



SACHA Shares

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Are your housing charges too low?

By Nicholas Gazzard, Reprinted from CHF Canada NewsBriefs

We often hear co-ops say that they don't want their housing charges to be too high. Not because these co-ops are concerned about charging more than comparable market rents and becoming uncompetitive; no, they worry that their housing charges won't be sufficiently below market. But is it possible they should be concerned instead that their housing charges might not be high enough?

We aren't talking here about the reduced charges paid by low-income members based on their incomes, but about the full housing charge the co-op sets for each unit, based on their annual budgets. If budgets can be kept as lean as possible, then the housing charges will be more affordable. The problem is, a lean budget might not be the right budget for your housing co-op.

Consider what your budget needs to cover: all of your operating costs for the year to come, including enough money to cover a sound maintenance program, and the money you need to be saving for capital replacements and major repairs in the future. Both your maintenance and your capital replacement budgets need to be planned, not guessed. You may find that if you plan your replacement needs (and costs) carefully

and develop a comprehensive maintenance plan to keep your co-op in good shape now, you need more revenue than you've been earning from your housing charges.

This is not just a theory. We are starting to see too many co-ops with housing charges well below market that are now facing problems they could have avoided. They are finding that they haven't spent enough on maintenance and repairs, or set aside enough to cover replacements. The result is a co-op that's wearing out faster and can't afford the capital repairs and replacements that are needed to put the property back into good repair.

To avoid getting into this kind of trouble, co-ops have to be ready to maximize their revenue. If the housing charges are low compared with local rent, think about moving them up close to the market rates. But, we hear, the housing charges are supposed to be affordable. Keeping them below market is what we've always done, it's the way co-op housing is supposed to work. But is it?

Nothing in the design of the federal programs said anything about keeping housing charges below market. Under the Section 95 program the first-year housing charges were set at what was called

the low end of market. After that, they were supposed to be set at the break-even level, and it's the same for the other programs. The break-even level may be below market, or it may not. In fact, many co-ops in some regions of the country have never had housing charges below market at all—their break-even housing charges have been at or even slightly above the local market rents over the years. Of course if a co-op really can cover all its costs, correctly estimated, and keep housing charges lower than market rates, then more power to it. There is no reason to have housing charges that are higher than they need by.

But the reverse — housing charge that should and could be higher — is a problem that threatens the stability, quality of living and independence of too many co-ops. Co-ops without the money they need to keep their buildings for help (if they still have a government operating agreement), live by the conditions that will be imposed if a financial bailout is offered, and, yes, raise their housing charges to market if they are below that level.

Far better to make sure you are earning enough housing charge revenue now than to allow a financial crisis and a loss of autonomy to overtake your co-op in the future.



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SACHA Shares is a newsletter,
published twice a year for member
housing co-operatives, providing
information and commentary on issues
important to co-operative housing
members. It is delivered free to every
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If you would like more information
about how to get involved in any
of the activities discussed in this
newsletter, please call SACHA's office
at 403.233.0969.

Thanks to Betty Jean Coates who
copy edits every issue for us.
In addition, many thanks to the
volunteers and staff of housing
co-ops for delivering the newsletter to
the member households.

Save Energy with these Conservation tips

- Close draperies at night and on cloudy days and open them on sunny days.
- Lower your thermostat to 18°C while you're away during the day.
- Use more blankets at night to keep your body warm enough without warming your whole house.
- Clean or replace filters on furnaces every 1 — 3 months.
- Use programmable thermostats.

For more tips go to www.enmax.com

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Women in Peñalolén, Chile Seek to Live in Peace and Dignity

By Shelley Buckingham
Rooftops Canada Intern

"We, the women, are the ones who pick up the shovels and build our own homes. Our need to take care of our children gives us more strength as women. We protect and provide for them with access to health care, education and dignified housing," says Alicia Cariqueo Naranjo.

Alicia is a member of the housing rights movement *Movimiento de Pobladores en Lucha (MPL, Movement of Dwellers in Struggle)* in Santiago, Chile. MPL demonstrates the Social Production of Habitat (SPH) defined by Habitat International Coalition (HIC) as a people-centred approach to production, upgrading and management of housing. The aim of SPH is "to gain and sustain a home and community in which to live in peace and dignity." HIC recognizes women as key actors in SPH actions.

I learned about Alicia this year as a Rooftops Canada Intern working with HIC's Women and Shelter Network in Santiago. Rooftops Canada has been a member of HIC for the past 20 years, supporting HIC regional activities and the global strategy, particularly the events at the 2006 World Urban Forum in Vancouver and the 2007 World Social Forum in Nairobi.



Alicia Cariqueo Naranjo with her daughter, Rooftops Canada interns, Maria Cristina and Shelley Buckingham (pink & purple scarves) with members of MPL.

Alicia is a resident of Peñalolén, one of 34 communes (or municipalities) in Santiago. She lives in her parents' home with her three children aged six, eight and ten. Alicia dreams of owning her own home where she can raise her children in peace and dignity.

As a single parent, she struggles to provide for her children by selling clothing that she makes at home.

In Chile, the lack of affordable housing coupled with the high cost of land favours developers and pressures low-income communities to relinquish their homes and move to the city outskirts. Overcrowding is a common problem for many households and is one of the main reasons why MPL was established.

Alicia is the head of one of 11 MPL assemblies. She meets weekly with her assembly to discuss the plans for the upcoming December 2008 project. The project entails the self-managed construction of affordable houses and apartments in a northern sector of Peñalolén which will help many people, including Alicia and her family.

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Congratulations to Sarcee Meadows Housing Co-op on 40 successful years!

The Seven Step Plan to Privacy!

Did you know that there is a privacy act in Alberta that requires Housing Co-ops to protect personal information?

There are things that a Co-op needs to have in place to comply with the requirements of the Act.

Here are the seven steps to successful recovery.

1. Approve a policy

All Housing Co-ops should draft and approve a policy stating that the Co-op will comply with the Provincial Act and that the policy will be made public.

2. Designate a Personal

Information Protection Officer (JD)

This person must review all of the Co-op's documents and recommend changes to the Board. This officer also needs to be part of the document approval process to ensure compliance with the Act.

3. Review all forms, bylaws, agreements and policies

Every document that may contain personal information as defined in the Act must be revised to comply.

4. Make the PIP policy available

Your Personal Information Protection Policy must be available to both members and the public. Prospective members need to know how their personal information will be handled by the Co-op whether or not they become members.

5. Raise awareness

The Co-op must ensure that all members know and understand why personal information is collected and used. Newsletter articles, posting on web sites (if you have one) and Members Meetings are good ways to make members aware and to remind them of the policy.

6. Review current practices

Current practices must also be reviewed to determine if any requests for personal information is really necessary. If there is no good reason to ask for it, certain forms of information should be excluded.

7. Review insurance coverage

Review your commercial insurance to see if you are covered for liability regarding the inappropriate disclosure of personal information, intentional or unintentional.



“Our family recently replaced our microwave and dishwasher through the benefits of SACHA's bulk purchasing program. Happily, we realized substantial savings on both! The prices noted on the MABE website were higher than the actual cost we paid so it's important to check with your co-op to help you work through the details about cost, ordering and delivery.”

Bob & Betty Jensen, members of Sarcee Meadows Housing Co-operative Ltd.

If your co-op has questions about how this program works, please contact Audrey at SACHA's office: 403.233.0969, ext 3.

Interested in becoming part of the SACHA team?

SACHA needs to increase their current pool of consultants/facilitators. If you have experience in this area, please forward a resume to info@sacha.coop or fax it to 403 237.9181. This is part-time and the work could be sporadic. It's perfect for someone who doesn't mind evening or weekend work.

Did you know . . .

- That members of housing co-ops can order appliances and flooring through SACHA's bulk purchasing program.
- That members can get up to 40% off on paint and some supplies at General Paint? All you have to do is tell them what housing co-op you are with.

Contact Audrey at 403.233.0969 ext. 3 for more information or email info@sacha.coop.