



PRESS RELEASE



Canadian Mortgage News - National Archive 2004

Government Announces New Role for Co-Operative Sector in Administration of Housing Programs

OTTAWA, Ontario, May 13, 2004 — The Government of Canada, through Canada Mortgage and Housing Corporation (CMHC), announced today that it has reached agreement with the Co-operative Housing Federation of Canada (CHF Canada) to put in place a new and innovative approach for the administration of federal co-operative housing programs.

CHF Canada intends to create a non-profit agency, which will contract with CMHC to perform certain services. This new approach will allow the co-operative housing sector to progressively take a more active role in the administration of co-op housing programs.

"Co-operative housing has been very successful in building communities that provide secure, affordable housing for low and moderate income Canadians", said the Honourable Bill Graham, Minister of Foreign Affairs, on behalf of the Honourable Andy Scott, Minister of State Secretary (Infrastructure) and Minister responsible for CMHC. "Providing the co-operative housing sector with a role in program administration builds on our long and productive partnership with Canada's housing co-ops."

"We look forward to working collaboratively with CHF Canada on new and innovative ways of administration, for the benefit of residents of co-operative housing", said Karen Kinsley, President of CMHC.

The President of CHF Canada, René Daoust, was pleased with the announcement. "We have been discussing a proposal for a role in the administration of co-operative housing programs for some time. I am delighted that the federal government is embracing a new approach and is committed to working with us."

CHF Canada and CMHC will begin work immediately on the new tools that will be needed to take on this new role.

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Backgrounder Co-operative Housing

Overview

Federally assisted co-operative housing is designed to provide modest, affordable housing to low- and moderate-income households. Housing co-operatives are a unique form of tenure, which is neither rental nor individual ownership.

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Residents are members of the co-op and are co-owners of the property. Residents manage their housing, and can reduce the cost of their housing through volunteer labour. Some residents pay housing charges geared to their income and others pay break-even housing charges (i.e. rent). In some cases, refundable membership fees may exist.

CMHC and co-ops

Federal and, in some cases, provincial cost-shared subsidies for projects bridge the gap between rental revenue and project operating costs. CMHC has an Operating Agreement with each co-op through which subsidies are provided to subsidize operations and/or to accommodate low-income households. CMHC monitors each co-operative's compliance with the Operating Agreement through an annual review of audited financial statements, cyclical client visits and physical inspections.

The new approach

Canada Mortgage and Housing Corporation (CMHC) will work with the Co-operative Housing Federation of Canada (CHF Canada) on an agreement to allow the co-operative housing sector to progressively take on a more active role in the administration of federal co-operative housing programs.

Some 790 federally administered housing co-operatives (some 35,000 units) in British Columbia, Alberta, Ontario and Prince Edward Island could be covered under this arrangement.

CHF Canada will contract with CMHC to perform certain services and will begin immediately to work with CMHC on developing the tools needed to take on the new role.

Tools include a new model for assessing project risks, improved standardized performance reporting and a new benchmarking and best practice service.

CMHC and CHF Canada are working towards signing a contract for certain services early this summer.



Back row: The Honourable Bill Graham, Minister of Foreign Affairs Tom Kapler, President of Abiwin Co-op Douglas Stewart, Vice President, Policy and Planning, CMHC Richard Mahoney, resident of Ottawa-Vanier

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Middle row: Alexandra Wilson, Executive Director, CHF-Canada Maria Minna, M.P., Beaches-East York, Ontario
René Daoust, President, CHF-Canada Tony Ianno, M.P., Trinity-Spadina, Ontario Christopher Wilson, CHF-Canada

Front: Ellen Lougheed, resident of Abiwin co-op



The Honourable Bill Graham, Minister of Foreign Affairs