

# **WHAT IS A HOUSING CO-OPERATIVE?**

## ***1. HOW DOES A HOUSING CO-OPERATIVE WORK?***

Each housing co-operative is an incorporated group, owned by the people it serves. Each resident-member has one vote in the affairs of the co-operative. A Board of Directors are elected to manage the Co-op's affairs. This Board may hire professionals to administer certain tasks. However, ultimate control remains with the general membership.

## ***2. HOW IS CO-OPERATIVE OWNERSHIP DIFFERENT FROM RENTING?***

It provides security of tenure. Member's leases or occupancy agreements have no time limit. Members control their collective operating costs and management. There is no absentee landlord. There is no profit given to anyone.

## ***3. WHAT INCOME IS NEEDED TO JOIN A HOUSING CO-OP?***

There are no income qualifications for any individual. However, the co-operatives as a group must have a mix of incomes which allows them to meet expenses and which includes low as well as moderate to high incomes. In most cases, members will pay 25 - 30% of their gross income to a ceiling established by the lower end of the local market rates. Members who receive GAIN will remit the shelter allowance less an average hydro deduction. Also, members are required to make refundable share purchase when they join the co-op.

## ***4. WILL I EVER OWN MY UNIT?***

Members do not individually own their units. Ownership in a continuing housing co-operative is collective and rests with the entire membership. However, members have the right to residency. Only willful and serious breach of the members lease, occupancy agreement or rules set down by the membership is cause for membership to be revoked.

## ***5. HOW LARGE A UNIT CAN I HAVE?***

Members are required to occupy units related to their family size. The general rule is: minimum of one person per bedroom, maximum of two persons per bedroom.

## ***6. HOW IS A CO-OP FINANCED?***

Housing co-operatives obtain their mortgages from Canada Mortgage and Housing Corporation ( CMHC ). In addition, CMHC provides operating subsidies to make the co-operative affordable to moderate and lower income households.

## ***7. WHAT HAPPENS IF I LEAVE THE CO-OP?***

When members leave, they receive their original share purchase less any money owed to the co-op. Money paid as monthly payments is not refunded.

## ***8. WHAT IS THE MEMBERS RESPONSIBILITY?***

The member is responsible for keeping all financial responsibilities current, attending General Meetings, and contributing to the successful running of the Co-operative by attending committee meetings and/or assisting in the general maintenance of the co-op and following the rules set by the membership.