

The
**CO-OPERATIVE
HOUSING
FEDERATION**
of Canada



**Strategic
Plan**
2016–2019

Introduction

CHF Canada's last Strategic Plan, *Consolidation and Renewal*, identified important challenges affecting Canada's housing co-operatives, and set out how CHF Canada would help member co-ops prepare to meet them. Because financial, policy and community environments were rapidly changing—posing new risks to members' success—the plan's focus was on consolidating co-ops' strengths, and seeking working relationships with other organizations aimed at expanding the range of services for member co-ops.

The environment in which housing co-ops do their business and achieve their social goals as co-operative communities continues to evolve. As the end of their agreements with government to provide funding for rent-geared-to-income (RGI) housing closes in, most of Canada's housing co-operatives have recognized the need to improve their governance and management, and to fully plan for the present and future needs of the buildings they own.

As a national organization that responds to the needs of member housing co-ops, CHF Canada has itself become more focused on co-ops' goals, by providing better targeted resources and training for co-op volunteers and managers, and by developing professional and technical services to give co-op boards the advice they need to plan for a secure and sustainable future.

Member co-ops continue to place a high value on CHF Canada's work to advocate for positive government policies.

This 2016–2019 Strategic Plan is organized around four strategic pillars or themes:

- Successful housing co-operatives
- Thriving federations and strong partnerships
- Vigorous outreach and advocacy
- A robust CHF Canada.

Continuing the Success of Co-operative Housing

For the past fifty years, Canada's housing co-ops have successfully provided good quality housing at cost. They have used government funding to support households unable to afford market housing—seniors, people with disabilities, new Canadians and others. Co-ops want to continue to provide subsidized housing, but must address ever-escalating operating costs and the cost of new borrowing for modernization and repairs to their buildings. Co-ops cannot afford both to renew and modernize their housing stock, and to supplement the rents paid by low-income member households.

So, if co-ops' role in providing low-income housing is to be preserved, governments must step forward.

A primary strategic goal is to ensure that governments understand the place co-ops want to take in addressing Canada's affordable housing challenges, but also the business environment in which co-ops operate. The venue for communicating co-ops' expectations will be the consultations to take place about a new National Housing Strategy. Co-ops are looking for programs that are simple to administer,

that protect the housing of *in-situ* member households and, if enough money is available, to house even more low-income families than at present.¹

A second strategic goal for co-operative housing success is to ensure that new co-op development takes place.

In the past, we have relied on government funding programs to develop co-operative housing. In future, we may continue to seek partnerships with government as needed to assist in creating affordability. But our direction will be towards self-sufficient development, creatively blending land assembly, debt financing and equity partnerships. To maximize opportunities for the use of these development instruments, we will look at ways in which we can leverage the equity in existing co-operative properties by aggregating assets, whether using land trusts or additional instruments that can be used to collectively underwrite the risks of new development. And we shall seek to learn lessons from development experience elsewhere.

Co-ops themselves must be imaginative if new co-op housing is to be built. At present, housing co-ops' capital is fragmented in relatively small amounts among some 2,200 individual co-operatives across the country. Can this financial capacity be combined so that this reservoir of capital can be used to underwrite the risks of new development?

A third strategic goal under this pillar is to continue to improve co-operative governance and management practices. To ensure that housing co-ops continue as healthy communities, built on a sense of belonging and solid democratic governance, CHF Canada regularly reviews and updates the tools and training that co-ops use. The results of an evaluation of CHF Canada's education program in 2015 will be a deeper level of engagement with member co-ops about the importance of education and training, a renewed focus on online delivery, and closer attention to how members receiving the training bring it back to their co-operatives.

Federations and Other Partnerships

Federations

A recurring strategic goal is to **ensure that housing co-ops in all regions can find all the services that sector organizations now offer.**

Today, all regional federations offer a consistent set of basic services: training opportunities, information exchange among member co-ops, cost savings on some of the basic goods and services that co-ops purchase, and advice to co-ops about their operations or community relations.

But size does make a difference for federations: not many have the resources needed to develop labour-intensive new initiatives like asset planning and refinancing services. Finding an appropriate role for federations in the delivery of the complex technical services that the sector has developed will be an important challenge during the next three years. It is worth noting in this context that a well-balanced approach to providing education and training has been successfully put in place, after several years of discussion.

Federations in Ontario have also begun work to reduce fragmentation and to consolidate their efforts. CHF Canada will continue to support initiatives that bring these federations together to provide a stronger and more sustainable set of services to member co-ops. We will continue to promote and support unity and co-operation throughout the pan-Canadian movement, offering assistance towards that end as needed.

Partnerships

A key strategic goal for the next three years lies in securing new partnerships, and successfully managing those that are now in place.

Housing co-operatives have already derived spectacular benefits from the support provided by organizations outside the co-op housing movement. Partnerships underpin the sector's most successful services: insurance, group buying, asset planning, refinancing, education programs, investment management, new management software and so on. While continuing to grow these services, we will expand partnerships that can bring capital, including equity and debt financing, to support redevelopment and development.

¹ In June 2016, the federal minister announced temporary RGI funding so that it could be continued while a new federal-provincial funding framework is developed.

Outreach and Advocacy

As federal housing co-operatives move out of their operating agreements, the need for our traditional political campaigns that defend their interests before government may diminish. At the federal level, we will need to provide clear and specific messaging to those crafting Canada's National Housing Strategy. We will continue our work with other housing policy groups in the development of strategy recommendations. As the intent of the NHS is developed, we will want to **position housing co-operatives as key partners, with governments, in the delivery of quality affordable housing across Canada.**

That may not be as difficult as it has been in the past. The policy goals of current governments and our movement converge in important areas: less dependency and greater self-reliance, financial and environmental sustainability, and contributions towards community. Housing co-ops are looking for two things: policies and programs that allow them to continue to support a proportion of low-income households, and a flexible regulatory environment in which new development can occur without compromising their independence.

Ottawa and the provinces intend to work together to address a wide range of gaps in Canada's housing market, including affordable housing for low-income people. Housing co-ops want a role in addressing those gaps—what is different today is that our movement brings large, paid-for housing assets to the table. We are well positioned as credible and trusted sources of non-partisan housing policy advice.

It is important to note that the 250 housing co-operatives operating under Ontario's *Housing Services Act* (HSA), administered by local municipalities, face specific challenges in maintaining their independence and identity. Much of Ontario Region's work over the coming years will continue to result from unwanted interference from Municipal Service Managers or when a co-op has been categorized as "in difficulty."

Ontario recently embarked on an update of its *Long-Term Affordable Housing Strategy* (LTAHS). Part of the LTAHS update will involve a review of the Housing Services Act. Ontario Region will continue to advocate with government for a legislative regime that respects co-op autonomy, member control and reduces unnecessary municipal interference in co-ops' operations. But municipalities will be pushing the provincial government in an opposite direction,

advocating to increase Service Manager authority and demanding more flexibility in overseeing the HSA.

The Ontario government is also leading other provinces in implementing a Climate Change Strategy that includes investing in social housing retrofits to take advantage of the economic opportunities in clean technologies, improve energy efficiency and reduce greenhouse gas emissions. CHF Canada's Ontario Region is involved in shaping that strategy.

A Strong CHF Canada

CHF Canada's leadership is committed to membership growth and improved member engagement, based on ensuring that **CHF Canada remains relevant to member needs and retains its unified and very loyal membership.**

As housing co-ops move into an environment in which they will be less dependent on governments, the value of CHF Canada's advice and leadership on financial security and healthy community relations will grow. Member co-ops and their managers will continue to rely on the professional day-to-day advice of CHF Canada's co-op services teams.

Co-ops have already learned that modernizing and revitalizing their communities—processes that require detailed technical work and complex financial advice—cannot be handled without the support of skilled professionals. The professional services offered by CHF Canada and others can take the guesswork out of large-scale capital projects, financial and reserve planning and many other technical tasks.

So, the nature of CHF Canada's services to member co-ops is changing. While day-to-day advice will continue, new and more complex services will increase—and these services cannot be offered without separate charges. To do otherwise would require significant increases to the dues that members pay.

CHF Canada is already in the process of revitalizing the sector's training and education programs. This work will deliver a more relevant and useful curriculum that moves members toward more successful approaches to governance and management mentioned earlier. We will aim to help co-ops effectively adapt to the loss of their formal relationship with government, increase their ability to operate within competitive rental housing markets and make full and knowledgeable use of the professional supports and long-range planning tools now becoming available.

How else might member engagement differ during the coming three years? In 2017, our new Customer Relationship Management (CRM) system will keep better track of member interactions, and is expected to lead to a deeper understanding of the values and priorities of member co-ops and their members, so that CHF Canada can respond faster and better. The new website will also be an important component in identifying and responding to member expectations.

Another strategic challenge is changing demographics. Our movement's local leadership is being replaced by younger members. CHF Canada's own elected leadership must keep pace with this change, and so must its staff.

The "influencers" are also changing. Today, professional co-op property managers (either sole employees or co-op management company staff) occupy a far more prominent place in the leadership of sector organizations than they did years ago—it is now typical to see both co-op volunteers and sector professionals around the board table at a federation, at CHF Canada's Ontario Council and our national board.

A final key strategic goal is to help member co-ops to align with, and achieve progress towards global sustainable development goals. In 2016, the International Co-operative Alliance recognized the power that co-operatives have to act on the majority of global challenges targeted by the UN's Sustainable Development Goals. The global co-operative movement pledged its commitment to help achieve the SDGs in order to make a measurable contribution to the search for solutions around the world.

As a visible presence in their local communities, housing co-ops are well positioned to be community leaders on these important long-term goals. As our movement deals with the need to modernize, improve, and expand co-operative housing, CHF Canada will assist member co-ops in finding useful and practical tools that will ensure future development aligns with, and demonstrates progress towards the achievement of the United Nations' 2030 Sustainable Development Goals.

Conclusion

The next three years will bring some far-reaching changes to Canada's housing co-op movement.

Without question, co-ops' traditional relationships with governments at all levels will change, as a result of ending agreements, but also because the National Housing Strategy is likely to lead to profound differences in how governments deliver financial support for housing low-income Canadians.

More changes will take place among co-ops themselves, as new thinking about business planning, governance and management continues to replace older approaches. "Professionalism" in our co-ops and alignment with sustainable social, economic and environmental development will continue to grow.

Within CHF Canada and local federations, new ways of supporting co-ops' success are already developed and growing, and member co-ops continue to place a high value on the programs and services presented by their sector organizations.

While the next three years will bring many new challenges, Canada's housing co-op movement is well positioned to meet them.