

# **Annual Report of Ontario Council**

Amanda Yetman, June 2010

It is my pleasure now to tell you about what the Ontario Council has been working on over the past year.

Before I begin I'd like to say how privileged we are to have the Minister of Municipal Affairs and Housing, the Honourable Jim Bradley, with us here today. I'll introduce the Minister later, before he speaks. At this point though I'd like to share with you a letter of greetings that we have received from the MPP for London North Centre, the Honourable Deb Matthews, Ontario's Minister of Health and Long-Term Care:

[read letter]

As part of my report today I'll review the action we have taken on resolutions passed at last year's annual meeting.

You can find a full report on the work we have done in your meeting book.

It has been another challenging year for co-op housing in Ontario, but one that we think has set the stage for some significant advances for our movement in the year ahead. Much of our work has focussed on making sure the voice of co-op housing is heard as the Ontario government works on its first-ever Long-Term Affordable Housing Strategy. At last year's AGM delegates adopted a resolution urging us to make this work a top priority.

Right after the annual meeting, we developed materials on the key issues for co-op housing and helped organize co-op involvement in the consultations. And co-op activists once again came through with flying colours. There was a strong turnout of co-op members and staff at all 13 sessions across the province. Thank you for your commitment. And thanks to our staff too for their hard

work on this. Minister Watson, noticing Harvey Cooper's presence at almost all of the meetings, suggested that Harvey was stalking him.

In the fall we submitted a comprehensive brief to the government calling for a place for co-op housing in the Strategy. Since then we have submitted two more detailed briefs and the Council has met with the Minister to review our concerns and recommendations.

I should note that our submissions include a call for government action on two issues that were dealt with in resolutions at previous AGMs:

- the need for legislative changes to add better protections for the continued non-profit use of housing co-ops, and
- the need for long-overdue increases in utility allowances for those receiving rent-geared-to income assistance. I should add that, to make the case for

fairer utility allowances, we partnered with the Ontario Non-Profit Housing Association to prepare and submit a detailed research paper on this issue.

You can get a copy of the briefs and the paper on utility allowances on our website.

We have also been working hard politically to win MPP support for a recognized role for co-op housing in the Strategy. Co-op members and staff and Ontario Region staff have held close to 30 meetings with MPPs from all political parties in recent months. We have been receiving a lot of support at these meetings and we know that the Minister has been hearing from many of his colleagues about the need to pay attention to co-op concerns. This grassroots involvement by housing co-ops is the strength of our movement. Thank you, once again for your efforts and your commitment to making your co-op homes successful.

The Province has said that the Strategy will be released in late spring—which at most is 10 days from now. I'm sure we'll hear more from Minister Bradley on this in a few minutes.

I want to spend a few minutes updating you on what we've been doing to protect SHRA co-ops from being put into receivership and taken over by their service managers. We have told Minister Bradley that this issue is the top priority for housing co-ops in the Affordable Housing Strategy and one that it is critical for the government to address.

As everyone in this room knows, we have been supporting two co-ops in receivership and under threat of sale. Last week the Ontario Court of Appeal ruled that the takeover of one of those co-ops, Thornhill Green, by its service manager, York Region, could go ahead. This is a

devastating setback for the co-op's members. They will no longer have a say in how their housing is run and will lose the benefits of living in a co-op. It is also an enormous loss for our movement. The loss of 101 co-op homes affects all of us. And this decision could have repercussions for co-ops right across Canada as it sets a precedent for program regulators to take over co-ops that have governance or management problems, even when those problems are manageable. Without question, this ruling is a direct threat to the model of community-based housing that was put in place over 30 years ago.

In their ruling, the judges set aside our argument that sale of the co-op was an inappropriate and excessive remedy to use to deal with governance and management concerns that could be addressed in ways that would keep Thornhill Green a co-op controlled by its members. The judges noted that the SHRA gives a receiver the power of sale and places *no limit* on when and how the power can be

used. *This points to the urgent need for comprehensive reform of the receivership and sale rules in the Act.* The Ontario Region, supported by top legal experts in receivership law, has submitted a detailed brief to Minister Bradley on these issues with recommendations on the changes that are needed. *We are making a direct appeal to the Minister here today to commit to making these changes to protect co-op housing as part of the Affordable Housing Strategy.*

We are still waiting for the courts to rule on the attempt by the Simcoe County service manager to take over Matthew Co-op. Their situation is very similar to Thornhill Green's. They have a committed and determined board and membership and have made great progress in dealing with some governance challenges. The judge in that case said he would wait for the Thornhill Green decision before making his ruling.

One positive outcome of our legal action against receivership and sale over the past few years is that we have won some very significant court rulings about the nature of co-ops and the rights of members when a service manager is exercising its powers under the SHRA. In one decision, for example, the court said “it must . . . be remembered that the applicant is a non-profit housing co-op, democratically operated by its members . . . It is not a mere agency of the municipality and its decisions must be given some deference by the municipality for this reason, a deference markedly absent from the evidence before us.”

It is clear that our efforts have helped to develop new law on receivership in a social context that will add some important protections for co-ops in the future.

Another big issue facing housing co-ops, and one that we’re working hard on, is the introduction of the

Harmonized Sales Tax in July. The tax will result in increased costs for co-ops. Many co-ops, particularly SHRA co-ops, will have those costs offset by rebates and will not see any impact on their bottom line. However, many federal co-ops are not currently eligible for all the rebates and they will be faced with very significant cost increases.

In March we met with the Minister responsible for the HST, John Wilkinson, to raise this issue. The government has said that the broader public sector will not be hurt by the introduction of the HST and Minister Wilkinson listened carefully to our concerns and promised to look into them. We have since met with his staff and we have been told that staff at both the Ministry of Revenue and the Ministry of Municipal Affairs and Housing are working on the issue. At this point we don't have a resolution but we will continue to press for a solution so that all housing co-ops are treated fairly.

For many co-ops, 2009 will be remembered as the year they started major renovation and retrofit projects. One of the most important responsibilities in a co-op is to keep the property in good repair. This challenge has been made more difficult by the inadequate level of capital reserve funding in most co-ops. This past year, the federal and provincial governments came to the table with a one-time infusion of capital money. I want to draw to your attention that when the announcement was first made not all SHRA co-ops were eligible for funding. The federal government planned to include only co-ops developed under the cost-shared federal/provincial program—about 39% of SHRA co-ops. We successfully pushed the federal government to change the rule so that all SHRA co-ops would be able to take advantage of this critical infusion of capital funding.

Since then, co-ops have been working overtime to spend the money on badly needed repairs within the very tight timelines for completing the work. I know we have a lot of very tired staff and board members at this meeting.

Thanks for your hard work on behalf of your co-ops.

The Ontario Region has been working in partnership with the Social Housing Services Corporation to provide tools and advice to help SHRA co-ops make best use of the program.

The final resolution approved at last year's meeting dealt with eviction law reform. Right after the meeting we began working with the Ministry on the new system and were making good progress. But as you know, late in the year we hit a major roadblock when we learned that the costs that we would have to cover had increased dramatically. This is the subject of a resolution that we'll

be considering later today and we will speak about it more at that time.

So, it has been quite a year with lots of accomplishments, some disappointments, some roadblocks to be overcome and many important initiatives still being worked on. The bedrock of our success, as always, is the commitment and work of many people and I want to say thank you. First, thanks to you, our members, for the dedication and hard work of your boards, members and staff.

I also want to thank the Ontario Region staff whose commitment, expertise and hard work makes it possible for us to do the things we do. We are indeed fortunate to have you working with us.

And thank you to my fellow Council members. It has been an absolute pleasure to work with each of you. Your

contributions have been crucial to our success this year and I am proud to have worked as part of this team.

If you will allow me, I want to add a brief personal note. I am completing my sixth year on Council, the last three as President. I've decided not to run for another term.

Finally, let me introduce your Ontario Council.

- Barb Millsap
- Deana Sherif
- Brian Burch
- Fran Power
- Judith Collins
- Patrick Newman, and
- Nicole Waldron

Your Ontario Council. Thank you.

And now, can I have a delegate move receipt of the annual report of the Ontario Council.