

Co-operative Homeownership: How Does it Work, Anyway?

Since 1997, Quint has helped to set up 8 housing Co-ops for low-income families who want to become homeowners. We are proud to say that there are over 100 families in Co-op homes today. In 2002, Quint won a national award for its innovative work with housing Co-ops. This program would never have been possible without the support of the community, governments, local businesses, and most of all, Co-op families whose hard work makes the program a success. The Co-op program is part of a larger Provincial program called the Neighbourhood Home Ownership Program, or NHOP for short. Here are some answers to questions we are often asked about how the program works:

Who funds the program?

- ✓ The Province of Saskatchewan and the City of Saskatoon are important funders. They provide funding for the Co-ops to make downpayments of 30% or more of the value of each house, and other support to make the program work.
- ✓ Each house is mortgaged at St Mary's Credit Union or Saskatoon Credit Union.
- ✓ Quint's housing coordinators who work with Co-operatives are funded from a variety of sources. The Co-ops themselves pay a portion of their income, and the City and Province help out. The Credit Unions and The Co-operators have also contributed. The Saskatoon Foundation has provided very important funding over the past 3 years, and has made a big difference.
- ✓ Each Co-op keeps detailed accounting books. After the last home in a Co-op is renovated and the families have all moved into their homes, that Co-op's accounts are audited by an independent accounting firm. This ensures that the Co-op's books are in good order and that the money that was available was correctly spent.

Who owns the houses?

- ✓ The Co-ops own the houses for the first five years. During that time, each individual family pays its own mortgage to the Co-op.
- ✓ At the end of five years, a family has the option to take the title (ownership paper) to their house. The title, mortgage, and the original 30% downpayment contribution are transferred from the Co-op to the family. Then, the individual family is the legal owner and continues to pay the mortgage.

Who manages the Co-ops?

- ✓ Each Co-op is an independent, legally incorporated organization. It is run by the families who are the homeowner members. It is very important to the success of the Co-ops that the member families are the decision-makers.
- ✓ Quint's housing coordinators do not decide what course of action a Co-op will take. They do not vote at meetings. Their job is to give information, and sometimes advice about the benefits or drawbacks of a decision. Quint staff are helpers, not bosses.

What is Quint's role in working with Co-ops?

- ✓ Quint helps start up the Co-ops by selecting eligible families, helping families find houses, making sure the houses are renovated to standards set by the Province, and getting the Co-op members started with the information they need to run their own Co-operative.
- ✓ Once started up, Quint staff provide a lot of support to help the Co-operatives succeed. This includes accounting, advising Co-ops in managing their business matters, providing information about home maintenance, helping members develop their communication and decision-making skills, and doing our best to help Co-ops and individuals get through difficult times.

Who selects the families?

- ✓ A committee made up of Quint's Manager, 4 Board members, and a representative from Saskatoon Credit Union make the final decisions about which families will become Co-op members.

How are families selected?

- ✓ Several factors go into selection. To be eligible, a family must have custody of at least one child 18 or under. Applicants must be at least 18 years old. They must have a family income of \$30,000 or less. And they must not currently own their own home
- ✓ Other factors include: willingness to work in a group, financial and credit information, landlord and personal references, the skills they can bring to the group as homeowners and as cooperative board members, contribution to their community, and their interest in living in the core neighbourhoods.

What safeguards are there to ensure that families move into affordable, safe houses?

- ✓ Quint does not choose houses for families. Housing coordinators look at the available houses, find out which houses work based on size, price and renovations needed, and make those available to Co-op members who are looking. Co-op members choose their own houses from among those available.
- ✓ Every house purchased is inspected by a Provincial building inspector. The inspector makes a list of repairs that are required in order to meet health and safety standards.
- ✓ All renovations are done under the supervision of a journeyed carpenter.
- ✓ Once a family moves in, the inspector returns for a follow-up inspection to ensure that all of the necessary repairs were done.
- ✓ The value of every house is appraised by an independent appraiser. We cannot spend more on a house than the appraised value of that house.
- ✓ Every house has a plumbing and heating contractor's inspection.
- ✓ When families move into their houses, they receive information about their homes, including a list of renovations required and completed, appraisal, insurance papers, inspection reports, Certificates of Title to the homes, and mortgage documents.
- ✓ Families enter into contracts with Co-operatives, in which individual members promise to maintain their homes over the five years.
- ✓ The Province puts funds in place to help Co-ops with home emergencies in the first 3 years. Co-op members learn how and when to use these funds if needed.
- ✓ The Co-operatives become a support network for a group of homeowners. They manage an account to deal with unexpected repairs, they help members if a payment is missed, they organize work days to support one another in maintenance or repairs, and they organize social events together. Quint tries to help the Co-operatives to meet the goals that they determine for themselves.

What are the responsibilities of Co-operative members?

- ✓ Pay their mortgages
- ✓ Maintain their homes
- ✓ Help one another out
- ✓ Get involved in managing the business of their Co-operatives
- ✓ Make sure that they let someone know if they need a hand along the way.

Finally...

- ✓ One thing that we try to make clear to everyone is that this program is an investment in the community. We think that the funds going into Co-op houses and families will help to stabilize and improve things for families, for blocks and for entire neighbourhoods.

Let Us Know What You Think

This is some of the story about how the Housing Co-operatives work. If you would like to know more, or if you have anything you would like to comment on, please write us a note or give us a call at 978-4041, and we will get back to you with a reply. Some comments and questions (with our replies) may appear in a future edition of Quintessentials. We will keep personal information confidential.