
ANALYSIS OF EVICTIONS IN THE CITY OF TORONTO
CO-OPERATIVE HOUSING SECTOR

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Executive Summary

This report provides an analysis of evictions in the co-operative housing sector in Toronto. It is a companion document to two other reports: *Analysis of evictions under the Tenant Protection Act in the City of Toronto: Overall rental housing market* and *Analysis of evictions under the Tenant Protection Act in the City of Toronto: Non-profit housing sector*.

The findings of this report are based on a literature review, key informant interviews, and 20 respondents to a survey mailed to the 74 largest co-ops in the Toronto area.

FINDINGS

There are approximately 15,430 co-op housing units in Metropolitan Toronto, representing about 16% of all social housing and 3% of all rental housing. Although co-operative housing members have much in common with tenants in the rental sector, co-operative housing is exempt from tenant eviction legislation. Instead, they are subject to the requirements set out in their own by-laws and the *Co-operative Corporations Act*. If contested, co-ops evictions are adjudicated through the court system, a costly and lengthy process.

Arrears are the most common grounds for eviction. The use of repayment schedules, at no interest, is a common option for members in arrears. Members who are new, those paying market rents, and those whose subsidy has been reduced or withdrawn are more likely to accumulate arrears.

Although our survey results are not representative, they suggest that late payment of rent is a frequent occurrence in co-ops. About 16% of households among the co-ops surveyed were in arrears of three weeks or more. During the previous year, Boards of Directors made a total of 86 decisions to evict; this equals 3% of all households among the surveyed co-ops. Only 15 households were effectively evicted (i.e., the units were vacated). Appeals of Board decisions to evict were made by a small number of members. A total of 29 court actions to evict were initiated. If members who vacated their unit after receiving a Notice to Appear but before the Board of Directors made a decision to evict are included, the total eviction rate among the surveyed co-ops equalled 1.3% of all households. This rate is much lower than in the private rental sector.

Co-ops are generally reluctant to evict members, and when they do, it can take up to half a year to complete a contested eviction. Individual co-ops and the co-op sector make use of a range of eviction prevention strategies: late payment notices, opportunities to negotiate a resolution in cases of arrears or behavioural issues, information on resources to deal with arrears, and a rent bank that is funded and managed by the Co-operative Housing Federation of Toronto. Co-ops offer a model of eviction prevention practices, many of which are potentially transferable.

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1 INTRODUCTION

1.1 BACKGROUND

This report provides an analysis of evictions in the co-operative housing sector in Toronto. It presents the legislative framework for co-op evictions, an overview of how co-ops deal with evictions, survey findings on the incidence of initiated and completed evictions, costs and trends, and eviction prevention resources and mechanisms.

This report is a companion document to the main report on evictions in the private rental sector, entitled *Analysis of evictions under the Tenant Protection Act in the City of Toronto: Overall rental housing market* and the report on evictions in the non-profit housing sector, entitled *Analysis of evictions under the Tenant Protection Act in the City of Toronto: Non-profit housing sector*, both prepared by Lapointe Consulting Inc. in association with Sylvia Novac.

1.2 METHODOLOGY

Data from the following sources are the basis for the description and analyses of co-op evictions presented in this report:

- Literature and document review;
- Key informant interviews (with Tom Clement, Director, Co-operative Housing Federation of Toronto; Bruce Lewis, lawyer; Bruce Woodrow, lawyer; and Enid Moscovitch, Social Housing Unit, Shelter, Housing, and Support Division, City of Toronto); and
- A survey of co-operative housing managers.

2 CO-OPERATIVE HOUSING SECTOR IN TORONTO

More than 45,000 members live in the 164 non-profit co-operative housing projects¹ located in Toronto and York Region. There are 15,434 co-op housing units within the City of Toronto — 8,034 of these units are under federal administration and 7,400 of the units are under provincial administration. These co-operative housing units constitute 15.7% of all social housing units and 3.3% of all rental housing units in the City of Toronto.²

¹ Our discussion does not include the small number of ‘private’ or equity, as opposed to non-profit, co-operative housing projects in Toronto. These generally require a sizeable down payment and units are purchased much like strata title condominiums; in other words, they simulate home ownership rather than rental arrangements.

² The estimated total of rental units is 468,275, including secondary and condominium rental units and private and municipal non-profit housing.

Co-operative housing is member-owned and managed as an incorporated organization that provides housing for its members. Most co-ops employ a co-ordinator or manager; some use the services of a property management firm.

Each member has a non-equity share in the corporation and occupancy rights to a housing unit. To somewhat complicate the situation, co-ops are allowed by law to house a small proportion of non-member renters.³ Members are effectively renters, but they have more legal rights than tenants (Lewis et al. 2001). Prior to occupancy, a member pays a nominal application fee and an amount that is typically equivalent to three month's rent (e.g., first month's housing charge,⁴ a member deposit or share, and a maintenance deposit); then, monthly payments are made to the co-op corporation. A member-elected Board of Directors represents the collective rights of the membership and constitutes the corporate landlord.

Since members are simultaneously actors in the tenant and landlord role, they are uniquely concerned to balance both interests, that of individual members and the collective membership. This is not to say there is no power imbalance between the interests of an individual member in the role of tenant versus the corporate interests vested in the elected Board of Directors.

As is the case for all landlords, rental (and other) income must cover all the costs of managing the property (e.g., mortgage, taxes, utilities, staff and office costs, maintenance, capital reserve). Arrears, as well as problematic behaviour by members (or their children and guests), are significant management issues in co-ops, but members also expect to be treated fairly by the Board of Directors. Organizational by-laws, which must comply with the Ontario *Co-operative Corporations Act* (1992), specify and govern members' rights and responsibilities. A model occupancy by-law dealing with termination of membership and occupancy rights (i.e., eviction) is available from the Co-operative Housing Federation of Toronto (CHFT),⁵ and has been adopted, with perhaps some alterations, by most co-operative housing projects. As a result, there is a high degree of consistency among co-ops in the by-laws that govern eviction.

2.1 LEGISLATIVE FRAMEWORK FOR EVICTIONS

Co-ops have never fit the legislation devised for the conventional rental sector. Up to 1992, they were exempt under Section 4 of the *Landlord and Tenant Act* and relied heavily on their own by-laws to determine procedures for evictions. The *Co-operative Corporations Act (1992)* specifically acknowledged the particular status of co-ops and altered the procedures for eviction.

The *Tenant Protection Act* provides broader grounds for eviction than the *Co-operative Corporations Act*, but the provisions in the latter are similar to what was available under the previous legislation, the *Landlord and Tenant Act*. Co-ops also have by-laws that address a wider array of interpersonal situations than is generally covered in landlord and tenant legislation, such as harassment and family violence. For instance, in situations of family violence, typical by-laws allow the abuser to be evicted and the non-

³ No more than 20% of a co-op's business may be conducted with non-members. Non-members residents may be protected under the *Tenant Protection Act*.

⁴ The co-operative housing sector uses some unique terminology, e.g., 'housing charge' for rent. For reading ease, conventional rental terms will be used in this report as much as possible.

⁵ Drafting of the model occupancy by-law has also been influenced by case law decisions (Lewis et al. 2001).

abusive family member to retain the housing unit. However, there have been no evictions under the family violence by-law; it is basically unenforceable, but useful in developing awareness of a social problem and sending a message about what will be tolerated by the community.

Eviction decisions have always been subject to appeal by members, an option that adds to the time and resources required by the co-op to conduct an eviction. The major delay, however, is due to reliance on the court system to adjudicate contested evictions. Once membership and occupancy rights have been terminated by the co-op, contested cases are heard by the Ontario Superior Court of Justice (formerly the County Court, formerly the District Court), the same court that deals with all major criminal, family and civil litigation in Ontario). Co-op evictions are considered civil litigation.⁶

The complexity of the court process requires a lawyer to act for the co-op, rather than an employee or a paralegal as can be done in the private and non-profit sectors. A date is set for a hearing before the Registrar who can sign a default order, which occurs in an estimated half of cases. A member can dispute an eviction at the hearing; this may be done simply to stall for time, nevertheless, most judges allow one adjournment. In about five to ten percent of cases, there is also a lawyer for the member involved, which adds to the time and complexity of the process.

2.1.1 Evictions

According to the *Co-operative Corporations Act*, a Board of Directors can evict a member who

- Owes rent to the co-op at the time of the Board meeting
- Has been repeatedly late in paying rent
- Has seriously violated the by-laws

While arrears are the most common reason for evictions, some evictions are due to behavioural problems, usually behaviour that seriously disturbs or threatens other members. Some examples are: repeated and excessive noise; repeated harassment of other members; inability to control a large, noisy, or dangerous dog; or illegal activity such as drug dealing from a co-op unit.

A strong commitment to democratic principles in co-op management results in a fairly transparent process in which all steps toward eviction are made clear to members, including options for negotiating a resolution and the right to appeal a Board of Directors decision to evict. Only after all internal appeals and negotiations are exhausted does a co-op apply to the court for an eviction order.

The events leading up to a court hearing may take from two to six months. Various factors can increase the time involved prior to the ruling: the member may appeal the Board's decision to evict; the co-op may suspend the internal process; the member may dispute the case at the court hearing; the member may involve a lawyer. Even with a court ruling to evict, there may be delayed action by the co-op. Some co-ops 'hold it over the head' of the member to force compliance; this is reportedly more likely to occur over a behavioural problem.

⁶ Despite repeated attempts, we were unable to obtain data on the number of co-op eviction cases brought before the courts.

Eviictions are fairly rare events in a co-op. For ideological and other reasons, co-ops may “stall more” than other landlords before beginning an eviction. Members have many internal remedies, and it is possible for the entire membership to become involved in a case, especially when a member appeals a Board decision to evict. An eviction can become a significant and possibly contentious issue within a co-op.

2.1.2 Steps Involved in Eviction for Arrears

1. The manager sends a notice to inform the member that payment of rent and/or some other charge is overdue and specifies the late fee, if applicable. A second notice is generally sent if there is no response from the member.
2. If the overdue payment remains outstanding, the co-op asks the member to meet with the Arrears or Finance Committee. This committee tries to resolve the arrears problem with the member.
3. If unresolved by the committee, the member receives a Notice to Appear before the Board of Directors, with at least ten days notice. The Notice will typically state the following:
 - the date and time to appear,
 - the amount owed to the co-op,
 - the proposed date for termination of membership and occupancy rights (in case of a member) or termination of occupancy rights (when referring to a non-member),
 - the member’s right to appear, bring legal representation, and appeal a Board decision to evict, and
 - the co-op’s right to terminate membership and obtain a court order to evict and charge the member for its legal costs if the member does not vacate the unit.
4. If the matter is not resolved at the Board meeting, the Board makes a formal decision to evict the member.
5. The member is notified of the Board decision.
6. If an appeal is made, the Board calls a general members’ meeting. The member is allowed to distribute relevant materials to members, have legal counsel present, and explain why the Board’s decision should be overturned. The membership decides at the meeting whether to confirm, alter, or overturn the Board’s decision to evict.
7. If the Board decision is upheld, court action may be initiated. A date is set for a hearing before the Registrar, who may sign a default order, in which case an eviction order is served. Otherwise, a judge hears the case.
8. If the court rules in favour of the co-op, the court issues a writ of possession.
9. If the member does not vacate the unit, the Board may apply to the Sheriff’s Office to enforce the writ of possession.

For each step in the eviction process, the following table indicates the potential range of time involved, the usual time involved, and the activities that occur.

2.1.3 Timeline for Co-op Evictions

Range of Days	Number of Days (from late payment)	Events (who does what)
Day 2 to 5	Usually 1 to 3 days	Office issues one or two notices of late payment to member.
Day 5 to 27	Usually at the next regularly scheduled monthly meeting of the Arrears or Finance committee	Member is asked to appear before the committee to resolve the arrears issue, e.g., by signing a Performance Agreement. If unresolved, the member receives a Notice to Appear before the Board of Directors on a specified date (at least ten days later). The notice includes the proposed date of termination of membership and occupancy rights (i.e., eviction). ⁷
Day 16 to 60	Usually at the next regularly scheduled Board of Directors meeting	Member appears before the Board of Directors to resolve the arrears and/or behavioural issue. The Board may decide to end the member's membership and occupancy rights (i.e., to evict).
Day 20 to 65	Within five days of Board decision to evict	The member receives a notice specifying the Board's decision, the amount owed, the date of eviction (usually ten days later), and the right to appeal. The Board can initiate legal action at this point.
Day 23 to 72	Within 7 days of receiving notice of the Board decision to evict	The member may serve notice that they will appeal the Board decision to evict.
Day 39 to 87	At least 14 days after the notice to appeal is delivered	The member presents their case at the meeting. If the membership decides to uphold the Board decision, the member must move out three days later or on the date specified in the initial notice, whichever is later.
Day 22 to 90	From 1 to 30 days after the Board decision to evict	Co-op's lawyer prepares and submits an application to the court to evict the member.
Day 33 to 180	Usually within 10 weeks of application to court	The Registrar issues a default order if the member does not appear. A member who appears may request and the judge may grant one or more adjournments. Court hears the case and makes a ruling. This ruling may be appealed, which would extend the process further.
Day 44 to 191	8 to 10 days after judgment	The eviction is in effect 8 to 10 days after the court decision.
Day 58 to 205	Usually enforced by Sheriff within 2 weeks	The co-op may apply to the Sheriff's office to enforce a writ of possession.

⁷ The eviction date is typically ten days after the Board decision (excluding days of issue and meeting) in arrears cases; it may be one day in the case of domestic violence, 90 days if the member's household size violates the co-op's occupancy standards, and 30 days if the member is unable to live independently, or for any other reason.

2.2 HOW INDIVIDUAL CO-OPS DEAL WITH EVICTIONS

2.2.1 Evictions and Arrears

Arrears are the most common grounds for eviction. A CHFT publication identifies the balance of interests that co-ops must manage:

Arrears are lost income and often are never recovered. On the other hand, a housing co-op is also a community, and money is not the only consideration. ... The challenge for housing co-ops is this: how to run a good business that does not allow arrears to become a problem, and at the same time support members who have financial problems (CHFT 1998: vii).

Co-ops vary in their flexibility regarding arrears. Some co-ops have no arrears – they refuse to carry the cost and insist that members facing financial difficulties obtain a loan from somewhere. In other co-ops, arrears are a significant problem, and in a small number of co-ops, arrears can spiral out of control. There is some evidence that the level of arrears in a co-op varies with general economic conditions. For example, data from one co-op show that arrears increased substantially during the late 1990s, mostly due to lay-offs, unemployment, and strikes leading to financial hardship for some member households.

There is no Canadian data on arrears in co-ops. A British study of housing co-ops found that arrears equaled about three to four percent of total annual budgets. Some local co-ops set a maximum arrears target of three to five percent of the total monthly rental income (CHFT 1998). CHFT encourages co-op auditors to emphasize that arrears should be minimal. For the average size co-op (70 to 100 units), \$10,000 in arrears is considered a ‘red flag’ that should be addressed.

Co-ops do not adhere to a standard policy if the housing charge is not paid by the due date. Each co-op determines its own policy on how to handle late payments and manage arrears, and these practices may vary over time. By law, co-ops may charge interest on outstanding rent and other charges, but reportedly none do.⁸ CHFT does not recommend this practice as it only adds to the financial burden of members. Late payment fines may be charged and commonly are.

Many co-ops recommend that members in financial difficulties obtain assistance from Credit Counselling Service of Toronto, a non-profit service agency with eight local offices that offer debt management services and education on personal finance management.

The use of repayment schedules (at no interest charge) is a common practice. The reasoning is that a co-op has a better chance of recovering money if the member stays and signs an agreement to repay the debt. Most, but not all, co-ops have methods to negotiate repayment schedules for arrears (referred to as performance agreements) handled by the office staff or a finance or arrears committee. Some co-ops exercise considerable flexibility in the terms negotiated to repay arrears. A member may be allowed to make payments for a term of six to twelve months (occasionally longer), as long as the member keeps up their ongoing rent payments.

⁸ Housing co-ops use the term *arrears* for all payments owed, including unpaid member deposits or shares, maintenance guarantees, fines, charges for keys, and bank charges for NFS cheques.

Performance agreements generally function well to assist members to repay arrears at a pace that is mutually determined. Sometimes, however, the repayment schedule is unrealistic — a member may want to repay arrears quickly, but lacks enough income to fulfill the agreement. A re-negotiation may be possible, or the Board of Directors may decide to evict. But any outstanding decision to evict the member is cancelled on signing a performance agreement. If an agreement is broken, the eviction process begins anew.

Several negotiation or mediation opportunities are available to co-op members to address arrears or other serious problems. It is estimated that more than half of all arrears situations are settled internally. If the Board of Directors decides to proceed with an eviction, the member receives a notice to evict and is informed of what is required to rescind the eviction decision, including the right to appeal.

2.2.2 Factors Contributing to Arrears

Anecdotal evidence points to three groups who are more likely to accumulate arrears:

- newer members with low incomes,
- those paying market rents, and
- those whose subsidy has been reduced or withdrawn are more likely to accumulate arrears.

During the late 1980s and early 1990s, the federal co-op housing program reduced funding for co-op development which includes professional guidance on management. At the same time, a new financing mechanism, the index-linked mortgage, was introduced. In most cases, the new mortgage model resulted in high initial rents, causing new co-ops to be uncompetitive with local market rents. In order to avoid excessive vacancy loss, co-ops exercised less stringent screening of applicants. All this contributed to higher arrears and more evictions.

Most co-ops administer subsidy programs for low-income households, although there may not be enough subsidies for all eligible members. Members have priority over incoming applicants in obtaining a subsidy. Aware of this, some applicants agree to pay market rents that are too high for their income, hoping to get a subsidy before arrears become a problem. When the subsidy fails to materialize in time, these new members are more likely to get into arrears.

It is widely agreed that the main cause of arrears is insufficient income. Living costs have increased, e.g., hydro and extra school costs, and added to the financial pressures on low-income households. Even members with a subsidy have found it more difficult to pay their rent, especially since 1994 when the Ontario government instituted funding cutbacks in all social programs. Subsidy levels were also reduced — members must pay 30% of their household income; it was previously set at 25%. Nevertheless, no co-op in the Toronto area experiences serious cash flow problems due to arrears.

For subsidized members, modest arrears may result from unpaid rent of several months duration. Or if a subsidy has been reduced or withdrawn, arrears may be suddenly quite high. Arrears cases frequently involve a subsidized member who has not complied with their obligations, e.g., to report income. In one case, a member owed \$26,000 when a subsidy was retroactively withdrawn. Subsidy management requires co-ops to establish and confirm household income once a year. For co-ops under provincial administration, recent changes in the method of determining subsidy eligibility and income reporting procedures may affect subsidy removal and eviction rates.⁹

3 SURVEY OF HOUSING CO-OPS

We conducted a survey of co-op managers to gather information on several aspects of evictions in the co-op sector:

- the rate of initiated and total number of evictions¹⁰;
- the number of ‘early leavers’ (those who vacate their units after receiving a Notice to Appear, but prior to a Board decision to evict);
- eviction prevention measures,
- the cost of evictions, and
- eviction trends.

3.1 SURVEY METHODOLOGY

Because we anticipated low rates of evictions in the co-op sector, we focused on larger co-ops that were more likely to have experience with evictions as well as more staff time to respond to the survey. About one-third of the larger co-ops use property management firms whose staff may be less motivated to respond to the survey, however, we had no way of identifying who completed the questionnaires.

A set of questions¹¹ on the topics listed above was mailed to the 74 largest co-operative housing projects in the Toronto and York Region (having a range of 84 to 770 units).

A cover letter prepared in collaboration with CHFT introduced the study and the survey protocol to co-operative housing managers. Responses were faxed to the CHFT office where staff obliterated evidence of the identity of the co-op and the respondent. Completed questionnaires were then forwarded to the office of Lapointe Consulting and analysed.

⁹ The Ontario *Social Housing Reform Act* passed in December 2000 has altered, among other things, subsidy management requirements.

¹⁰ Our definition of eviction is a *situation where a member or tenant leaves his or her dwelling (either voluntarily or because they are forced to) following notification by their Board of Directors or landlord that their membership or tenancy is being terminated.*

¹¹ As much as possible, the questions were designed to be analogous to those in the surveys of private sector and non-profit sector landlords, the results of which are available in the respective companion reports.

3.2 SURVEY RESULTS

Twenty co-ops submitted responses, for a response rate of 27%. This is a fairly typical response rate for a mail-out survey, however, it means that the following results should be interpreted as indicative, not representative, of evictions within larger co-ops in Toronto.

3.2.1 Characteristics of Surveyed Co-ops

There were 2,541 households in the combined portfolios of the 20 co-ops surveyed. Overall, 45% of these households received a subsidy that typically reduced the rent to 30% of total household income.

The co-ops had many years of experience (17 years, on average) managing portfolios whose size ranged from 86 to 318 units (127 units on average), usually in more than one building.

Co-ops have been developed under both federal and provincial government programs. About half of co-ops in Ontario remain under federal program administration. The rest were downloaded to the province and are subject to recent legislation that affects, among other things, the calculation and management of subsidies to individual households.¹²

The surveyed co-ops under federal administration differed somewhat from those under provincial administration: they were larger, older, and had fewer subsidized households. Federal co-ops also tend to have lower rents.

On average, the co-ops under federal administration (N = 13):

- had 217 units, with a range of 86 to 162 units;
- were in operation for 20 years; and
- provided subsidies for 32% of their units.

On average, the co-ops under provincial program administration (N = 7):

- had 146 units, with a range of 90 to 318 units;
- were in operation for 11 years; and
- provided subsidies for 61% of their units.
-

In the following analyses, we have noted any significantly different results between federally and provincially administered co-ops.

3.2.2 Incidence of Late Payment Notices, Arrears, and Repayment Schedules

Each of the co-ops surveyed issued late payment notices during the previous year. On average, 19 late notices were sent *per month*. Clearly, some households received multiple notices since the total issued by all the surveyed co-ops (4,448) well exceeded the total number of units (2,541).

¹² Instituted in May 2002, the *Social Housing Reform Act* requires tenants in receipt of a housing subsidy to notify their landlord of any change in their income with ten days; tenants who do not comply may lose their eligibility for the subsidy. Critics deem this an unnecessarily stringent requirement that may increase evictions due to loss of a housing subsidy.

Co-ops are allowed to charge fines for late payments and commonly do so. In an attempt to discourage late payment, some co-ops have increased their fines.

“We used to charge \$10.00 for a late payment. This by-law was changed to read \$25.00 for the first month, increasing in \$10.00 increments each month thereafter. Any member, after three late payments, is required to see the Arrears Committee to see if the co-op can help them. If yes, then we do, if no, then [if there are] any future late [payments], they go straight to the Board. We used to have 20 to 30 people late every month. Since the office manager stopped dealing with it and gave it to a committee and the by-law changed, we now have 4 to 8 late [payments] a month. We used to collect \$200 (\$10 each) in late fines. Last month we collected \$150 from 4 members.”

Each co-op had at least one member household that was currently in arrears of *three weeks or more* (a somewhat arbitrary cut-off intended to exclude arrears situations that were fairly quickly resolved). In one co-op, more than 100 households were in arrears. Of all households in the co-ops, 16% (that is, 419 households) were in arrears of three weeks or more. Technically, one day beyond the rent due date constitutes being in arrears, so the high number of late payment notices is a more accurate reflection of arrears levels.

Most of the co-ops had at least some members who had signed repayment schedules — 178 households among the entire sample of twenty co-ops. This number equals 7% of all the households, and 42% of those with arrears of three weeks or more.

Compared to the provincial co-ops, the federal co-ops sent fewer late payment notices, had fewer households in arrears, and fewer households repaying arrears by formal agreement.

On average, each federal co-op:

- sent 131 notices of late payment during the previous year (or 11 notices per month);
- had 11% of households in arrears of three weeks or more; and
- had 5% of households repaying arrears.

On average, each provincial co-op:

- sent 397 notices of late payment during the previous year (or 33 per month);
- had 17% of households in arrears of three weeks or more; and
- had 8% of households repaying arrears.

3.2.3 Incidence of Notices to Appear and Early Leavers

During the previous year, the surveyed co-ops issued a total of 300 Notices to Appear before the Board of Directors regarding eviction — this number equals 12% of all the households in the surveyed co-ops. There was no difference in the rate between federal and provincial co-ops, however, the rate varied widely among co-ops, from zero to 80 notices were issued. One-third of the co-ops, not necessarily the largest, issued the majority (88%) of the 300 notices.

During the previous year, a small number of members vacated or abandoned their units (i.e., early leavers) after they had received a Notice to Appear, but before the Board made a decision to evict — 19 in total among all the co-ops. This equals .07% of all households, or 6% of those who received a Notice to Appear before the Board of Directors.

3.2.4 Incidence of Decisions to Evict and Appeals

Among the co-ops surveyed, Boards make a total of 86 decisions to evict during the previous year. Assuming each decision applies to a unique household (as opposed to multiple decisions regarding the same household), this equals 3% of all households and 29% of households who received a Notice to Appear before the Board of Directors.

Again, the rate varied quite a bit among the co-ops. About one-third of the co-ops made no decision to evict during the year, and half of them made from one to four such decisions, while most (67%) of the eviction decisions were made by only a few of the co-ops — 58 out of 86 decisions.

Only a small number of members appealed the Board's decision to evict them — 10 in total among all the co-ops. This equals 0.04% of all households; 3% of those who received a Notice to Appear; and 12% of Board decisions to evict. Our data did not allow us to determine the particular outcomes for members who appealed versus those who did not.

3.2.5 Incidence of Court Actions and Evictions

During the previous year, eleven co-ops proceeded to court action for eviction. A total of 29 court actions were initiated; this equals 1.1% of all households, and 34% of Board decisions to evict.

During the same time period, a total of 15 households were effectively evicted (i.e., unit was vacated); not necessarily as a result of court action (and not including the early leavers). This one-year incidence count is a snapshot or point-in-time measure; it is not a reflection of the outcomes of the 29 court cases initiated during the same time frame, although there is some correlation. Since lengthy court actions may begin in one year and extend into the next, a measure of successful court actions would require tracking such cases through to their respective outcome.

3.2.6 Total Eviction Rate

The following summary shows the percentage of households affected at each stage.

At the time of the survey:

- 16% of all households were in arrears of three weeks or more.

During the previous year:

- 12% of households received a Notice to Appear before the Board of Directors regarding evictions;
- 0.7% of households moved out or abandoned their units after they received a Notice to Appear, but prior to any Board decision regarding eviction;
- 3% of households were subject to a Board decision to evict;
- 0.4% of households appealed a Board decision to evict;
- 0.6% of households were evicted; and
- the total eviction rate was 1.3% (combining early leavers and evictions resulting in members leaving their units).

Keeping in mind that our sample is small and may not be representative, even of large co-ops, an extrapolation of these results to the approximately 15,434 co-op units in Toronto suggests that, during the previous year, about 200 households were effectively evicted or vacated their units after receiving a Notice to Appear.

3.2.7 Court Action and Eviction Trends from 1998 to 2003

During the five-year period from 1998 to 2003, the surveyed co-ops initiated a total of 60 court cases for eviction, or about 12 per year. As stated above, 29 cases were taken to court in the previous year alone. This suggests that the number of court actions has increased during the five-year period.

The majority of court cases during the five-year period (82%) was due solely to non-payment of rent. Provincial co-ops undertook relatively more court actions and evictions due to arrears than federal co-ops.

As we have seen, court rulings are not always favourable to co-ops. During the five-year period, a total of 33 households, or 5.5 per year, were evicted through court action by the surveyed co-ops. Since 15 evictions were carried out during the past year alone, again, it appears that the number of court evictions increased.

Reduction or withdrawal of subsidy was involved in 39% of evictions involving the courts during the five-year period. This was more likely to occur in the provincial co-ops.

Three tenants were also evicted during the five-year period.

3.2.8 Re-housing Assistance

Virtually none of the co-ops surveyed provided any re-housing assistance to members they evicted.

Only one co-op had a policy regarding applications from previously evicted members: in the absence of outstanding debt to the co-op and with sufficient indication of future financial responsibility regarding payment of rent, the applicant may be accepted.

Most of the co-ops had never faced this situation and therefore had not considered how to handle it. A few co-ops said applications were assessed on a case-by-case basis, and a couple of co-ops said they would consider an application by someone they had previously evicted, as long as there were no outstanding arrears.

It is unlikely that an applicant who was previously evicted from a different co-op would disclose this information or rely on that co-op for a reference. On the other hand, since virtually all co-ops carry out credit checks and forward information on members' outstanding arrears to credit reporting agencies, it would be difficult to hide such a history unless it was far in the past. A co-op that would be prepared to consider the current status and circumstances of their own former member may very well treat a former member of another co-op similarly.

3.2.9 Eviction Avoidance

Co-ops are generally reluctant to evict members. Above all, co-ops tend to be sympathetic with members in financial difficulty or facing other challenges and can be quite accommodating. The following comments from survey respondents indicate a high level of tolerance and a proactive approach.

"We take action as soon as possible [with arrears]. We work with members on repayment agreements that are suitable to their current financial situation."

"Having subsidies and using Performance Agreements has meant that we have had no evictions and everyone has gradually paid back their arrears."

"If an eviction is related to aging and the need for a nursing home, the family or social agency is contacted to arrange the transfer in accommodation. We do not evict members onto the street. We have referred to the Here to Stay Fund, but the member took the loan and did not repay it. We usually try to resolve the problem, and if we can't, eviction is a last resort."

"We try not to make a habit of evicting our members. We encourage our members to pay their housing charges. We send out a letter five days after the beginning of the month. Then, a Notice to Appear is sent to those households who owe the Co-op one month's housing charge."

"Our co-op has only evicted two [members] for arrears in the last 11 years. Every effort is made by staff and the Board to work with members to avoid eviction. We have very few move-outs, and when we do, the members are vacating because they have purchased a home. I feel that because of our history of evictions, many members take advantage of living in this co-op by not making their housing charges their first priority."

Most of the surveyed co-ops referred to repayment schemes as one of their internal resources for prevention of evictions. It appears that most, but not all, co-ops are willing to negotiate a repayment schedule. Institutionalized in the form of standard contracts, performance agreements outline the repayment terms; the method for re-negotiating the terms, if necessary; and the consequences of failure to make scheduled payments (re-engagement of steps toward potential eviction). Members are commonly allowed to repay their arrears over a twelve-month period (in addition to their regular rent payments). In unusual circumstances, the period of repayment has been extended beyond even that time frame.

Co-op respondents referred to rent banks and loans as potential resources for members with short-term arrears. Families who receive social assistance (Ontario Works or Ontario Disability Support Program) are encouraged to apply for a loan from the City of Toronto Social Services Shelter Fund.¹³ Both individuals and families receiving social assistance may apply for a grant from Community Start-Up Benefit.¹⁴ Other members are encouraged to apply to the CHFT Here to Stay Fund.

Both the City of Toronto and CHFT rent banks have eligibility criteria that favour families whose financial situation is stable enough to repay a modest loan, usually in an amount that is equivalent to one or two month's rent.

3.2.10 Alternate Adjudication for Evictions

Co-ops are well aware of the collective, as well as individual, costs of eviction.

“Evictions are expensive, stressful, and time consuming [and a] lengthy, drawn out process.”

“Evictions are very time consuming and can bankrupt a co-op.”

With considerable frustration, a few co-op staff remarked on members who take advantage of the arrears repayment option and the complex process of eviction. To cut costs and lengthy delays, one respondent argued that co-ops should be able to apply to the Rental Housing Tribunal rather than a court for adjudication of evictions.

“One of the co-ops's biggest problems is arrears. A good percentage of the members at this co-op pay their housing charge when they feel [like it]. [Late notices] are sent out to a good number of the same members. They just get a Performance Agreement, catch up, and start [over] again. Our arrears are very deep. The Board of Directors is pretty lenient. I tell them this is a business also and must be run well, but it's hard when members are not paying their housing charges. When they are late, a few days later a letter is sent [asking them] to respond within 48 hours. If there is no response, a notice is sent. They meet with the Board and discuss payment and a schedule is made. Then payments are missed in some instances, and another month is behind. Then back to the Board. If payments are not made by the date stated by the Board, a Form 2 and 3 is posted and eviction [occurs] ten days later. So this goes into another month, and they leave owing quite a bit. I feel the Board of Directors is too soft and gives too many chances.”

¹³ The City of Toronto reinvests savings received from the National Child Benefit Supplement to deliver the Toronto Social Services Shelter Fund. The Shelter Fund assists families with dependent children who are in receipt of social assistance to stabilize their housing situation. Families receiving social assistance can use the Shelter Fund to help obtain, maintain, or move to permanent shelter. Rental and utility arrears are among the costs that may be covered by the Fund.

¹⁴ Toronto Social Services also administers the Community Start Up Benefit (CSUB), which is a mandatory benefit under the Ontario Works legislation. The CSUB has specific eligibility criteria and is intended to assist singles, couples without children, and families on social assistance with housing start up costs, such as moving, furnishings, last month's rent, and fuel and hydro deposits.

“We have noticed that some people use the system to get free rent as they go through the court eviction. They do not have any resources, so money cannot be collected through the court order.”

“Members play the court system very well. They keep asking for adjournments in order to prolong the eviction. Getting Legal Aid is the most common excuse for adjournment requests. The judges always grant the adjournment requests, as they tend to believe the member has the right to be heard at any cost. The co-op has to suffer the consequences and all the costs.”

“Co-ops should be allowed to use the Housing Tribunals for evictions. Legal fees would be 1/3 to 1/2 the cost if you use paralegals. It would be much cheaper if the property manager represented the co-op instead of paralegals. Also, the timeframe for evictions would be much shorter. Currently, an average eviction takes six to eight months. At the Tribunal it would be three months, at the very most.”

3.2.11 Systemic Factors and Arrears

A few respondents commented on factors that have contributed to an increase in arrears: poverty and reduced social assistance benefits, along with drug use. Our data does not allow for analysis of the extent to which each of these factors was involved in actual cases.

“Arrears are usually associated with low income and other factors: 1) poverty (including social assistance cuts), 2) addictions problems, and 3) inability to budget finances, frequently due to lack of education and literacy problems. It helps when other agencies or social services are involved.”

“Our co-op had a high vacancy problem in the mid-1990s. This resulted in the acceptance of some applicants whose income was just at the income guideline. Renewal of our mortgage in 2000 resulted in significantly less subsidy dollars.¹⁵ The co-op created an internal [subsidy] pool, but was still short in terms of need. We have had ten to fifteen households on the internal list [waiting for a subsidy]. Most of these households owe some arrears because of this.”

¹⁵ Some co-ops operate under a government subsidy program in which the size of the subsidy pool is tied to a percentage of their mortgage payments. When these co-ops renew their mortgages at lower interest rates, the size of the subsidy pool is also lowered, sometimes dramatically, and may result in reduced subsidy levels for households.

3.3 Impact of Evictions on Co-ops

3.3.1 Lengthy Procedure

According to our key informants, a ‘smooth’ eviction will take about ten weeks at minimum (ten days to the Board meeting, another ten days notice, two weeks plus one week to Registrar, plus two weeks to appear before a judge, and a final two weeks for action). In cases involving behavioural issues rather than arrears, there is more paperwork and documentation. There is frequently a ten-week delay waiting for a court date, and a problematic eviction can take as much as four to six months.

The average time required to complete an eviction among our surveyed co-ops was five months, with a range of two to nine months.

3.3.2 High Costs, Low Recovery

Among our surveyed co-ops, about half of evicted members owed arrears of \$2,100 or less — this equals about two to three months’ rent for households paying market or non-subsidized rent. The full range of outstanding debt was \$104 to \$7,000, with an average of \$2,675.

Costs associated with evicting members – those directly related to the eviction, such as court and lawyer costs, as well as indirect costs, such as vacancy loss and extra staff time – are considerably higher for co-ops than for private sector landlords who rely on the Rental Housing Tribunal for adjudication. The duration of time, number of people involved, and the legal work and costs are greater.

According to Lewis et al 2001: 17, “[a]n eviction for something more than simple arrears is likely to cost approximately \$2,000 to \$3,000, even if the member does not appear in court. When the member opposes the eviction, the costs would easily mount up to between \$5,000 and \$10,000.”

Among the surveyed co-ops, the total cost of an eviction averaged \$4,700; the amount ranged from \$1,200 to \$12,000.

It is estimated that in more than half of the co-op cases taken to court, the member was receiving social assistance benefits or was unemployed and thereby virtually ‘judgment proof.’ Where applicable, garnisheeing wages through Small Claims Court is the usual method of debt recovery, and many co-ops use the services of collection agencies.

On average, our surveyed co-ops recovered about \$400.

As case law is further built, this adds to the jurisprudence and administrative load for co-op evictions, so costs will increase. Cases where the member receives a housing subsidy usually involve a failure to report income; technically, this is categorized as a rent-g geared-to-income issue rather than arrears. Generally, more legal work is required in cases where members have been receiving a housing subsidy. Low-income members with a housing subsidy typically fight harder against eviction – they are eligible for Legal Aid, and judges may be more lenient in their decisions. This is somewhat understandable, but may not strictly constitute ‘equal justice.’

3.3.3 Mixed Success Rates in Court Cases

Lewis et al. (2001) reviewed 40 co-op eviction cases to identify influential rulings and their significance for guiding co-ops in how to handle evictions. Co-ops were successful in 60% of the reviewed cases (19 out of 32 cases in which reasons were provided), most of which were behaviour-related. Lewis et al. (2001: 3) cautioned that “[t]hese numbers are misleading. On the face of it they suggest that co-ops lose almost as many cases as they win. This is not true. In a standard eviction case for arrears, the co-op is generally successful, but the judge does not give reasons.”

In the few cases reviewed that were subsidy-related, the co-op was successful, results that are “consistent with today’s unforgiving attitude towards people receiving social assistance of any kind” (Ibid.). One reason for the variation in rulings is that some judges choose to attend solely to points related to the lawfulness or the procedures followed by the co-op, while others explore the reasons or grounds for the co-op’s decision to evict.

3.4 Impact of Evictions on Members

Our data does not allow us to determine the impacts of evictions on co-op members. Findings from a post-eviction survey of tenants¹⁶ suggest that those evicted often move to lower cost housing, sometimes with shared living arrangements, and to smaller dwellings (see the main report for findings from the post-eviction survey of tenants).

3.5 Eviction Prevention

Member Advantages

Co-op members may be vulnerable to eviction due to low average incomes, but housing subsidies and lower average rents mitigate this risk. There are no statistics comparing co-op members to private sector renters in Toronto, however, a 1990 profile based on national Census data showed that, compared to the general population, co-ops housed more low-income households — also, more and larger families, more single parents, more immigrants, more racial minorities, and more people with physical disabilities (Burke 1990). Yet, co-op residents had fewer affordability problems (as well as higher average level of educational attainment, higher rate of labour force activity, and more working parents).

A co-op member has many advantages over a tenant in terms of eviction prevention and protection from eviction. These advantages derive from the unique objective of co-operative housing – to house its own members – and the unique method of adjudication for co-ops in Ontario, as a civil dispute through the court system. The result is a wide range of eviction prevention strategies and a much slower eviction process.

Tolerance

- Many co-ops tolerate some level of arrears and are relatively slow to initiate evictions actions.
- Many co-ops are willing to negotiate repayment arrangements with flexible terms that allow for re-negotiation and extended time periods.

¹⁶ See the main report, *Analysis of evictions under the Tenant Protection Act in the City of Toronto: Overall rental housing market*, for post-eviction survey findings.

Education

- Some co-ops provide courses or workshops on household finance and budgeting.
- The co-op sector encourages members in arrears to seek assistance from non-profit credit counselling agencies.
- The co-op sector informs members in arrears about rent bank or other financial assistance programs for which they may be eligible.
- A member receives clear instructions about their rights and options.

Financial Assistance and Rent Bank

- Most co-ops administer a housing subsidy program for low income households.
- The co-op sector funds and manages its own rent bank for families with one or two months' arrears and the financial means to repay the loan.

Negotiation

- A member has an opportunity to explain their situation and reasons for arrears (or problematic behavioural problems) before a decision to evict is considered by a Board of Directors.

Multiple Rights to Appeal

- A member has the right to appeal to the membership an eviction decision made by a Board of Directors.
- A member has another opportunity to appeal an eviction proceeding before the court.

Time for Resolution

- A member has more time than a tenant to learn about and take advantage of various resources and remedies.

Sector Efforts

The co-operative housing sector is highly motivated to prevent evictions. Eviction of a co-op member is considered very seriously and not undertaken lightly.

“Co-ops are cautious and wise about evicting members. Unless they’re 100% sure, they don’t err on the side of eviction.”

There are several resources and mechanisms used in the co-op sector to prevent evictions.

- Although each co-op is autonomous in managing itself, co-ops may rely on the skills and objectivity of CHFT staff to help them deal with new or difficult situations. Assistance with mediation, appeals, and evictions is part of this support.
- CHFT strongly encourages co-ops to recommend the services of a credit counselling agency to their members.
- CHFT operates its own member-funded rent bank, the *Here to Stay Fund*, which has been fairly effective in dealing with the early stage of arrears for members who are able to repay the loan.
- Performance agreements are commonly used as contracts for repayment schedules and to address serious behavioural problems.
- Most co-ops have subsidy programs for low-income households, although there may not be enough subsidy for all who are eligible. Some co-ops self-fund additional subsidies.

3.5.1 Here to Stay Fund

Since its inception in 1999, the Here to Stay Fund has helped more than 130 families to deal with their rent arrears. Interest free loans totalling more than \$29,000 have been issued. Two years after receiving loans, more than 85 percent of the families who have used the Fund remained in their homes.

The Fund is unique in that it is reportedly the only rent bank that receives no government assistance. Losses from unpaid loans have increased since the loan guidelines were loosened, but the Fund has been replenished through additional fundraising. Even among loan recipients who interrupt their repayment schedule, some eventually do repay the entire loan, but others do not. CFHT would prefer to offer more loans and larger amounts that would pay for more than one month's rent, but lacks the funds to expand the program.

3.5.2 Repayment Schedules

Many housing co-ops run 'de facto' rent banks by tolerating arrears and allowing gradual re-payment schemes at no interest to members. A few co-ops have additional internal subsidy systems based on charging slightly higher rents. There is a strong reluctance to evict members who are experiencing temporary financial difficulties. Co-op ideals and commitment to house people with moderate and low income, however, sometimes conflict with the dictates of government funding programs.

4 SUMMARY AND CONCLUSION

4.1 Arrears Resolution

Late payment is a very common occurrence in many co-ops, as reflected in the wide-scale issue of late payment notices. Of course, most households do not make late payments most of the time; a minority of members do so repeatedly, and late payments occur much more often in some co-ops than others.

The survey data indicated that 16% of all households were in arrears of three weeks or more. Apparently the vast majority of these arrears situations are resolved satisfactorily, if not quickly. Almost half of the households in arrears during the previous year signed repayment schedules. The number of Board decisions to evict was far lower than the number of issued Notices to Appear during the past year — it appears that in about 70% cases, some resolution other than eviction was achieved.

4.2 Early Leavers and Conflict

As many members voluntarily leave as are evicted. For unknown reasons, some members who received a Notice to Appear vacated their unit before the meeting with the Board of Directors. Since these members forego the opportunity to discuss the situation with the Board of Directors, despite being informed of their right to appeal an eviction decision, it may be that they do not believe they can make up the arrears, even under the favourable terms of a repayment schedule, or the loss of a housing subsidy diminishes their ability or desire to stay and resolve the matter.

In a few cases, members have believed that the Board of Directors is unfairly determined to evict them, so that a discussion with the Board would be futile. The right to appeal a Board decision to the membership may be considered by some to exact too high a price, one that entails disclosing personal and financial circumstances to all the members of the co-op.¹⁷ Generally, co-ops conduct these appeals with sufficient consideration of a member's privacy and limit discussion to the facts on which the eviction decision was made, but it is likely still a daunting experience. Waiting to lodge an appeal before a judge may also be quite stressful and demanding, although a small number of members clearly pursue this option, and in some cases, are successful.

There has been some musing recently within the co-op sector in Ontario of developing an alternative resolution process involving some kind of third-party mediation to deal with situations where an individual member is in conflict with the co-op or Board of Directors and would like outside assistance to ensure objective and fair treatment.

4.3 Trends

Despite the lengthy process and high cost to co-ops of evictions, during a five-year period from 1998 to 2003, the number of evictions in the co-ops surveyed increased. Subsidy reduction or withdrawal appears to have been a significant factor associated with about 40% of evictions. We can only surmise what other factors may be at play — co-ops may have become more savvy and adept at carrying out evictions; rents may have increased at a faster pace than incomes; more stringent subsidy regulations may have put more low income households at risk; and more households may be struggling with poverty.

4.4 Review of Eviction Process

Most co-ops are anxious to avoid litigation, and after a costly case, the co-op's behaviour may be affected; it may become more litigation-averse. One suggestion is legal insurance to better deal with the unanticipated high legal costs associated with occasional evictions.

Concerned over its expense¹⁸ and fairness, the Ontario co-op sector is reviewing the eviction process. In 2003, the Ontario Region Council of the Co-operative Housing Federation of Canada, established a Reference Group to review available options for reform, e.g., sector arbitration, compulsory or binding arbitration, a unique co-op housing tribunal, or a processing stream within the existing Rental Housing Tribunal system.

¹⁷ It may be telling that individual claims of unfair or discriminatory treatment by housing co-ops have generally been made by, or on behalf of, single mothers (see Novac et al. 2001 for overview of housing discrimination research).

¹⁸ The co-op may call its lawyer many times at the internal stage, especially for difficult cases, before going to court. Failure to meet the strict standards for procedure as set out in the co-ops bylaws and by the *Co-op-Corporations Act* may cause the eviction to fail or require the co-op to begin anew. The court case may be lengthy as delays are common and witnesses are required. If the member has also filed a Human Rights Commission appeal, the costs increase again. Complex cases have cost up to \$50,000; simple eviction cases involving arrears can cost \$2,000 to \$3,000 — up to five times more costly than the same kind of eviction in the non-profit housing using the Tribunal system (Co-operative Housing Federation of Canada, Ontario Region).

As of November 2003, the Reference Group had reviewed a paper on the subject prepared by Bruce Lewis, an expert on co-op evictions. The Ontario Region plans to consult its members for their views on law reform to take evictions out of the court system, assess several approaches to legislative change, and initiate discussion with the new provincial government whose declared intention is to reform landlord-tenant evictions in the first year of its mandate.

4.5 Model of Eviction Prevention

As member-run businesses, co-ops have a measured response to arrears and behavioural problems; they evict only a small proportion of their residents, estimated to be about 1% of their members annually. This level is lower than that found in the non-profit housing or the private rental sectors.¹⁹

Individually and as a sector, co-ops have sought to prevent evictions, especially those due to inadequate income. Some co-ops organize educational activities on personal or household finance. A few co-ops have created their own additional subsidies for members in financial need. The common use of repayment schedules apparently diverts most potential evictions. How much this costs co-ops is unknown.

Outstanding arrears diminish the cash available to a co-op to make mortgage and other payments. Even if a co-op's finances are designed to absorb such temporary losses in income, there is an opportunity cost involved, e.g., there is less cash available to earn interest in short-term investments or cover immediate unanticipated expenses. Perceptions that a small number of members take advantage of their co-op's tolerance and reluctance to evict appear to be well-grounded.

4.6 Lessons Learned and Best Practices

Eviictions in the co-op housing sector differ from those in the private rental sector in several important respects: the unique legislative framework and legal process, the internal appeal provisions for members, and the eviction prevention resources available within individual co-ops and from the co-op sector.

We highlight here some lessons learned and potentially transferable best practices from among the eviction prevention strategies used by co-ops.

- *A progressive approach to arrears management and conflict resolution*
Compared to conventional landlord-tenant relations, co-operative housing directors recognize the mutual interests they share with their members. There is considerable willingness to understand and take into account the reasons for members' arrears and to offer opportunities for negotiation when crises in members' lives affect their financial ability to pay rent.
- *Eviction as a last resort*
Co-ops generally prefer to deal with member arrears in ways other than eviction. Most co-ops rely on legal solutions and evictions as a last resort. They do not use court eviction as a collection tool for arrears.
- *Late notices*

¹⁹ The estimated annual eviction rates are 2.3% for non-profits and 4.6% for the private sector. See the companion reports for more findings on evictions in the private and non-profit sectors.

Late notices are commonly issued to remind members of their failure to pay on time and to caution them as to the possible consequences if the rent is not paid quickly.

- *Repayment schedules*
Many co-ops offer members with arrears the option of negotiating a formal repayment schedule. It appears that most such agreements are eventually fulfilled and, by this method, co-ops are able to avoid evictions by carrying the cost of delayed rent payments. This constitutes a *de facto* internal rent bank by which the member repays arrears within a mutually negotiated timeframe. Arrears are rarely the sole reason for eviction.
- *Clear information on the eviction process, options, and rights*
The Board of Director's Notice to Appear contains clear information on the steps involved prior to and after a Board decision, including the right to appeal and how to act on that right.
- *Time and opportunity to explain and resolve problems such as arrears and to contest eviction proceedings.*
Co-op have internal mechanisms for dealing with arrears and conflicts that ensure members understand their rights, options, and opportunities to appeal an eviction prior to the initiation of any court action.
- *Rent bank and credit counselling*
Sector informants, the literature, and the survey data all point to poverty and housing subsidy reductions or withdrawals as a significant factor in cases of arrears and evictions. In recognition of this, co-ops provide information on local rent banks and credit counselling services. The sector has developed its own rent bank to assist members in arrears who are having temporary financial difficulties.
- *Continued exploration of progressive models of conflict resolution*
Co-ops act independently, however, the vast majority of co-ops are organized as members of a local and national federation. These federations are generally responsive to member complaints and continue to devise ways to improve its services to members. The Here to Stay rent bank is an example of such an organized response by the Co-operative Housing Federation of Toronto. The Ontario Regional Council of the Co-operative Housing Federation of Canada is currently reviewing options for improved resolution, including third-party mediation, for members in conflict with their co-op Board of Directors.

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