



PRESS RELEASE



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Government of Canada Signs Service Agreement with New Co-operative Housing Agency

OTTAWA, Ontario, May 3, 2005 — The Government of Canada, through Canada Mortgage and Housing Corporation, and the Co-operative Housing Programs Administration Agency have signed an agreement for the Agency to begin providing portfolio management services for federally-administered co-operative housing beginning in 2006.

Under the new agreement, the Agency will provide services on a non-profit, fee-for-service basis. Over time, the agreement is expected to contribute to the viability and health of the co-operative housing sector.

"The federal government is committed to working with the Co-operative Housing Programs Administration Agency to ensure low and moderate-income Canadians continue to have access to secure, affordable housing options," said The Honourable Joe Fontana, Minister of Labour and Housing. "Our on-going priority is to ensure a healthy, integrated and sustainable housing system in Canada which includes support for a diversity of housing options, including co-operative housing, for Canadians."

The new agreement will allow the agency to initiate start-up and administrative activities to ensure the successful transition of certain administrative and portfolio management activities beginning in early 2006.

An earlier agreement was recently concluded between CMHC and the CHF Canada to allow the national federation to complete research and development activities for the successful start-up of the agency.

"We are tremendously pleased to conclude this agreement," said Ray Hession, Chair of the Agency's Board of Directors. "These housing programs offer unique affordable housing opportunities to Canadians and the new agency will safeguard their legacy for many years to come."

The Co-operative Housing Programs Administration Agency was established in 2004 for the specific purpose of assuming responsibility of the administration of the federal co-op housing programs through agreements with CMHC. Using a transparent, risk-based and client service-focused approach to service delivery, the agency will ensure that the public's investment in the programs is properly accounted for and bring continuous improvement to program management.

Canada Mortgage and Housing Corporation (CMHC) is Canada's national housing agency. For over 55 years, CMHC has been contributing to improving the living conditions and the well-being of Canadians through four areas of housing activities — housing finance, assisted housing, research and information transfer, and export promotion. CMHC is committed to helping Canadians access a wide choice of quality, affordable homes, and making vibrant and sustainable communities a reality across the country.

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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. Residents are members of the co-op and participate in managing their housing, and can reduce the cost of their housing through volunteer involvement in their management and governance. Some residents pay housing charges geared to their income and others pay break-even housing charges.

CMHC and Co-ops

Federal and, in some cases, provincial cost-shared subsidies for projects bridge the gap between revenue from housing changes and project operating costs. CMHC has an Operating Agreement with each co-op through which subsidies are provided to subsidize operations and/or to assist low-income households. Compliance with the Operating Agreement is monitored.

The New Approach

In April 2005, the Government of Canada, through Canada Mortgage and Housing Corporation (CMHC), and the Co-operative Housing Federation of Canada concluded an agreement which allowed the national federation to complete research and development activities for the successful start-up of a Co-operative Housing Programs Administration Agency. Today's agreement provides for the provision of services by the Agency.

The services to be provided under today's agreement include providing information to program clients, monitoring and seeking compliance with project operating agreements, assessing project level risks and default prevention and management.

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. CMHC spends approximately \$60 million annually for the co-operative housing it currently administers in these provinces.