



# Co-operative Housing Today and Tomorrow:

Building new co-op homes to address  
the affordable housing crisis



Co-operative Housing  
Federation of Canada

2024 Federal Budget Recommendations

# Co-op housing is needed more than ever

Canadians are struggling to make ends meet, and the housing crisis is a big reason for this. In fact, 2.6 million Canadians are in “core housing need,” meaning they live in housing that is unaffordable, is overcrowded and/or needs major repairs, and they do not have enough income to access housing locally that eliminates these issues.<sup>1</sup> One third of all renters spend more than 30 per cent of their gross income on housing costs.<sup>2</sup> The affordable housing crisis is worsening and can feel insurmountable. An astounding 94 per cent of low-income renters are deeply concerned about increasing rent costs and 86 per cent feel concerned about the lack of available, affordable homes.<sup>3</sup> Most Canadians know friends, families, and neighbours that are struggling with renovictions, rent increases they cannot afford, worries that a landlord will sell resulting in eviction and even homelessness. Moreover, the lack of affordable housing unfairly impacts certain groups, especially Indigenous peoples, racialized communities, newcomers, people with disabilities, youth, and seniors. This becomes a negative feedback loop, as diminishing housing affordability reinforces and exacerbates the existing economic and social inequities for marginalized people.

**Co-op housing is needed more than ever.** At a time when so many Canadians are struggling with the high cost of housing and inflation pressures generally, housing co-operatives offer a permanently affordable, community-based solution. Housing co-operatives operate not-for-profit housing so they can provide housing at-cost to their members. Research has shown that co-operatives offer greater stability and affordability over time compared to market housing.<sup>4</sup>

We support the National Housing Council and others calling for “greater inclusion of non-market, collectively owned, and non-traditional housing models, and diverse, healthy communities and structures to support those in need.”<sup>5</sup> Co-operative housing communities foster a sense of security, dignity, agency, belonging to community and place, and hope. Realizing the right to adequate housing will be advanced by establishing more co-op homes across Canada.

## Summary of recommendations

- 1. Build new co-op homes:** Launch and implement the Co-operative Housing Development Program in early 2024 and double the number of non-market homes by 2030
- 2. Sustain existing affordable homes:** Capitalize a new affordable housing acquisition fund to support the community housing sector in acquiring rental housing properties to protect their long-term affordability
- 3. Advance Indigenous housing rights:** Fully fund a For-Indigenous, By-Indigenous approach to the Urban, Rural, and Northern Indigenous Housing Strategy.
- 4. Make life affordable for low-income households:** Protect 400,000 households by permanently investing in rental assistance programs.



## Co-op housing for all

Co-op Housing for All is our commitment as housing co-ops and sector organizations to work together towards sustainability and growth. It is about ensuring co-ops are secure well into the future and developing more co-op homes so that anyone interested in co-op housing—and willing to accept the responsibilities and benefits of membership—can do so.

To make this vision a reality, co-ops across Canada are:

- Coming together through unification while maintaining their voice and sense of belonging
- Joining assets (homes and money) to be able to invest better, and maintaining, managing and governing their co-op communities; and
- Looking outside the sector for new solutions that provide access to money, land and people to make it possible to build new co-op homes.

Ultimately, the co-op sector is ready to grow and build. We call on the federal government to join us; co-op homes are a solution to the affordable housing crisis. Our recommendations all go hand-in-hand to make this vision of co-op housing for all possible. Now is the time for all orders of government to work in co-operation and build the next generation of co-op homes today and tomorrow.

## What is Co-op Housing?

For low- and moderate-income households negatively impacted by rising housing costs, and insecurity in the private rental market, co-ops are essential to remedying housing affordability challenges. Co-op housing offers an alternative to renting or buying, which is particularly needed for vulnerable individuals and families caught in the housing crisis. Co-op housing provides security. Across the country, co-ops guarantee and preserve affordability in the present and future by virtue of operating as a non-profit home with co-operative principles. There is no outside landlord in the co-op housing model, which has continually protected co-op members against renovations and the sale of units. As the affordability of other housing has become increasingly uncertain, co-op homes remain stable and affordable.



# 1

# Build new co-op homes

## *Launch the Co-operative Housing Development Program in early 2024 and double the number of non-market homes by 2030*

Co-op housing is needed now more than ever. The co-op housing sector recommends immediately launching the Co-operative Housing Development Program, initially announced in the 2022 Federal Budget. This dedicated and tailored co-op housing development program will allow more people in Canada to access affordable and at-cost homes that meet their needs. Since 2022, the co-design of the program has involved consultation with the co-operative housing sector, most notably through a Sector Advisory Committee. There are shovel-ready projects that need this funding to be financially viable. CHF Canada and the co-op sector urge the Federal government and the Minister of Housing, Infrastructure and Communities to launch the Co-operative Housing Development Program without delay.

Launching the Co-operative Housing Development Program will take Canada one-step closer to realizing the right to adequate housing. However, we know this is not enough to meet the housing needs of our communities from coast to coast to coast. Canada must, at minimum, double the stock of non-market housing, including co-operatives. This will help relieve the housing insecurity and financial pressures that too many individuals and families are facing today. Research demonstrates that bringing Canada's community housing stock to the OECD average by 2030 would boost economic productivity by a staggering 5.7 to 9.3 per cent and contribute between \$67 and \$136 billion to GDP by 2030.<sup>6</sup> Getting to this point requires adding approximately 371,600

units of community housing (increasing our current community housing portfolio by 41 per cent). There is no time to waste, as nearly a quarter of completed homes would need to be community housing between now and 2030.<sup>7</sup>



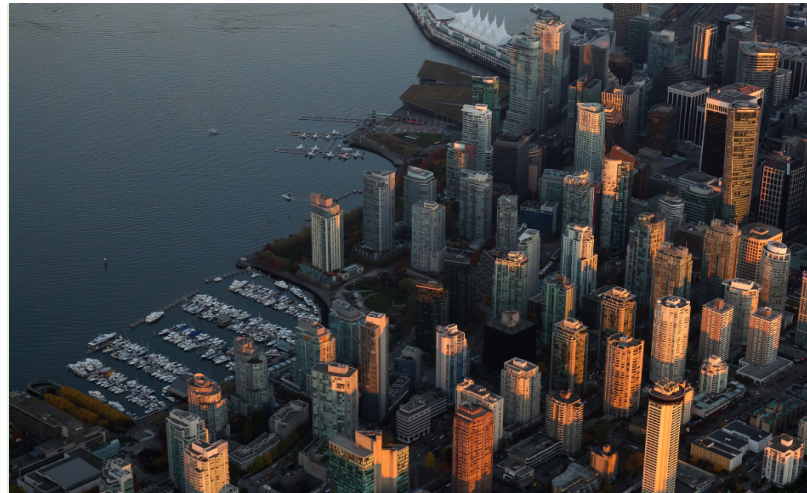
## 2 Sustain existing affordable homes

*Capitalize a new affordable housing acquisition fund to support the community housing sector in acquiring rental housing properties to protect their long-term affordability*

Canada is losing more affordable rental homes than it is building, at a rate of eleven to one.<sup>8</sup> Preserving existing rental homes is one of the fastest and most impactful ways to quickly address the housing crisis; this is why CHF Canada is working with other community housing sector organizations to ready the sector to undertake acquisitions of rental housing properties at scale.

CHF Canada is partnering with the Canadian Housing and Renewal Association and BC's Housing Acquisition Fund Society (Rental Protection Fund) to create a governance and operations capability for a national acquisition fund. The fund, once capitalized, will be structured to ensure the flow of funds in line with the accelerated acquisition timelines and streamline funding delivery to allow non-profits quick and equitable access to acquisitions. The proposed fund would need an initial \$500 million contribution and \$2.5 billion in low-cost financing, in order to leverage \$500 million in private capital. The impact: 10,000 affordable homes protected by 2026, scaling up to 100,000 homes by 2034.

Keeping rents affordable for community housing organizations results in lower profits and less ability to borrow money. This creates a significant gap in funding, making it difficult for the organization to attract enough private investment for quick and large-scale development. Lower interest rates on loans increase financial leverage, reducing the need



### Provincial rental acquisition funds

Community housing acquisition funds are already preserving affordable homes in the provinces of British Columbia and Nova Scotia. Since applications for BC's \$500 million Rental Protection Fund opened in July 2023, 22 non-profit housing applicants have been pre-qualified, along with the impact of 25 proposed housing acquisitions across B.C. This will result in keeping housing costs affordable for close to 3,000 people. Nova Scotia's Community Housing Acquisition program, launched in July 2022, has provided up to \$10 million in loans to housing providers to purchase and preserve affordable housing. However, grant funding is essential to enable non-market housing acquisition.

for substantial grant equity and overcoming lending challenges. However, initial grant contributions play a crucial role in supporting long-term growth through redevelopment, which is why the fund must be capitalized by government.

We have created a solution that is cost-effective, speedy, scalable, and adaptable for acquiring properties. Our plan is to use government funding and support from foundations and institutional investors to safeguard affordable rental housing and expand the community housing sector. This fund will enable co-ops to and non-profits to act in real-time when market opportunities arise, preventing the loss of relatively affordable rental housing.

With consistent federal funding for co-ops and non-profits nationwide, transitioning private rental units to non-profit ownership will create a lasting legacy of community-controlled, affordable housing. This supports ongoing acquisitions, asset renewal, and the broader expansion of affordable housing.

## An acquisition fund could help rental buildings convert to co-operative housing

In 2023, tenants of a 21-unit building in Hamilton, Ontario rallied together to convert their rental building into a housing co-op. When the landlord put their building up for sale, the tenants made the decision to find a solution to ensure their building was kept affordable and not sold to for-profit interests. While the negotiations are ongoing, the potential conversion to a housing co-op is widely supported; the City of Hamilton, CMHC, and the Community Housing Transformation Centre have all contributed to this grassroots effort. However, additional funding could go a long way to make projects like this viable and allow people to stay in their homes. Despite financial support from numerous actors, the tenants were still short on the down payment needed to purchase the building. This stands



out as a striking example of the need for provincial funding for non-profits and co-ops to purchase and convert private affordable rental housing into non-market, co-operative housing. In Hamilton and across the country, CHF Canada recognizes the impact that acquisition funding could have to preserve affordable housing and develop new co-op homes for community benefit.

# 3 Advance Indigenous housing rights

## *Fully fund a For-Indigenous, By-Indigenous approach to the Urban, Rural and Northern Indigenous Housing Strategy*

Across urban, rural and northern communities, Indigenous people are overrepresented in unhoused populations. For example, in Kenora, Ontario, 88 per cent of the unhoused population identified as Indigenous;<sup>10</sup> in Ottawa and Winnipeg, this is 32 per cent and 68 per cent respectively.<sup>11</sup> The establishment of an Indigenous-led National Indigenous Housing Centre is a significant step to deliver funding to address core Indigenous housing needs in urban, rural, and northern areas, but more is needed to meet urgent housing needs and advance Truth and Reconciliation.<sup>12</sup>

The National Indigenous Collaborative Housing Inc. (NICHI) leads the For-Indigenous By-Indigenous funding program of \$281.5 million to address local needs for adequate and affordable housing in urban, rural, and northern areas. This funding is meant to support the over 80 per cent of First Nations, Inuit, and Métis people who live away from their traditional communities.<sup>13</sup> However, to date, the National Housing Strategy has only allocated two per

cent of its funding to Indigenous communities living off reserve. A fully funded Urban, Rural, and Northern Indigenous Housing Strategy with an Indigenous long-term delivery partner, such as NICHI, is essential. The rapid advancement of Indigenous housing rights, as per the UN Declaration on the Rights of Indigenous People (UNDRIP), requires active involvement and the ability to administer programs through their own institutions (Article 23).

The National Housing Council recommended an increase from \$4 billion to \$6.3 billion for the Urban, Rural, and Northern Indigenous Housing Strategy.<sup>14</sup> To understand the impact of this investment, Aboriginal Housing Management Association's proposal for an Urban, Rural and Northern Indigenous Housing Strategy for British Columbia estimates that the return on investment in community housing is up to 740 per cent factoring considerations such as tax revenues, employment, savings in other government spending, social returns, and improvement in overall health.<sup>15</sup>



# 4 Make life affordable for low-income households

## *Protect 400,000 households by permanently investing in rental assistance programs*

The co-op housing model is an important solution for addressing the critical shortage of affordable housing across the country and realizing housing as a human right. Well-managed non-profit housing co-operatives offer monthly housing charges that are often below market rents, but to make co-ops accessible to low-income households, long-term federally funded rental assistance is crucial.

Rental supplements provide affordability and security for low-income co-op members over the long term, regardless of where they live. Our existing community housing stock requires modest rental assistance programs, a proven method to help low-income households offset the cost of rent. The National Housing Strategy already includes a rental assistance program, the Federal Community Housing Initiative (FCHI), which provides critical rental assistance for low-income households living in housing co-ops and non-profits previously administered by the federal government. However, this rental assistance is set to expire in 2028.

The timeline of the federal rental assistance program coincides with the current timeline of the National Housing Strategy, which is in place until 2028. While this may seem like a long period, the assurance of ongoing rental assistance beyond 2028 will give households and co-ops themselves important security and confidence, which will also help them secure refinancing for renewal and even development.

Without an extension of this program, nearly 400,000 low-income households are at risk of losing their homes. The federal government should renew rental assistance programs like FCHI and the Canada Community Housing Initiative by making them permanent components of federal funding for housing nationwide. CHF Canada members see this as a key priority, as shown by their resolution at the 2023 Annual Meeting to advocate for the federal government to stabilize long-term rental assistance and promote the value of co-op housing as a model to address the affordable housing crisis.<sup>16</sup>

Rental assistance cannot sunset in 2028. About one-quarter of households in co-ops rely on FCHI assistance to affordably pay their rent, and because the housing charges (rents) in co-ops are so much lower than in the private rental market, the cost to government for this subsidy is also substantially lower. This is a cost-saving program for governments and must be continued to help make life affordable for low-income households.



# Co-ops are community-driven solutions to the housing crisis

The co-op housing sector is well positioned to work closely with public, private and non-profit partners to build the housing to meet the pre-existing and growing needs in our communities. At a time where so many Canadians are struggling with the high cost of housing and high inflation, housing co-operatives offer a permanently affordable, community solution. Our movement is resourceful, passionate, and committed to our vision of co-op housing for all.

**A housing system that works for all Canadians must include more co-operative housing.**



## Endnotes

- [1] Persons in core housing need, by tenure including first-time homebuyer and social and affordable housing status, by province. March 31, 2023. <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=4610007301>
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- [16] CHF Canada. 2023. Resolution 4: Stabilize Rental Assistance. Page 14-15. [https://chfcanada.coop/agm2023/wp-content/uploads/sites/2/2023/04/2023\\_AGM-Resolutions\\_eng.pdf](https://chfcanada.coop/agm2023/wp-content/uploads/sites/2/2023/04/2023_AGM-Resolutions_eng.pdf)





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## About CHF Canada

CHF Canada is the national voice of co-operative housing, representing 2,200 housing co-operatives, home to a quarter of a million people in every province and territory. Co-operative housing is a well-documented success story. For over 50 years, co-ops have provided good quality, affordable housing owned and managed by the community members who live there.

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