



PH11.5.3

Serving co-ops in Durham, Toronto and York Region.

December 5, 2019

Planning and Housing Committee
10th floor, West Tower, City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Attention: Nancy Martins

Re: Support for PH11.5 HousingTO 2020-2030 Action Plan for Consideration on December 10, 2019 at 9:30 a.m.

Dear Chair and members of the Planning and Housing Committee,

The Co-operative Housing Federation of Toronto (CHFT) is in full support of the HousingTO 2020-2030 Action Plan (Action Plan). As a membership-based organization representing over 40,000 households living in over 165 housing co-operatives in the Greater Toronto Area, CHFT is pleased the future of housing co-operatives is a priority for the City. We appreciate all the efforts made in the Action Plan to recognize the value and significance of housing co-ops as an important affordable housing opportunity.

The next ten years are critical for our member housing co-ops. Their long-term viability depends on three areas that require City-led solutions - maintaining subsidies, significant capital investments and renewal of City land leases.

1. Maintaining subsidies

We are concerned our co-ops will not be able to maintain the level of affordability they have for the past three decades without renewal of long-term subsidy agreements before the end of our co-ops' operating agreements and mortgages. As a co-op sector, we have made a key commitment to our members - to advocate to maintain operating and rent subsidies. We see the City as a partner in this commitment.

2. Significant capital investment

Alongside the challenge of affordability, our co-ops have found it difficult to make the necessary investments to maintain the co-ops' aging capital assets. Aging assets require major capital investments that our members are uncertain of how to meet. Our members face the end of operating agreements and mortgages without a clear long-term solution. They are wrestling with how to strike a balance between increasing the housing charges for subsidy



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pools or for capital reserve funds. Without City investment and advocacy with other levels of government, our members are uncertain about whether they will be able to maintain their homes.

3. Renewal of City land leases

Adding to this complication of expiring operating agreements and mortgages is the end of the City land leasing periods for 34 of our co-ops. These leases differ from one co-op to the next and have troubling consequences as they approach the end of the leases. Some of the lease clauses state that co-ops cannot make any investment in capital repairs six months before the end of their City land lease and that the landlord (the City) has the right to show the property to potential buyers during this time. They also require City Council approval to refinance which can cause delays in securing refinancing options for major capital repairs. These and similar clauses bring great anxiety to our members. Our co-ops need new City land leases and an efficient process for renewal. New leases would calm the fears our members and give co-ops the opportunity to take advantage of potential refinancing opportunities for asset modernization in a timely manner. Without the renewal of City land leases, our co-ops cannot plan for the future.

These are the significant issues facing our co-ops. We think the City has an important role to resolve these issues. We are thrilled that the City has identified these same challenges in The Action Plan. We are happy the Action Plan does provide some possible solutions to the potential crisis our co-ops may face within the next ten years.

Support for solutions

The Action Plan offers The Community Housing Partnership Renewal (CHPR) program as a way forward to negotiate the renewal of expiring operating agreements for housing co-ops. The Action Plan also addresses the capital repairs challenge. We are pleased the City is prepared to make requests to the federal and provincial governments to “establish a capital repair program dedicated to helping non-profit and co-operative housing providers purchase and address repair issues...”. We would like to support the City with developing the CHPR program. Given there are few details about the program spelled out in the Action Plan, we are offering to partner with the City to help clarify this ambiguity.



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The Action Plan rightly identifies the non-profits and housing co-ops as “significant public investment” that the City cannot afford to lose at a time when housing affordability is at the forefront of every residents’ mind. We fully support the City’s efforts to address these long-term issues of affordability and lack of capital investments. We are ready to work with the City to clarify and develop the solutions presented in the Action Plan to resolve the immediate needs of our housing co-ops.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tom Clement'.

Tom Clement
Executive Director
CHFT