called on the Ontario Region, co-ops and local federations to use the provincial election to focus attention on the need to fix the *Social Housing Reform Act* and build more co-op housing.
 4. The *Speak Up for Co-op Housing* campaign was a big success. We won support from many Liberal candidates who are now MPPs, even Cabinet ministers. But since the election, the government has been backing away from many of its promises as it struggles with a large deficit.
 5. Now we need to take the next step in our campaign and lobby Liberal MPPs to turn their words of support into action on co-op housing. The change in government gives us new hope and our best chance to overturn policies that have hurt existing co-ops and blocked the development of new ones. Co-op members across the province need to join in the campaign and deliver a clear message to MPPs in their ridings that we expect a better deal for co-op housing.

Appendix C

History of Social Housing Reform

1993-1995

Almost since the co-op operating agreement was finalised in 1993 (six years after the first co-op was developed under an Ontario program), the co-op sector has been trying to improve the program. As early as May 1994, the Co-op Housing Association of Ontario submitted a proposal for reform to the Minister of Housing. The major concerns for co-ops were that

- the funding mechanism did not work well, especially for co-ops in areas with flat or declining market conditions. These co-ops faced aggressive annual reductions in revenues, and were constantly obliged to ask the Province for more operating subsidy. This was not the kind of stand-alone, sustainable funding program that co-ops needed
- government oversight was intrusive and inconsistent, and undermined co-ops' autonomy.

Work on developing a new operating agreement began in 1995, but was set aside after the election of the Conservative government. Picking up on the new government's election promise to "get out of the housing business", the co-op sector advocated reform that would cut back on the role of government and create a more business-like relationship between co-ops and government.

1997-1999

After announcing the transfer of social housing to municipalities in January 1997, the Province set up a Social Housing Advisory Committee, and later a Social Housing Committee, to work on the framework and details of reform. Unfortunately the co-op sector was not invited to play a formal role on these committees, but was active in an advisory capacity.

During consultations by the Social Housing Committee there was a good deal of consistency in the expressed goals of government and co-ops.

Government said it wanted

- a simpler, harmonised program
- more accountability
- more efficiency
- long-term viability

- security of tenure for RGI households.

Co-ops said they wanted

- streamlined administration
- respect for co-op autonomy
- a unified provincial operating framework
- financial certainty and viability
- secure RGI funding.

The Social Housing Committee released its report at the end of 1998. Co-ops were pleased with some of the recommendations (for example the proposal for an improved funding model and for province-wide program standards). But last-minute changes made by the committee after the co-op and non-profit housing sector advisors had been excluded, demonstrated that the reform process had been distorted by the municipal download. These unexpected changes included

- conditions on the use of operating surpluses
- suggested guidelines for reducing funding for property management and community services
- promotion of the integration of rent subsidy with the municipal social assistance system.

Clearly these provisions were intended to make responsibility for social housing more palatable for municipalities. Co-ops vowed that they would not sign a new operating agreement which gave them fewer rights than the original one.

Work on implementing reforms stalled after the election of the Conservatives for a second term in 1999. During this period, an informal group of providers, sector organizations and municipalities continued to meet regularly to work on fleshing out and improving the recommendations for reform.

2000: Introduction of the *Social Housing Reform Act*

Early in 2000, the government announced plans to introduce legislation that would cancel the project operating agreements of co-ops and non-profits and bring all social housing in Ontario (except for federal-program housing co-operative) under the same program rules.

Housing co-ops were alarmed by the Bill that cancelled contracts that they had signed with government and, they felt, stripped away their ability to run their co-ops as co-ops. Dozens of co-ops sent in submissions calling for changes to the Bill.

The key concerns that co-ops had about the proposed legislation were that it would

- cancel existing operating agreements, replacing them with a program framework in legislation that government could change on its own, at any time
- create more bureaucracy and reduce co-op autonomy through
 - excessive oversight and intrusion into co-ops' operations
 - a patchwork of local rules allowed by the legislation
 - a shift to centralised RGI administration.
- continue the financial uncertainty faced by co-ops by
 - introducing a new requirement to share operating surpluses with service managers
 - making the reduction in operating subsidy too aggressive
 - leaving funding levels undefined with the risk that new benchmarks would be used to cut costs
 - failing to address the serious shortfall in capital reserve funding.

By working closely with the Liberal and New Democratic Parties, co-ops were able to win more than 100 amendments to the Bill. Some were important (for example, a new provision allowing municipalities to delegate RGI administration to co-ops and non-profits. But the government was not willing to make changes to address the core problems identified by co-ops and the final legislation was uniformly regarded as unworkable and unacceptable. Ontario co-ops immediately called on the Ontario Region to start working to win changes to the Act so that it would work for co-op housing.

Appendix D

Submissions to Changes to the *Social Housing Reform Act* Regulations

- [October 25, 2002](#) October 25, 2002 (Ontario Region submission)
- [March 28, 2003](#) (Ontario Region submission)
- [January 14, 2004](#) (joint submission from service managers, CHF Ontario Region and ONPHA)