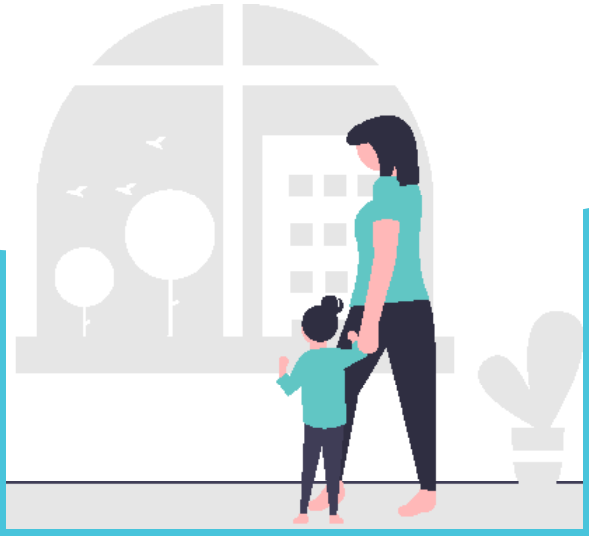
Paths for Housing Co-ops

Development Tool Guidebook

SUPPORTING THE GROWTH OF NORTHERN ALBERTAN CO-OPS



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Contents

Contact 2
Glossary 4
About The Development Tool Guidebook 8
Intended Audience 10
Research Context 11
How to Use and Access the Development Tool 12
- Choose Housing Co-Op Type 14
- Select Theme Area(s) and Choose Strategy/Strategies 14
- Investigate Financial Strategies 14

The Themes 17
Financial sustainability is key for every single housing co-op 46
- Compatible with All Housing Co-Op Types 47
- Compatible with Non-Equity Housing Co-Ops Only 49
- Compatible with Limited or Equity Housing Co-Ops Only 52
- Compatible with both Equity and Limited-Equity Housing Co-Ops 53

Next Steps for Your Housing Co-op 54
What to Do After You Have Completed the Development Tool 55

Glossary

Please note that all definitions are in the context of this project.

Co-operatives

An autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. (Source)

This document is strictly discussing housing co-ops (defined below). Any mention of "co-op" is in regards to a housing co-op.

Housing co-operatives

Referred to in this document as "co-ops", a legal association, incorporated as a co-operative under the provincial co-operative act. In Alberta co-ops are democratically controlled by their members, and strive to follow co-operative values and principles. Co-ops have no outside landlord. Housing co-ops in Alberta do not operate under the landlord and tenant act. CMHC provides some more detail here.

- Housing co-ops come in many forms. Some co-ops are townhouses and small buildings with just a handful of units. Others are large apartment-style buildings with hundreds of units.
- Co-ops are different from private rental housing because the residents decide how the co-op is operated, as members. Every member gets a vote in approving annual budgets, electing directors and setting policies on the co-op's overall direction.
- Because it is member-owned and member-controlled, co-operative housing has many advantages:
    - **Affordability:** Monthly housing charges are set by the members to cover the costs of running the co-op.
    - **Security:** A member's right to live in the co-op is protected as long as they're following all of the rules.
    - **Community:** There is a strong sense of community because members actively participate in all aspects of running the co-op.

Housing co-operatives can be divided into categories based on the amount of equity a member holds.

- **Equity:** Often referred to as a "Market Equity" co-op. When a member joins the co-op they buy an equity-share, and live in a unit. This is similar to something like a condo complex, but instead of owning one condo, you own a share in the whole complex. When the member decides to leave the co-op, they sell their share at whatever price the market will pay for. The co-op sets policies which affect all members, and the cost for each member to live in the co-op depends mainly on when they bought a share, and at what price, as they would have a fairly traditional mortgage on their share of the co-op in their own name (Source).
- **Limited Equity:** A limited equity co-operative (LEC) is a homeownership model in which residents purchase a share in a development (rather than an individual unit) and commit to resell their share at a price determined by formula—an arrangement that maintains affordability at purchase and over the long term. The price restrictions built into the resale formula limit the equity that LEC residents can gain when they sell their ownership share; it is this feature that also helps to maintain affordability, especially in strengthening housing markets. Some limited equity co-operatives allow little or no build-up of equity by homeowners, while others adopt a shared equity approach, balancing the twin goals of long-term affordability and individual wealth creation. While LECs are frequently found in multifamily buildings in urban areas, this tool can also be used in townhomes, single-family homes, and mobile home parks (Source).
- **Non Equity:** housing co-operative based on a rental model. Members pay a membership fee to join the co-op, and monthly housing fees that contribute to paying for operating the housing. Members do not build equity within this type of structure.

Governance

In the context of this project, how decisions are made and who makes the decisions regarding the operation of a co-operative.

Social

Activities that impact community development or community wellbeing, such as social services and amenities.

Financial

The methods co-operatives use to ensure there is adequate funding for their initial development, operations (repairs, maintenance, services, etc.), as well as their future replacement (new buildings, expansions, etc.).

Board of directors

Also referred to as the board, board members or directors are democratically elected by the members to guide the co-operative on their behalf.

Management bodies

Co-ops often hire a third-party to oversee the daily management, maintenance and operations of the property. This could also include other roles, such as procurement, staffing, etc.

Sustainability

Refers to both environmental sustainability, following green building practices that reduce greenhouse gas emissions, as well as financial sustainability where the co-op generates sufficient revenue to cover costs as well as a healthy reserve fund for scheduled maintenance, and any unforeseen expenses.

Affordability

Housing that is less than 30% of an individual's income. This could also be relative to other housing options (i.e., market rental rates), which will depend on location, type of housing, etc.

DCR (debt coverage ratio)

The debt coverage ratio (DCR) measures the ability to pay the property's monthly mortgage payments from the cash generated from renting the property. Bankers and lenders use this ratio as a guide to help them understand whether the property will generate enough cash to pay rental expenses and whether you will have enough left over to pay them back on the money you borrowed. The DCR is calculated by dividing the property's annual net operating income (NOI) by a property's annual debt service. Annual debt service is the annual total of your mortgage payments (i.e. the principal and accrued interest, but not your escrow payments (Source).

Overview

Developing housing that considers affordability, attainable homeownership, and building great communities is no easy task. Add economic uncertainty and significant changes in consumer behaviour, and investing in new models becomes much riskier. Housing co-operative solutions have been successful, but too often are limited by their reliance on government subsidies and the capacity of volunteer boards.

Through our research, we have developed an array of resources that will help you and your co-op be successful. Below, the resources we created are highlighted:

This Development Tool Guidebook provides clarity on how to use our Development Tool. The Development Tool is an interactive spreadsheet that enables you to:

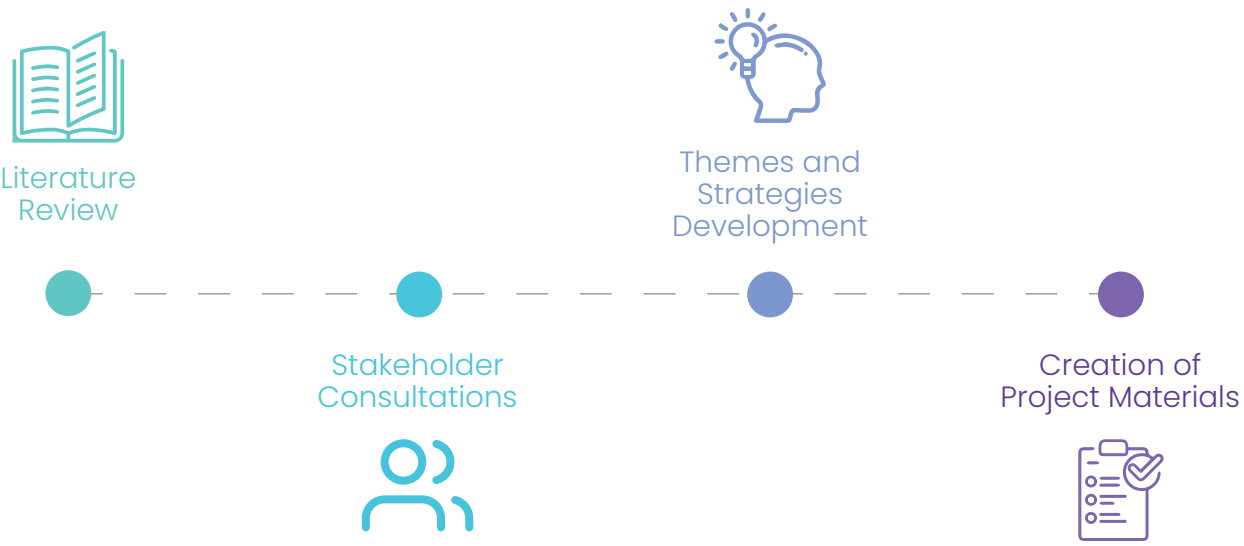
- Select your housing co-op type
- Understand relevant themes for your housing co-op
- Select strategies to implement the themes
- Understand and select a financial strategy that meets your needs

Combined, these two resources can help you develop and operate successful multi-unit co-op housing, by providing details on what themes are required for an effective co-op, strategies to implement them, and financial strategies to meet the financial goals of your housing co-op. Please refer to the Research Report for additional context on how these themes, strategies, financial strategies, and this project overall were formed.

About The Development Tool Guidebook

We have developed this guidebook to assist you as you work through the Development Tool, to provide guidance on the development and operation of sustainable, efficient, and resilient housing co-ops in Alberta.

THE FOLLOWING PROCESS WAS TAKEN IN ORDER TO DEVELOP THIS PROJECT:



As seen in the diagram on page 9, we have developed a set of themes which, through our research, we believe should be implemented into all housing co-ops. Each of these themes has corresponding strategies to accomplish them, which differ depending on the type of housing co-op you have.

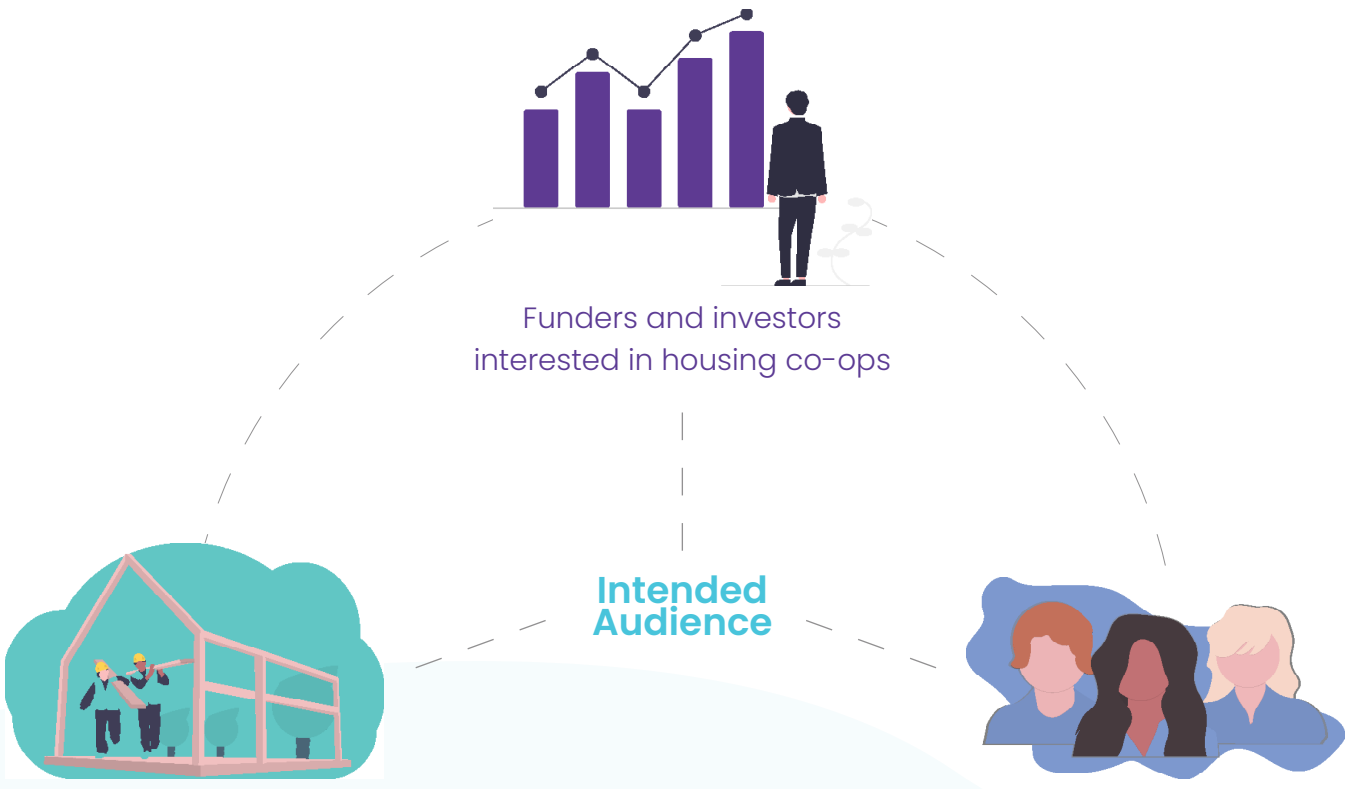
- Strong Capacity
- Focus on Inclusion
- Strong Sense of Community
- Supportive Community Design
- Effective Planning and Processes for Long-Term Sustainability

Strong Capacity
Goal
to support the creation of sustainable, efficient, and resilient housing co-ops in Alberta
Effective Planning and Processes for Long-Term Sustainability
Focus on Inclusion
Community Design
Strong sense of Community

Intended Audience

Regardless of your particular background, if you are involved in the development or operation of a housing co-op, these resources are meant to help you achieve maximum success. If you are developing a new housing co-op, aim to achieve all these themes right at the start of operations to ensure you have a strong foundation for your co-op going forward. If you are operating an existing housing co-op, aim to see these themes implemented in your co-op to be more sustainable and effective.

THIS GUIDEBOOK AND THE CORRESPONDING DEVELOPMENT TOOLKIT HAVE BEEN WRITTEN FOR USE BY THE FOLLOWING GROUPS:



Research Context

We will now provide some context on some of our research findings, as they may be relevant to you as you move through this Guidebook and the Development Tool. A detailed report for this research is available as a companion piece to this Guidebook and can be found on ruraldevelopment.ca.

Through our research, we developed three main elements that impact the success of a housing co-op.

THESE ELEMENTS ARE:

Financial

Governance

Social

The above elements were used to frame our analysis of the literature and perspectives of key stakeholders.

SOME OF THE KEY FINDINGS FROM THE RESEARCH ARE LISTED BELOW:

- There was a general trend of recommending Equity models, direct government support, a greater diversity of financing options, as well as the creation of national co-operative organizations, which could enable the creation of more housing co-ops, and further support existing ones
- Strategies for stronger governance can include involving a third-party regulator, a board elected by co-op members, a large-scale co-op board, or a multi-stakeholder board in the decision-making process of your housing co-op

- It is important for housing co-ops to be designed with a variety of spaces to support board meetings and community events. These spaces can be used by both the co-op and the broader community, enabling more connection between members and the community. Such non-residential spaces can also include commercial and support services, to provide amenities and services to members of the community while also diversifying a co-op's income streams.
- Requirements for achieving financial sustainability are significantly different based on the co-op type (Non-Equity, Limited-Equity or Equity)
- Many different financial strategies can be utilized by co-ops for enhancing financial operations (affordability, equity generation, etc.)

For a more detailed overview on the research done for this project, please refer to Appendix A.

How to Use and Access the Development Tool

This Development Tool Guidebook provides details on how to use and go through the accompanying Development Tool. As previously stated, we have identified 5 primary themes that all housing co-ops should strive to achieve.

THESE THEMES ARE:

- Strong Capacity
- Focus on Inclusion
- Strong Sense of Community
- Supportive Community Design
- Effective Planning and Processes for Long-term Sustainability

We have identified and provided in this Guidebook various strategies that can be used to achieve each of these themes. It is important to note that many strategies require additional considerations to be made by you and your housing co-op, and may involve significant trade-offs.

The purpose of the Development Tool is to allow you to perform financial analysis on your housing co-op, as well as to gauge what strategies might be effective for you to implement in your co-op. The next page showcases the procedure for using the Development Tool.

STEP 1: QUESTION SHEET

When using the Development Tool, you will first be asked to answer a series of questions that will make using of the Tool easier. These will include questions about your housing co-op type and what sort of development you'd be undergoing, if any.

STEP 2: THEMES AND STRATEGIES

Once you have answered these questions, the relevant themes for your housing co-op type will appear in the Development Tool. The themes will then be broken down into strategies to accomplish the desired outcome qualitatively.

STEP 3: HOUSING CHARGES

Following that, you will be asked to provide some market data about your local rent - if relevant as per your answers to the initial questions. This data will be used to help develop housing charges for your co-op.

STEP 4: OPERATIONS

Afterwards, you will see an operating budget - where you can view the revenues your housing co-op generates as well as the expenses needing to be paid.

STEP 5: CAPITAL BUDGET (IF APPLICABLE)

Again, if relevant, a capital budget will be shown. This is where the capital for developing your housing co-op, repayable or not, can be included. This will help you determine how your housing co-op's development will be funded and if the co-op is self-sustaining as it's currently been setup.

STEP 6: PROFORMA

Lastly, you will see a pro forma for your operations. These sheets highlight the revenues and expenses your housing co-op faces into future years. This also includes information on your co-op's ability to pay its debts, the accumulated reserve etc.

STEP 7: EQUITY (IF APPLICABLE)

Additionally, if relevant, a sheet showcasing the equity being built up by members will be shown. This will allow you to estimate what the equity situation will look like for members into the future of your co-op's operations.

Now that we have detailed the process for using the Development Tool, we will now go into how to utilize this Guidebook - starting on the next page.

THE FOLLOWING LEGEND DESCRIBES THE PROCESS TO FOLLOW TO UTILIZE THIS GUIDEBOOK.

1. Choose Housing Co-Op Type

EXAMPLE: LIMITED EQUITY HOUSING CO-OP

To look at the strategies relevant for your housing co-op, you must first identify if you are a Non-Equity, Limited Equity, or Equity co-op. If you are unsure of what housing co-op is relevant to you, refer to the "Information on Housing Co-op Types" section below, which describes these co-op types.

2. Select Theme Area(s) and Choose Strategy/Strategies

EXAMPLE: THEME AREA: STRONG CAPACITY; STRATEGY: HIRE AN ON-SITE PROPERTY MANAGER TO IMPLEMENT CO-OP DECISIONS

Once you have identified your housing co-op type, review the Themes we identified. There, you will find each theme being described in detail as well as how the themes are connected between each other.

Next, continue to the strategies, where you can view methods to implement each of the themes. We recommend you use these strategies as much as possible in your housing co-op.

3. Investigate Financial Strategies

EXAMPLE: PLAN FOR ADDED COSTS

Lastly, you can view various financial strategies for your housing co-op type. Here we will describe the details of these financial strategies, as well as their pros and cons. The financial strategies are given in a list which includes their compatibility with the different housing co-op types.

EQUITY CO-OPS

Housing co-ops, which allow members to generate wealth through the equity growth of their home. This form of housing co-op is typically the one with the highest ceiling for entry, as memberships can be in the hundreds of thousands of dollars. This co-op is also one of the most appealing to many prospective members, as the money spent to join the housing co-op is also an investment that can potentially pay back in the future.

MEMBER GOALS

- Home ownership
- Return on Investment in housing
- Living in community
- Protect and grow investment

MEMBER COSTS

$$$

LIMITED EQUITY CO-OPS

Follow the same general concept as the Equity co-ops, allowing members to generate wealth through the equity growth of their home. However, for Limited Equity co-ops, the amount of equity growth the member can claim has a ceiling - with the remaining wealth being directed back into the housing co-op. This structure allows members to grow equity through their investment into the housing co-op, but also has a lower ceiling for people to join the co-op.

MEMBER GOALS

- Attainable housing. Moving from being a renter to building equity in housing
- Living in a great community

MEMBER COSTS

$$

NON-EQUITY CO-OPS

Do not offer any equity gain through being a member of the housing co-op. The dues members pay to join and live in the co-op are not investments that return equity. However, these co-ops are much more affordable for members, and have the lowest ceiling for entry. In our research, we found Non-Equity co-ops to be the most popular form of co-op in Alberta - likely primary due to co-op construction in Canada being focused on increasing the supply of Affordable Housing.

MEMBER GOALS

- Affordability
- Mutual aid
- Participate in community

MEMBER COSTS

$

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NOW THAT YOU HAVE IDENTIFIED YOUR CO-OP TYPE, WE WILL MOVE INTO A DISCUSSION ON THE THEMES THAT SUPPORT THE SUSTAINABILITY OF YOUR CO-OP, AND STRATEGIES YOU CAN USE TO ACHIEVE THESE THEMES.

The Themes

STRONG CAPACITY

Capacity is about ensuring your housing co-op has the expertise and knowledge to effectively make decisions that impact the wellbeing of members.

When this theme is active in your housing co-op, you can expect an improvement in the "Effective Planning and Processes" theme as well. As when you have the capacity available in your co-op, more efficient plans and policies can be made and executed.

WHAT TO EXPECT	WHAT HAPPENS WITHOUT THIS THEME
• Decisions that are based on logic, data, and analysis • Increased volunteerism and participation by co-op members regarding decisions and operation of the co-op • Positive impacts on financial sustainability	• Personal decision making • Short-term decision making • Lack of technical, social, and community support for co-op members • Communication breakdowns

FOCUS ON INCLUSION

Making sure your housing co-op is inclusive to people of a variety of backgrounds, income levels, and stages in life, can enable your co-op to be adaptive to change while providing benefits to as many people as possible

When this theme is active in your housing co-op, you might see an improvement in the "Strong Sense of Community", as members who are supported by their co-op and fellow members feel a stronger bond to their neighbours. In addition, focusing on inclusion can enable a "Strong Capacity" in your co-op, as it helps ensure a variety of voices that represent your co-op are included in the decision-making process, leading to more effective and inclusive decisions.

WHAT TO EXPECT

- Membership is accessible to a diversity of people who may be in need of housing, which allows your co-op to provide benefits to the community it is situated in
- Balanced and inclusive decision making, as your co-op has various perspectives at the table
- Potential access to additional supports from local, provincial and federal agencies as well as non-profit groups, depending on the strategies you implement
- Steady and predictable membership levels, as your co-op supports people in all stages of their lives

WHAT HAPPENS WITHOUT THIS THEME

- Your co-op is less likely to achieve equitable and inclusive outcomes that impact the broader community
- A lack of diverse perspectives on processes and policies that limit improvement
- Members are unable to build capacity to confidently participate in decision making, or be inclined to volunteer
- Long-term planning and succession goals are undermined

STRONG SENSE OF COMMUNITY

A strong sense of community is about operating your housing co-op in a way that fosters member participation and collaboration in co-op decision making and social opportunities

When this theme is active in your housing co-op, you might see an improvement in both the "Effective Planning and Processes" theme as well as the "Strong capacity" theme. As you have stronger bonds between members, interpersonal conflicts and infighting can be expected to decrease - improving the efficiency of planning and operations. Also, with people feeling more connected to their co-op, they will be more likely to contribute their skills and expertise to the benefit of the co-op.

WHAT TO EXPECT

- High levels of trust, social bonds, and interaction between your co-op members
- Members are highly involved in running the co-op through participation in board and committee meetings, as well as social events

WHAT HAPPENS WITHOUT THIS THEME

- High risk of community member burnout and isolation, minimizing the social and governance benefits associated with co-op housing
- Inability to implement lessons learned from previous challenges or experiences, due to lack of interaction and consensus between co-op members

SUPPORTIVE COMMUNITY DESIGN

A supportive community design is about ensuring the physical elements of your housing co-op, including buildings, outdoor space, and your co-op's location, are made to support the diverse needs of your members, now and into the future.

When this theme is active in your housing co-op, you might see an improvement in the "Strong Sense of Community" theme, as the community development activities supported by your co-op's physical design can enable members to have stronger bonds with each other. In addition, a supportive community design can help your housing co-op achieve the "Effective Planning and Processes for Long Term Sustainability" theme, as it helps ensure there are spaces available to effectively gather and make decisions. Lastly, the physical design of your co-op can help support your co-op's "Focus on Inclusion", as it allows for a variety of people with a variety of needs to live safely and comfortably in your co-op.

WHAT TO EXPECT

- A housing co-op that is well connected to nearby amenities and services to support its members
- A co-op design that accommodates people's changing needs as they move through their lives, decreasing the need for members to depart your co-op
- Spaces that support the various activities required for a successful co-op, both indoors and outdoors

WHAT HAPPENS WITHOUT THIS THEME

- Members are unable to easily access daily services and amenities they require, leading to decreased satisfaction in the community
- Members are unable to lead initiatives and events they are passionate about, as there are no spaces that support community gathering
- Members are required to leave the co-op due to changing circumstances or needs

EFFECTIVE PLANNING AND PROCESSES FOR LONG-TERM SUSTAINABILITY

This theme is about making sure that the way in which your housing co-op organizes and manages its operations is efficient and financially sustainable in the long run.

When your housing co-op has effective planning and processes that focus on long term sustainability, you might see an improvement in every other theme. This is because an efficient and effective planning and policy impacts both the planning and development of your co-op, as well as its operations once constructed. Ensuring a strong vision and decision-making process can ensure your co-op is planned with a "Supportive Community Design". The decision-making framework you set in place impacts your co-op's ability to gain a "Strong Capacity" while still having a "Focus on Inclusion". Lastly, as decisions are made effectively and fairly with a strong vision in mind, there may be less disagreements and an increased likelihood that decisions lead to a "Strong Sense of Community" for your co-op.

WHAT TO EXPECT

- Decisions are made in accordance with your co-op's vision and needs
- The financial needs of your co-op are predictable and planned, leading to minimal unexpected costs and a more efficient use of funds
- Consensus regarding your co-ops administrative and governance processes, decreasing the likelihood of personal decision making and contention

WHAT HAPPENS WITHOUT THIS THEME

- Short-term oriented decisions that can lead to your co-op deteriorating
- Sporadic decision making and changes to housing charges
- Lack of clear roles and responsibilities leads to inefficient allocation of resources, scope-creep, and animosity between the board, committees, and management

The Strategies

THIS SECTION HIGHLIGHTS THE STRATEGIES WE RECOMMEND YOU USE TO IMPLEMENT EACH OF THE BELOW THEMES.

Strong Capacity

Effective Planning and Processes for Long-Term Sustainability

Focus on Inclusion

Community Design

Strong Sense of Community

STRATEGY 1: SELECT NEW MEMBERS WITH STRONG SKILLS AND ABILITY TO VOLUNTEER

Strong Capacity

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Your housing co-op should develop criteria to decide how to prioritize different people who may want to join your co-op. This should include requiring new members to be willing to volunteer for a minimum number of hours and prioritizing people with certain skill sets that can support the operation and capacity of your co-op.

THINGS TO KEEP IN MIND

Selecting members solely based on skills or ability to volunteer may act as a barrier to those who need access to housing who may not have the skills or availability to volunteer.

It is important to balance your selection criteria to attain members with relevant skills while also ensuring that those who need housing the most are prioritized. This balance can be struck by creating capacity building programs within your co-op to enable those without specific skills to attain them.

STRATEGY 2: BUILD RELATIONSHIPS WITH SPECIALISTS TO SUPPORT YOUR HOUSING CO-OP

Strong Capacity

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Your housing co-op should reach out to specialists such as finance professionals, co-op management groups or social service groups for support. This can help fill potential capacity gaps within the co-op membership, reducing burdens on co-op members while providing additional supports to your co-op's members.

THINGS TO KEEP IN MIND

Specialist support can be organized to support the operation and development of the housing co-op, as well as to provide personal support to those who need it in your co-op.

STRATEGY 3: PROVIDE REGULAR EDUCATION OPPORTUNITIES FOR NEW AND EXISTING CO-OP MEMBERS

Strong Capacity

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Your housing co-op should have regular orientation programs/ processes in place to educate new and existing members regarding the goals of the co-op, challenges that are being faced, and other important things to consider. This can help build knowledge and consensus within your co-op.

THINGS TO KEEP IN MIND

This requires strong leadership to plan, organize, and host these educational opportunities.

Special focus should be placed on orienting new members regarding the co-op as well as transitioning from existing to new board members.

Specific topics you could seek support on may include: Money management, family counselling, mental health, etc.

STRATEGY 4: DEVELOP A TRANSITION STRATEGY FOR KEY ROLES WITHIN YOUR CO-OP

Strong Capacity

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Your co-op should have in place a transition strategy for various key roles, to ensure capacity does not decrease as members leave or new members join.

THINGS TO KEEP IN MIND

We recommend ensuring there is at least a 6-month overlap in roles, where the individual currently in the role can support the individual replacing them.

It is important to stagger the terms of different elected roles within your co-op, to ensure there is a minimum existing capacity to support those newly elected.

STRATEGY 5: HIRE AN ON-SITE PROPERTY MANAGER TO IMPLEMENT CO-OP DECISIONS

Strong Capacity

COMPATIBLE CO-OP TYPES:

Non-Equity & Limited Equity

DESCRIPTION

Your co-op should have an on-site property manager to manage the day-to-day operations of your co-op and implement the decisions of your co-op's decision makers. Property managers can bring expertise and an objective perspective to your co-op.

THINGS TO KEEP IN MIND

You may not be as involved in making the smaller decisions of your co-op.

Your co-op needs to understand the separation between high-level decisions made by your board, compared to the small-scale implementation of the board decisions by the property manager.

Co-op members may not understand the value of a property manager, so it is important to communicate these benefits to members

STRATEGY 1: SELECT NEW MEMBERS BASED ON NEED

Focus on Inclusion

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Your housing co-op should develop criteria to decide how to prioritize different people who may want to join your co-op. This should include requiring new members to be willing to volunteer for a minimum number of hours and prioritizing people with certain skill sets that can support the operation and capacity of your co-op.

THINGS TO KEEP IN MIND

Selecting members solely based on skills or ability to volunteer may act as a barrier to those who need access to housing who may not have the skills or availability to volunteer.

It is important to balance your selection criteria to attain members with relevant skills while also ensuring that those who need housing the most are prioritized. This balance can be struck by creating capacity building programs within your co-op to enable those without specific skills to attain them.

STRATEGY 2: CALCULATE HOUSING CHARGES BASED ON HOUSEHOLD INCOME

Focus on Inclusion

COMPATIBLE CO-OP TYPES:

Non-Equity & Limited Equity

DESCRIPTION

Housing charges in your co-op should be based on the income of each individual household. You can do this through charging a set percentage of a household's income for their housing charges. We recommend this charge be equal to or less than 30% of each household's income (federal definition of affordable).

THINGS TO KEEP IN MIND

It is vital to ensure there are members in your co-op with a diversity of incomes across the entire spectrum so that housing charges collected are enough to sustainably fund the co-op's operations, planning and maintenance.

This strategy may result in a backlash from higher paying members of your co-op. Therefore, it is important to build an understanding within your co-op regarding the importance of affordable options. Education can be done regarding 'ability to pay' models of housing and how it benefits everybody when there are stable housing options for all incomes.

STRATEGY 3: UTILIZE GOVERNMENT AND NON-GOVERNMENT PROGRAMS THAT SUPPORT THE AFFORDABILITY, INCLUSIVITY AND COMMUNITY DEVELOPMENT OF YOUR CO-OP

Focus on Inclusion

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

By utilizing programs available from government and other groups to help support the affordability, inclusivity and community development of your housing co-op, there will be less of a financial burden to supporting your co-op members. In addition, many of these programs provide expertise to help support the governance of your co-op. These funds and supports fluctuate through time, so the below opportunities may not be offered depending on when you are using this guide.

THINGS TO KEEP IN MIND

Funding programs are susceptible to changes in governments and policy revisions - it is important not to rely on them for sustainability. This can be done through ensuring your co-op is collecting enough housing charges to cover the baseline operation, maintenance, and renewal of your co-op, and using programs to help further improve your co-op or to provide temporary decreases in housing charges. It is important to be transparent regarding when charges would go back up after a program ends.

It is key that you have the capacity as a co-op to apply to and manage these government and non-government programs. Ensure that within your co-op governance framework, there is an individual who is responsible for exploring funding opportunities and applying to them.

STRATEGY 4: DIVERSITY, EQUITY, INCLUSION, AND ANTI-RACISM TRAINING

Focus on Inclusion

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Your housing co-op should engage and participate in dedicated training to address barriers and biases faced by marginalized groups who live in your community, so that all members feel welcome to participate at all levels of the organization.

Specific Programs that you can make use of, or reference include:

- Anti-Racist Organizational Change (AROC): Resources and Tools for Nonprofits
- Equity Inclusion Glossary of Terms

THINGS TO KEEP IN MIND

This type of training is a long-term commitment and will require your co-op to allocate time and resources to accomplish.

STRATEGY 1: FORM A SOCIAL SOCIETY TO EXCLUSIVELY MANAGE THE SOCIAL ELEMENTS OF YOUR CO-OP

Strong Sense of Community

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Your housing co-op should create its own social society, under the Alberta Societies Act, to manage the social activities, recreational opportunities, and cultural elements of your co-op. Such a society may also be able to access funding that your co-op alone cannot. With a social society in place, your co-op board can focus on financial and governance decisions. You can find information about incorporating a society in Alberta here. The Alberta Government's Community Development Unit, The Edmonton Chamber of Voluntary Organizations, and the Calgary Chamber of Voluntary Organizations are great starting points for capacity building towards forming a social society.

THINGS TO KEEP IN MIND

It is important to ensure that your social society has regular meetings with your co-op board, to ensure there is alignment between both groups' plans and vision.

There are other ways to manage the social elements of your co-op, such as through a social/events committee, but this system is more intertwined and connected with the board, which may lead to more conflict and fewer opportunities for unique funding options.

STRATEGY 2: DEVELOP FORMAL RELATIONSHIPS WITH SERVICE PROVIDERS AND COMMUNITY GROUPS OUTSIDE YOUR CO-OP TO SUPPORT YOUR MEMBERS

Strong Sense of Community

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Your housing co-op should ensure that you have formal relationships with service providers who can enhance the lives of your members. A good starting point is Alberta's Community and Social Services. If located in Calgary or Edmonton, both cities have neighborhood services and community social workers who could play an active role in both connecting co-ops to resources, as well as help develop capacity.

Most municipalities will usually have a community department or equivalent, community centres, and libraries. Board members, or committee members who are tasked with community development and social goals, could schedule meeting with staff on an annual basis to learn about what resources are available, and to build relationships with these resources.

THINGS TO KEEP IN MIND

Many cities already offer low-income passes for services such as transit, fitness centres, etc. The co-operative might only need to be a connector to these opportunities. Municipal community social workers and other resources could be strong assets to connect to resources and be aware of programs and services.

Input from members will help to identify what community resources are needed. Member engagement will assist this item.

Some co-ops use their influence and capacity to be involved in the greater community, through actions such as purchasing community league memberships for all co-op members, hosting broader community events in co-op spaces (gathering hall, etc.).

To learn more, check out these resources: City of Calgary Neighborhood Services, Community of Social Workers for the City of Edmonton. Calgary and Edmonton also offer leisure and transit passes for people with lower incomes. Calgary Fair Entry Program and Edmonton's Leisure Access Program and Ride Transit Program.

STRATEGY 3: CREATE A CONSISTENT AND PREDICTABLE ANNUAL SOCIAL EVENTS PLAN

Strong Sense of Community

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Consistent and predictable social events can help build a culture of community participation within your co-op. To achieve this, you should develop and implement an annual social events plan that includes key events scheduled throughout the year, and a plan to promote and engage your members' participation in them.

THINGS TO KEEP IN MIND

Consider which events will be exclusively for your co-op as well as events that would be open to the broader community. Opening up events to the community can help your members build connections outside of the co-op, leading to a tighter knit community. It is also important to have co-op member only events so that tighter connections can be formed within your co-op itself.

STRATEGY 1: DESIGN YOUR CO-OP BUILDING AND SITE WITH ACCESSIBILITY IN MIND

Community Design

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Your housing co-op should be designed to ensure that the accessibility needs of members throughout their entire lifetime are met. You should ensure that there is a set amount of 'barrier free units' and that your co-op building and public realm have minimal barriers.

This can be done through following and implementing elements from design standards aimed at accessibility, including:

- Universal Design for New Housing Units

THINGS TO KEEP IN MIND

There may be higher upfront costs in ensuring some of your co-op's housing units and public areas are designed with minimal physical barriers to those with mobility constraints; However, investing in such design measures will reduce the need for members to leave your co-op due to changes in their needs.

STRATEGY 2: PLAN AND DESIGN YOUR CO-OP TO INCLUDE A VARIETY OF HOUSING FORMS

Community Design

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

When designing your housing co-op, it is important to provide a variety of housing unit types and sizes for members, as it enables your co-op to meet the needs of a greater diversity of people throughout various stages of their lives.

THINGS TO KEEP IN MIND

Consider developing your co-op using a variety of built forms, such as low-rise apartment buildings, high-rise apartment buildings, row housing, duplexes, etc. Providing a variety of building forms can help meet a wider range of personal housing preferences and form a more dynamic built environment.

It is important to understand the housing needs and demand in the region your co-op is in. For example, if your region is in greatest need of singles housing, your co-op should provide ample 1-bedroom units. However, you should still provide other unit sizes so that your co-op is more adaptive to changes in demand throughout its lifecycle.

STRATEGY 3: EXPLORE THE POTENTIAL FOR NON-RESIDENTIAL REVENUES SUCH AS COMMERCIAL AND OFFICE SPACES

Community Design

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

In planning and developing your housing co-op, you should explore the potential for non-residential spaces such as commercial and office space, as they can provide additional services to your members and help diversify your co-op's revenue sources. Such spaces can also act as a community gathering and networking space, enabling a more tight-knit co-op and community.

THINGS TO KEEP IN MIND

You should ensure that you design such non-residential space to be flexible, so that as the business market changes, a variety of business types could effectively utilize the space.

It is important to ensure that non-residential space is situated in a prominent location within your co-op, that is easily accessible to both your members and the broader community.

STRATEGY 4: ENSURE THERE IS A VARIETY OF COMMUNITY GATHERING, ACTIVITY, AND WORKING SPACES

Community Design

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Due to the unique governance structure of housing co-ops, it is important to have ample shared space that can be used for a variety of purposes. This is especially important to ensure that co-op governance meetings and community events can be held frequently and conveniently. Many people choose to live in co-ops due to the social and community involvement opportunities; Ensuring gathering, activity, and working spaces are present in your co-op helps promote support such opportunities.

THINGS TO KEEP IN MIND

Gathering spaces can additionally be used for programs catering to specific needs of some members.

Consider charging a modest fee to non-co-op community members to use the space, as this can help diversify your revenue while supporting the broader community.

It is important to ensure there are both indoor and outdoor community spaces to support a variety of activities throughout the year.

STRATEGY 5: CREATE AN AESTHETIC DESIGN FOR YOUR CO-OP THAT POSITIVELY SUPPORTS THE MENTAL HEALTH OF MEMBERS

Community Design

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

When designing the aesthetics of your housing co-op, it is vital to ensure that design decisions support the mental health of your members. Different design elements can have different impacts on the mental health of those in a space. This can include elements such as lighting and colouring. We recommend you reference the guide below to ensure you are designing spaces in your co-op to support your members' mental wellbeing:

- Rural Development Network's Psychology of Aesthetics

THINGS TO KEEP IN MIND

It is important to consider how a space will be used so that you can implement various aesthetic features that help support the users and function of said space.

STRATEGY 6: INVEST IN ENVIRONMENTALLY EFFICIENT DESIGN TO ENSURE THE SUSTAINABLE OPERATION OF YOUR CO-OP

Community Design

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Initial investments in energy efficient design in your housing co-op can not only support the environment, but can also improve the financial sustainability of your co-op. There are several programs your co-op can leverage to help offset the initial costs of such interventions. Such programs include:

- CMHC Seed Funding
- CMHC Co-Investment Funding
- GMF Planning Grant
- GMF Capital Funding (New construction)
- GMF Capital Funding (Retrofit)

THINGS TO KEEP IN MIND

Higher capital costs, and potentially maintenance costs. Inability to meet changing needs of members, particularly the use of electric vehicles.

Higher housing charges may be initially required to fund the upfront costs of environmentally efficient design elements in your co-op. This means that equity co-ops may have an easier time implementing this strategy; however, this strategy is still compatible with all co-op types.

STRATEGY 1: CLEAR POLICIES ON HOW YOUR CO-OP CAN SPEND MONEY

Long-Term Sustainability

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Your housing co-op should have clear requirements regarding how much money different governing groups can spend. This should be implemented through incorporating maximum spending limits for different groups (Boards, committees, property managers), as well as ensuring there are clear descriptions of what sorts of things each group can spend money on. Providing clear requirements can ensure predictability and transparency in financial decision making while increasing the speed and efficiency in which your co-op can make financial decisions.

THINGS TO KEEP IN MIND

It is important to ensure that the spending limits for different groups are not too low, as this may lead to the general membership of your co-op having to vote on decisions that are relatively small in scale, slowing down the ability for your co-op to achieve its goals.

In order to build consensus, your co-op should host annual meetings to plan the initiatives different groups have for the year and create a budget for those initiatives. This will help increase the predictability of what different groups will be spending money on, while ensuring that initiatives align with the broader goals of your co-op. Overall, you should try to ensure as many expenses as possible are predetermined.

STRATEGY 2: ESTABLISHED AND STREAMLINED RENOVATION/ REPLACEMENT RESERVE PLAN AND PROCESS

Long-Term Sustainability

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

In starting your housing co-op, you should develop a streamlined and systematic renovation process and plan. This can be done through creating a renovation schedule and plan, which the board simply has to follow. Doing this initial planning can reduce the likelihood of costly, last-minute repairs being made. An example process template developed by the Co-operative Housing Federation of Canada can be found here.

THINGS TO KEEP IN MIND

In order for this plan to be successful, there has to be strict measures in place to ensure that the plan is followed, and that funds are not moved away from this plan to fund more short-term needs.

Your plan should include details on what renovations are done as people move out of their units.

STRATEGY 3: SUCCESSION PLANNING

Long-Term Sustainability

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Your housing co-op should have a succession plan in place to ensure members in decision-making roles have a strong foundation as they move into their role, in order for them to be successful. We recommend you ensure your co-op ensures overlap between the transition of board roles. This can be done by having a three-part cycle for board members, consisting of:

1. New member shadows the previous person in the role
2. New member transitions into full role, and takes over responsibilities
3. The member trains the new member taking on the role.

Applying this approach to common practice in a co-op can help ensure the effective transition of board members and the effective operation of a co-op.

THINGS TO KEEP IN MIND

Succession planning is a long-term project. Investing in ongoing member education, providing opportunities for members to build skills in governance and financial planning, as well as hosting open board meetings, can increase the number of potential board candidates to step into leadership positions as part of a succession plan.

STRATEGY 4: VISION AND GOAL ORIENTED DECISION MAKING AND DEVELOPMENT

Long-Term Sustainability

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

Your housing co-op should host regular and detailed sessions to set goals and build consensus on these goals. Subsequent decisions should be made in accordance with these goals.

THINGS TO KEEP IN MIND

We recommend hiring an outside facilitator to guide these meetings in order to create a vision that is objective and meets the needs of as many members as possible.

It is important that the vision and goals of your co-op have a long-term focus. You should use financial and social sustainability as the foundation for your co-op's vision and consider the eventual replacement or expansion of your co-op once it reaches the end of its lifecycle.

STRATEGY 5: ENSURE POLICY AND DECISION MAKING ELEMENTS ARE RECORDED AND WRITTEN DOWN

Long-Term Sustainability

COMPATIBLE CO-OP TYPES:

All Co-ops

DESCRIPTION

In order to ensure your housing co-op has the needed capacity to sustainably operate through time, it is important to write down all your policies, procedures, and goals. In addition, all decisions should be properly recorded and made available to the general co-op membership. Doing so increases the transparency of the operations of your co-op and helps orient new members or people in new leadership roles.

THINGS TO KEEP IN MIND

Without a clear record of meetings, decisions, and decision-making process, it is difficult for a co-op to be transparent and open. This can lead to a lack of trust in boards and committees, as well as their members. Lack of written records also slows decision making processes, and makes it difficult to onboard members into decision making roles. Last, without clear records, funders will be less inclined to provide support.

1. Choose Housing Co-Op Type

EXAMPLE: LIMITED EQUITY HOUSING CO-OP

To look at the strategies relevant for your housing co-op, you must first identify if you are a Non-Equity, Limited Equity, or Equity co-op. If you are unsure of what housing co-op is relevant to you, refer to the "Information on Housing Co-op Types" section below, which describes these co-op types.

2. Select Theme Area(s) and Choose Strategies

EXAMPLE: THEME AREA: STRONG CAPACITY; STRATEGY: HIRE AN ON-SITE PROPERTY MANAGER TO IMPLEMENT CO-OP DECISIONS

Once you have identified your housing co-op type, review the Themes we identified. There, you will find each theme being described in detail as well as how the themes are connected between each other.

Next, continue to the strategies, where you can view methods to implement each of the themes. We recommend you use these strategies as much as possible in your housing co-op.

3. Investigate Financial Strategies

EXAMPLE: PLAN FOR ADDED COSTS

Lastly, you can view various financial strategies for your housing co-op type. Here we will describe the details of these financial strategies, as well as their pros and cons. The financial strategies are given in a list which includes their compatibility with the different housing co-op types.

Financial sustainability is key for every single housing co-op

All housing co-ops will have to make decisions regarding how to ensure operations can be maintained into the future. This is a complicated matter, especially when factors such as maintenance, property management, ensuring affordability and personal decision making are involved.

The financial sustainability of a housing co-op can primarily be investigated by seeing if the co-op is able to pay for all its operational costs as well as any debt obligations it has. Additionally, the surplus being generated after making these payments also needs to be considered. Generally, the more surplus a co-op generates, the more sustainable it is - as the co-op will be more readily able to pay for unexpected costs such as emergency repairs or cover day-to-day costs even with an income decrease.

Beyond the types of housing co-ops discussed already in this Guidebook (Non-Equity, Limited-Equity and Equity co-ops), there are specific financial strategies that can be used for each of these co-op types. These strategies can help improve financial outcomes like sustainability. Some of these strategies are only compatible with a specific co-op type, whereas others are applicable regardless of co-op type. Through our research, we have identified the following financial strategies employed by Co-ops worldwide. We also detail which co-op types are compatible with each financial strategy.

Compatible with All Housing Co-Op Types

MULTI-STAKEHOLDER MODEL

This model has more than one stakeholder class, namely, both a supporting class and a resident class. It allows for supporting members to purchase shares even if they do not reside at the property. Most prominent in Quebec, mainly for seniors housing. This membership base tends to include the residents, supporters, and workers. "Services offered by these housing co-ops include meal services in a cafeteria, laundry and cleaning services, programming/organized social activities, and security services via security cameras and volunteer residents." (MS Co-op Housing for seniors in Quebec).

PROS	CONS
• Affordability - the model makes it easier to attain strong financial backing as members can strengthen the governance of the housing co-op • Has potential for housing seniors, or those with some capital for investment, who want an affordable home • Both classes select representatives for the board	• Often requires certification to become a 'seniors' or 'private care' facility to benefit from the provision of care activities

DEVELOPER/BUILDER PARTNERSHIP

A builder/developer constructs the housing infrastructure, then sells the units as a new housing co-op. Similar to a condominium strategy.

PROS	CONS
• Upfront costs and risk are taken on by the builder • Offers more options for builders to provide mixed income, attainable, and affordable options • Both classes select representatives for the board	• Builder-led, less control by the co-op

PRIVATE FINANCING OF NEW HOUSING CO-OPS

Programs to encourage private investors to create housing co-ops. Housing charges would be for breaking even on the project or for a government-approved rate of return. In return, private investors could access low-cost mortgages.

PROS	CONS
• Creates new affordable housing • Involves private market partnerships	• Rents may not be affordable even at break-even rates • Private groups have an incentive to maximize profit and so may work against the interests of households in need

Compatible with Non-Equity Housing Co-Ops Only

COMMUNITY LAND TRUST

Homeowners own their buildings, the CLT retains ownership of the land and enforces permanent affordability via the ground lease.

PROS	CONS
• Offers stability and support to low-income homeowners • Reduce financing needs for the housing co-op • Aligns housing goals with community revitalization initiatives and other stakeholders • Can support limited equity models significantly in the early phases of development, where they can act as a lead in project feasibility assessments, rehabilitation or construction, and establishing LEC documents and selling shares. • They can also act as an educator. After this, the CLT usually shifts to a support role. CLTs can also act as a third party, which can help long term sustainability of the development, ensuring logical decisions are made. • CLTs can help keep LECs secure and accountable. CLTs can also become more involved if community participation decreases in the future • Land acquisition is a leading determinant of affordability and this provides an affordable solution	• Often requires certification to become a 'seniors' or 'private care' facility to benefit from the provision of care activities • Requires households to satisfy conventional lending criteria • Lack of awareness by financial institutions and regulators • Added complexity of combining two innovations and governance structures

ANDEL MODEL

The Andel Model is a private initiative for not-for-profits to develop and manage housing for their members. It uses a 'right to use' model, which is an entry fee (returned when members leave the co-op), and then an affordable monthly fee to cover costs of construction/maintenance/debt. This is an example/case study of a non-equity model with a community land trust.

This model can be used with 'cessation of use' OR 'surface right of public land' for a long period of time. These are considered the best arrangements as they don't force public administration to lose their land assets.

PROS	CONS
• Relies on existing social networks; uses volunteer model to actually help build and design building (saves on costs) • Non-speculative model that takes housing as a basic right rather than a commodity • Social advantages: long-term affordability is a core pillar of the model • Financial advantages: stem from economies of scale that derive from the fact that mortgages are held by the co-operative rather than by individuals • Relies on self-management from members coupled with professionals that offset the limitations of co-op members in terms of knowledge and availability • Fosters communal living model - prioritizes common space over private dwelling space • Sustainability: low environmental impact on project construction and sustainable usage of the building are promoted (hired environmental consultants)	• Often requires certification to become a 'seniors' or 'private care' facility to benefit from the provision of care activities • Requires a common ideology by members that housing is a human right and not a commodity or asset • Catalan credit cooperatives have limited funding capabilities, so these organizations depend exclusively on members' resources • Needed a partnership to finance and monitor the project. Necessary funds came from loans, participatory bonds, fees from residents, and voluntary contributions/subsidies • Affordability is dependent on access to financing, legal conditions for development of publicly owned land, and development/management costs of the project

HISTORICAL GOVERNMENT FINANCING OF NEW HOUSING CO-OPS

Housing was funded mostly by CMHC, provinces contributed 10-25% of capital, RGI system and operational gap were subsidized between federal and provincial governments (sometimes municipalities).

PROS	CONS
• Creates new affordable housing • Partnership between different levels of government • RGI ensures affordability	• Expensive program to fund • Reliance on subsidy for viability - meaning held to changes in government policy

SUBSIDIZED NON-EQUITY CO-OP

Co-ops receive subsidized mortgages either from the federal or provincial governments and implement an income mix.

PROS	CONS
• Housing is affordable • With an income mix, stigma is reduced, and operations are more viable	• Projects likely unviable without subsidy • Reliance on government subsidy means having to adhere to changes in government policy

Compatible with Limited or Equity Housing Co-Ops Only

MUTUAL HOME OWNERSHIP SOCIETY

In this strategy, affordability is defined as no more than 35% of net household income going to housing. Rents are typically above social but below market prices. Ownership and management of the homes and land is with the MHOS, where each member has a leased suite. There is democratic control over housing, and the cost of building is financed through a long-term mortgage loan.

Each member makes monthly payments to the MHOS to pay loans and debts. The cost of the project is divided into equity shares with an initial value of $1. Equity is then allocated to each household and each member in that household is levied a monthly member charge equal to 35% of their net income. Each member pays a deposit equal to 10% of the equity shares they can afford to finance through their monthly payments, which depends on their income and cost of their home (including shared costs of shared facilities).

If a member's income decreases, rather than lose their home, they can sell equity shares to another member, use the reserve fund, or convert to a standard rental tenancy. If a member leaves the co-op in less than 3 years, equity shares that covered capital repayments are repaid at the same price, less deductions for depreciation. If a member leaves after 3 years, the same is done, but in addition, equity shares are revalued. For any increase in value: 75% goes to the members and 25% goes to the society. Increased values are determined by the changes in average national incomes.

PROS	CONS
• Equity returns depend on national average income, which can reduce speculation on property investment • Model allows members to choose their level of equity • Projects likely unviable without subsidy	• It seems like a very complicated model, which can be a potential barrier

Compatible with both Equity and Limited-Equity Housing Co-Ops

PUBLIC HOUSING CONVERSION

Conversion of subsidized public housing to tenant-owned housing co-op that remains public and subsidized.

PROS	CONS
• Reduces costs • Subsidy ensures affordability	• Reliance on subsidy for viability • Managerial freedom is more constrained than typical co-ops

FINANCIAL STRATEGIES WRAP-UP

As can be seen by the list, there are many different strategies a housing co-op can utilize for managing its finances. The way your co-op should organize financially will depend on your co-op's vision, goals, and motives. Please test out these different financial strategies and their impact on your co-op using the Development Tool.

Next Steps for Your Housing Co-op

This Development Tool Guidebook has provided you with context and information on how to use the development tool, as well as rationale as to why the themes and strategies we identified are important. Our hope is that you will use this Development Tool Guidebook as you work through the Development Tool, and refer to it as needed as you go about planning or managing your housing co-op.

BELOW ARE SOME THINGS TO CONSIDER AS YOU EMBARK ON BUILDING A STRONG HOUSING CO-OP.

- The strategies in this Development Tool Guidebook are organized around a type of housing co-op. However, there is value in looking at the other strategies and types.
- The Research Report, and the Research Overview in Appendix A, are intended to offer more context and in-depth information. Once you have decided on the direction of your housing co-op project, these materials could offer a lot of value
- Understanding the long-term financial goals and the short-term financial constraints of your members will help in creating scenarios for the Financial Model.
- There are elements of this Guidebook that you could start work on today. Others will require technical experts or other considerations. Prioritizing a strategy or theme area can help build momentum for your project.

YOU MIGHT PRIORITIZE BASED ON:

- Whether it requires a technical expert?
- Cost and schedule
- Board approval

Some additional resources to consider can be found within the Rural Development Network's Sustainable Housing Initiative.

What to Do After You Have Completed the Development Tool

Now that you have completed the Development Tool and reviewed the Guidebook, you are ready to start getting started. That is, gain traction on your course of action and build some initial forward momentum.

This may look different whether you are starting a new co-op or improving an existing one. Below, we highlight some common areas you (and your team) can get started on as soon as possible. Keep in mind that these are only suggestions, and that your group may have already completed some of this work.

EXPLORE CO-OP SOLUTIONS YOU WANT TO SEE REFLECTED IN YOUR PROJECT

1. Connect with housing co-op organizations to research case-studies of successful co-ops. Often staff or board members of these co-ops are willing to meet to discuss how their co-op operates, and how they have been successful.
2. Develop a list of key questions that your group needs to answer, or concepts you need to understand before moving forward. Create a plan to research these questions and find answers before moving forward.
3. Set up a meeting with a staff person from RDN, NACHA, or ACCA to discuss your project and ask questions.
4. Learn about co-ops. Co-operatives First offers a free, self-directed online co-operative governance course. This is an excellent resource to learn about co-ops and co-op strategies, that also provides a high-level overview of items such as capital structure, decision making, and long-term planning. (learn more here: https://cooperativesfirst.com/governance)

DISCUSS CO-OP GOALS

Whether creating a new housing co-op or looking to strengthen an existing co-op, it is important to get clarity on goals, and the long-term vision for the co-op. This may draw from the previous step, exploring other co-ops, or reviewing a previous strategic plan. This could typically look like a planning session that clarifies:

1. Who are the members of the co-op?
2. How does the co-op create a benefit or meet a need?

3. How do shared ownership and democratic decision making accomplish these goals?
4. Visioning exercise to describe the impacts the co-op could make in the short, medium, and long-term.

Having explored different co-op options, how your housing co-op will create value for its members, the following steps will pertain to whether you are working on a new or existing co-op.

IF YOU ARE DEVELOPING A NEW HOUSING CO-OP	IF YOU ARE WORKING TO IMPROVE YOUR EXISTING HOUSING CO-OP
• Discuss co-op's goals and vision • Create co-op bylaws, including decision-making process • Discuss what strategies to implement • Determine associated costs • Determine feasibility • Discuss construction plan	• Evaluate your co-op's performance in terms of the themes we presented • Determine which strategies to implement for greater co-op performance • Discuss with the board / relevant committees on how to implement the selected strategies • Implement strategies

Improving an existing housing co-op or starting a new one is a big undertaking, but incredibly important. Your work could create an amazing housing solution and build a stronger community.

If you have any questions, please do not hesitate to contact: RDN, ACCA, or NACHA.

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