

## Your Co-op and the CMHC Survey: Federal Community Housing Initiative, Phase 2

November 2018

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Housing co-ops with federally-administered operating agreements will soon receive a survey from Canada Mortgage and Housing Corporation (CMHC).

CMHC wants your co-op's input on the program that will **continue subsidies to low-income co-op households from 2020 to 2028**. This program is called the Federal Community Housing Initiative, Phase 2 (FCHI-2).

Over the last number of years, we've heard from co-ops about the challenges they faced leading up to the end of their operating agreement. In this note, we have laid out some issues that co-ops and local federations have raised as well as **our recommendation that FCHI-2 be delivered as a rent supplement**.

### Key Issues: what we've heard from co-ops

Based on what we've heard from co-ops, here are some of the key issues to consider while completing the survey.

#### Minimum requirements to qualify for FCHI-2

- We want the new program to **subsidize low-income units *without* a burdensome regulatory and administrative system**.
- Creating a program with complex oversight and regulations is unnecessary. It hinders our ability to be effective communities and to invest in our buildings for the future.
- Any oversight and administration should **focus on the new subsidy program and not the general management of the co-op or buildings**.
- One minimum requirement is asking co-ops to ensure that 30%-60% of units are subsidized. **This can be difficult for co-ops to maintain**. When co-ops were approaching the end of their original operating agreements, they began accepting fewer members on subsidy because the subsidy would only last for a short time before the agreement expired. Getting back up to 30% will take co-ops time and, if there aren't subsidies past 2028, co-ops will have to begin winding down the number of subsidized members they accept in the lead-up to 2027-28. We want to make sure co-ops are still eligible for FCHI-2 when they're ramping up the households they support, or they're winding down the households they support.

### Transition to the FCHI-2 program

- The government should, at a minimum, **maintain the same level of support for the same number of households.**
- We should never have to choose between continuing subsidies to households and saving money to invest in repairs of our aging buildings.
- Co-ops whose operating agreements expired before April 2016 were not offered agreement extensions. Many of these co-ops want to provide homes to low-income members, but need the government to provide subsidies to these households for their housing charges. **CMHC should re-enroll these co-ops in FCHI-2 so more vulnerable Canadians can have a place to live.**

### Long-term sustainability

- Co-ops need government to play an ongoing role in providing support to low-income households. We do not want subsidies to be phased out after 2028.
- Co-ops can take care of the bricks and mortar, but **we need government to take care of the people through continued support to vulnerable co-op members.**

## The Solution: rent supplements

### The FCHI-2 program should be delivered as a rent supplement:

- **It's simple.** Private sector landlords have been accessing rent supplement programs for years because they support low-income households *and* respect the autonomy of the housing provider. The autonomy of housing co-ops is important to our members. A rent supplement program would increase autonomy and require less intensive oversight.
- **It's substantive.** A rent supplement can adjust over time if a co-op member loses a job or finds themselves in financial difficulty, supporting co-op members while they get back on their feet.
- **It's efficient.** A rent supplement program focuses on what the government is trying to do: support low-income co-op households. **The less money government spends on administration and regulation, the more money they can spend on supporting vulnerable families.** And rent supplements are easy to administer, meaning fewer headaches for co-ops.
- Many co-ops already have experience with rent supplements and they are the best way forward to continue supporting low-income co-op members.

If you have any questions, please feel free to contact:

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