

2015 SEMI-ANNUAL GENERAL MEETING

RESOLUTION #2

Protecting Housing Co-ops on Leased Land

Submitted by:

CHF BC Board of Directors

Contact:

Thom Armstrong, Executive Director
tarmstrong@chf.bc.ca
604-879-5111 #143

WE RESOLVE:

THAT we declare our support for the efforts of housing co-ops on leased land to preserve their homes and their affordable, mixed-income communities beyond their current lease terms;

AND THAT CHF BC continue its efforts to advocate for housing co-ops on leased land by:

1. providing assistance in negotiating fair and reasonable terms for lease extensions or other arrangements designed to promote security of tenure, affordability and sound asset management, consistent with co-op principles and values;
2. consulting member co-ops, individually and together, on the issues of greatest importance to them regarding their leasehold status;
3. providing assistance in securing the necessary capital to allow co-ops on leased land to reinvest in their homes and properties as needed;
4. promoting and participating in discussions to explore the relevance of community land trusts and other tenure models to preserve and expand the availability of co-op housing in British Columbia.

REASONS FOR THIS RESOLUTION:

1. Eighty housing co-ops – roughly one-third of all housing co-ops in BC – lease their land on terms ranging from 40 to 60 years.
2. Of that total, 50 co-ops lease their land from the City of Vancouver. Another 10 lease their land from the provincial government. The remaining 20 co-ops lease their land from an

assortment of other municipalities, the sector's community land trust, pension funds and private companies.

3. As co-ops approach the end of their lease terms, a number of questions assume more importance. Among them:
 - a. Will they be able to renew or extend their leases? If so, on what terms?
 - b. If their leases are not fully pre-paid, how will ground rent increases affect the affordability of their homes over time?
4. Some co-ops on shorter leases are already running into difficulty because there is not enough time left on their lease term to allow for a significant reinvestment in the asset. Lenders will not typically commit financing unless the loan can be fully retired five years before the end of a lease term.
5. The uncertainty facing some co-ops is very unsettling. Some fear that they will no longer be able to remain in their homes. Others worry that their homes will become unaffordable, or that they may no longer be allowed to remain a mixed-income community. In a few cases, co-ops have not even been able to contact the owners of their properties to have a discussion about their future.
6. The City of Vancouver is a key stakeholder in this discussion. The City owns 50 of the 80 sites leased by co-ops in BC. The City is aware that a discussion is needed on the potential terms of lease renewals, and it will be important that the co-op housing sector is well organized and represented in those discussions.
7. CHF BC has been responding to requests from members to assist in discussions with various landlords on the possible terms of lease renewals. Other options have also been discussed, including site swaps, redevelopment, and site acquisitions.
8. As these various discussions proceed, the sector is modelling a form of leasehold tenure through its community land trust that respects traditional co-op values, including security of tenure. A more proactive role for community land trusts in the co-op housing sector is just now being explored in a number of forums, and this discussion should continue.
9. CHF BC is well positioned to act as a strong advocate for its members on leased land and also to lead a discussion in the co-op housing sector on the best use of the leasehold option to promote security of tenure, affordability and sound asset management on a basis consistent with co-op principles and values.

COST:

The cost of implementing this resolution is included in the approved budget for the current year ending July 31, 2015 and in the proposed budget for next year.