



CAROLINE CO-OP BACKGROUNDER

Project Stakeholders:

Caroline Co-op

Caroline Co-op is a not-for-profit rental housing co-operative in the Durand neighbourhood, downtown Hamilton. It is a 21-unit building, constructed in the 1930s, with a mix of one-, two-, and three-bedroom units. Previously operated as a for-profit rental apartment building, Caroline Co-op was established in 2024 by the residents in response to the landlord listing the building for sale. The Co-op is democratically run by its members, through committees and an elected board of directors. Caroline Co-op is part of the City of Hamilton's social housing stock, with a portion of units set aside for households on the city's affordable housing waiting list. Housing charges are affordable, with average monthly amounts in the \$800 - \$1,500 range and deeper subsidies available for low-income households.

Co-operative Housing Federation of Canada

The Co-operative Housing Federation of Canada (CHF Canada) is the national voice of co-operative housing, representing 2,200 housing cooperatives, home to a quarter of a million people in every province and territory. CHF Canada has been an active supporter of Caroline Co-op, providing assistance with funding advocacy, co-op governance and by-laws, and asset management planning. CHF Canada continues to work with co-ops and other groups, including tenant associations, to grow the co-op housing movement.

Golden Horseshoe Co-operative Housing Federation

The Golden Horseshoe Co-operative Housing Federation (GHCHF) is a member-supported organization representing non-profit housing co-operatives located in the Hamilton and Niagara regions. The GHCHF currently has 56 members: 49 Housing Co-operatives, 2 Service Managers, and 6 associate non-voting members. The GHCHF provides consultation and educational services to member co-ops and co-ordinates political lobbying at all levels of government. The GHCHF has been an active supporter of Caroline Co-op, providing advice and encouragement when the tenant association first formed, as well as support with government advocacy, co-op member education, and fundraising campaigns.

FirstOntario Credit Union

FirstOntario is a full service cooperative financial institution, serving members for 85 years throughout the Golden Horseshoe, Niagara Region, and Southwestern regions of Ontario. With \$6.6 billion in assets under management, FirstOntario is one of Canada's largest credit unions. FirstOntario supported Caroline Co-op by providing a mortgage for the purchase of the property, by submitting an application on behalf of the Co-op to CMHC's MLI Select mortgage insurance



program. This program provides longer amortizations and preferred interest rates in recognition of a long-term commitment by the Co-op to affordability.

New Market Funds

New Market Funds is a multi-fund manager that delivers investment opportunities with financial returns and lasting community benefit. New Market Funds currently manages \$110 million of capital, consisting largely of community and private foundations, family offices, institutions and individuals. The NMF Rental Housing Fund I LP and NMF Rental Housing Fund II LP partners with non-profit and co-operative operators to invest in or acquire multi-family affordable rental housing. New Market Funds has offices in Vancouver, Toronto, and Montreal. New Market Funds was the lead investor in Caroline Co-op, providing funding toward the group's down payment under the NMF Rental Housing Fund II and under a CMHC Innovation Fund it manages.

City of Hamilton

The City of Hamilton supported Caroline Co-op in several ways. The Co-op received \$84,000 (or \$4,000 per unit) in down payment assistance from Ward 2 area-rating funds, thanks to Councillor Cameron Kroetsch's leadership. The Co-op received funding from the Ward 2 Community Grants Program to assist with the cost of building inspection reports. Following a recommendation from Housing Services staff, Council approved housing charge supplements, an operating subsidy, and start-up funding for the Co-op's replacement reserve.

Community Housing Transformation Centre

The Community Housing Transformation Centre is a not-for-profit organization that works with the community housing sector across Canada to support the transformation, sustainability, and growth of community housing. The Centre is funded by the federal government through the National Housing Strategy. The Centre awarded a grant to Caroline Co-op under its Sector Transformation Fund - Local Projects fund for a project titled "Seeding New Co-ops through Tenant-Led Apartment Building Acquisitions."

Hamilton Community Foundation

Hamilton Community Foundation's mission is to drive positive change by helping people give in a way that has meaning to them and impact in the community, providing grants and financing to charitable organizations and initiatives, and bringing people together to address priority issues that affect Hamiltonians. The Hamilton Community Foundation supported Caroline Co-op through a grant to assist with acquisition-related costs.



Non-Profit Rental Housing Co-operative Model:

- Co-operative housing is a well-documented success story. For over 50 years, co-ops have been providing good-quality, affordable housing owned and managed by the community members who live there.
- There are more than 2,200 housing co-ops located in every province and territory, home to a quarter of a million Canadians.
- In a world of growing housing insecurity, affordability challenges and social isolation, coop housing offers solutions to these economic and social struggles.
- Co-op housing is at-cost housing, meaning housing charges are increased each year simply to cover the costs of maintaining their buildings in good repair.
- [Research from the Co-operative Housing Federation of Canada](#) (2022) shows that, over time, co-op homes cost \$400-\$500 less per month, compared to similar private rental apartments.
- Co-op housing offers security of tenure. There is no outside landlord who might sell, renovate or unreasonably increase rents.
- Co-ops are strong communities. The collective decision making enables neighbours to know and help each other.

Rental Market Context in Hamilton:

- Hamilton's stock of affordable rental units is being eroded. [According to housing researcher Steve Pomeroy](#), Hamilton lost 15,854 affordable rental units (with rents of \$750 per month or less) from the private market over the last ten years. In the period from 2016 to 2021, an additional 9,225 affordable units in the \$750 - \$1,000 rent range were lost, bringing the total estimate to 25,079 units lost.
- New social housing construction is not keeping pace. The City's Housing and Homelessness Action Plan sets a target of building 300 new affordable rental housing units per year. Hamilton has [rarely met this target](#), instead averaging 55 units per year over the last 10 years. Hamilton lost 29 affordable units for every one unit added.
- The need for affordable housing in Hamilton is significant. According to the most recent [census](#), 37 percent of Hamilton's 75,000 renter households are paying unaffordable rents. There are 6,110 households on the City's [affordable housing waiting list](#). As of January 2024, there are 1,592 homeless individuals in Hamilton.
- The Social Planning and Research Council of Hamilton [reports](#) 'no fault' eviction filings against Hamilton tenants for demolition, condominium conversion, and landlord's-own-use have more than doubled in the last ten years.



City of Hamilton Acquisition Strategy:

- Eviction prevention through preservation of affordable rental units is a cost effective public policy strategy. City staff [report](#) the average cost of constructing a new social housing unit is approximately \$500,000, while the per-unit cost to acquire existing apartment buildings is \$150,000 to \$250,000, according to recent sales data for the Hamilton market.
- The City's [Housing Sustainability and Investment Roadmap](#) (2023) includes Acquisition of Affordable Housing as one of four pillars guiding the strategy and identifies as a key action “engag[ing] with community partners, undertaking strategic acquisitions of ‘at-risk’ existing affordable housing units or existing affordable rental units that come up for sale.” The City’s Housing Secretariat is instructed to “create an Acquisition Assistance Fund with social enterprise investors that would enable the City and non-profit housing providers to purchase existing affordable private rental housing.”
- The City of Hamilton is expected to pass an Acquisition Strategy in Fall 2024 and launch an Acquisition Assistance Fund in 2025, to support non-profits and co-ops in purchasing apartment buildings to preserve affordable rentals. City staff point to the [City of Toronto’s Multi-Unit Residential Acquisition \(MURA\) program](#) as a model. Toronto’s program is funded at \$21.5 million per year and provides up to \$200,000 in acquisition and renovation grant funding per unit.