

## RESOLUTION L2

**SUBMITTED BY:** Board of Directors

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This resolution is for the meeting of:      ✓    all CHF Canada members      Ontario members

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### **Saving Thornhill Green Co-operative**

#### **WE RESOLVE:**

1.     **THAT** CHF Canada members condemn the actions of York Region in attempting, with no justification, a forced takeover of the assets of an independent co-operative association, Thornhill Green Co-operative Homes in Thornhill, Ontario, for a fraction of its value;
2.     **THAT** the members express their particular condemnation of the manner in which this attempt to strip away the co-op's assets has been made, namely through a hurried legal process designed to leave the co-op no chance to defend itself or even to retain legal advice without outside help;
3.     **THAT** the members express their support for Thornhill Green in its efforts to defend itself by all means possible against this calculated attack on a housing co-op by a level of government that has a duty to care for the co-operatives under its jurisdiction, not to close them down and take away their assets;
4.     **AND THAT** we call on York Region to follow a course of action to deal with the challenges facing Thornhill Green that protects its status as a housing co-op, just as other service managers and other program administrators have done with co-ops in their jurisdiction and York Region itself has done with some other co-ops in its area that have run into difficulty.

#### **OUR REASONS FOR THIS RESOLUTION ARE:**

Thornhill Green is a municipally administered housing co-operative in Ontario that was passed to the jurisdiction of York Region in the download in 2000. This co-op, a rehabilitated project originally developed under Ontario's Homes Now program in 1991, went through many years without needing (or receiving) any financial assistance from the Region. Overall it has operated with a minimum of financial support from government and it has even provided most of the RGI

assistance it has needed from its own resources. Few other provincial co-ops, if any, have received so little financial support from their service managers.

Nevertheless, in 2006 York Region appointed a receiver to take control of the Thornhill Green's affairs, alleging that the co-op lacked the competence to run its own operations, or to manage a capital repairs program needed to re-invest in housing that was, after all, now 40 years old. These allegations against the co-op were not substantiated, but the Region still refused to lend the co-op money for its repairs program without first forcing it into receivership, a heavy-handed and over-used remedy that some service managers use without giving co-ops even the minimal protections required under the *Social Housing Reform Act*.

CHF Canada and its members have dealt with receivership issues before under the SHRA, most notably in the case of Labourview Co-op, which, with CHF Canada's support, won a legal challenge to the unwarranted appointment of a receiver. But York Region has now gone a big step further: it is planning to close Thornhill Green Co-op down.

Through its appointed receiver, the Region has recommended to the Ontario Superior Court that its own housing company, Housing York Inc., purchase Thornhill Green, and that it do so not for the fair value of the assets, but only for the outstanding debt of the co-op. This amounts to little more than half of the value of the property – a self interested proposition with no arms-length dealing between the parties whatsoever.

The first Thornhill Green knew of the Region's scheme to take over the co-op's assets was when it was notified of an imminent court hearing at which the matter would be decided – likely in short order, giving the co-op no warning or opportunity to defend itself against being closed down. This is despite the fact that York Region made its decision to pursue the seizure of the co-op's assets three months before the co-op learned about it – less than two weeks before to the court hearing.

York Region has said that taking over Thornhill Green is the only way to deal with the challenges facing the co-op. That's not true. There are other means at hand that will satisfy the Region's interests and save Thornhill Green as a housing co-op. Other service managers and Canada Mortgage and Housing Corporation have taken steps such as having outside directors join a co-op's board to help provide guidance through a difficult time. York Region itself has used this approach in the past. This time they were not even open to discussing alternatives of this kind with the co-op and CHF Canada before moving to sell the co-op. They must be pressured to step back from their court action and work with us to find ways to deal with their concerns that will leave Thornhill Green under its members' control.

Fortunately Thornhill Green contacted CHF Canada and we are supporting them in fighting this unprecedented attack. The behaviour of York Region has been disgraceful, with no effort to make the process a fair one for the co-op.

An update on the legal challenge we have mounted with the co-op will be provided to the business meeting.

**WE THINK THAT THIS WILL COST:**

Our work in support of Thornhill Green Co-operative Homes will necessitate a draw on CHF Canada's reserves. How large a draw we cannot say with confidence at the moment, but it could be significant if this is to be a long fight.