

## BY-LAW NO. II

### A By-law stating the distribution of subsidies to the members of PETERBOROUGH CO-OPERATIVE HOMES INCORPORATED

BE IT ENACTED as a By-law of PETERBOROUGH CO-OPERATIVE HOMES INCORPORATED (hereinafter referred to as "the Co-op") as follows:

#### ARTICLE 1 - DEFINITION

- 1.01 The subsidy referred to herein is defined in the Section 95 Agreement signed by the Co-op and Canada Mortgage and Housing Corporation.

#### ARTICLE II - ADMINISTRATION

- 2.01 The administration of the subsidy shall be in accordance with the terms of the Section 95 Agreement signed by the Co-op and Canada Mortgage and Housing Corporation. In the case of a dispute between this By-law and the Section 95 Agreement, the terms of the Section 95 Agreement shall rule.
- 2.02 The Co-ordinator shall be responsible for the day-to-day administration of subsidy.

#### ARTICLE III - ELIGIBILITY

- 3.01 Only members of the Co-op shall be eligible for subsidy.
- 3.02 Policies governing eligibility shall be approved by the Board of Directors and distributed to all members.

#### ARTICLE IV - APPLICATION & ALLOCATION PROCEDURES

- 4.01 All subsidy monies shall be allocated on a semi-annual, or a month-to-month basis with the exception of "emergency" assistance as defined in the Subsidy Policy.
- 4.02 All applications for subsidy must be accompanied by appropriate documentation verifying the income of the applicant and be submitted to the Co-op office no later than the closing of office hours on the 7th day of the month. If application is not received by the 7th of the month, full market housing charges will apply. The Co-ordinator will endeavour to send written notification of housing charges within two working days of the subsidy being calculated by the Co-ordinator. Upon receipt of notice, the Member will make payment in full within two working days. Upon failure to make payment in full on or before the due date, the Member will be considered to be in arrears.

- 4.03 All subsidies shall end automatically at the end of each fiscal year of the Co-op.
- 4.04 The terms and conditions under which any subsidy is granted shall be outlined in an agreement signed by the member requesting subsidy and the Co-op.
- 4.05 By August 1st of each year, the Co-ordinator will endeavour to publish the guidelines by which eligibility is determined and posted four months prior to the fiscal year end so that all members may be aware of the procedures for application.
- 4.06 All member households who applied for assistance will be notified in writing concerning their application and the amount, if any, of the assistance to be allocated.
- 4.07 New applications for subsidy may be submitted by members at any time during the year with the understanding that any agreement that may be signed will end automatically at the end of the fiscal year. (November 30th)
- 4.08 Subsidy recipients are required to report changes in income. Proof of new income levels must be reported within 7 days of such change.
- 4.09 Any questions, disputes or appeals may be referred to the Board by the household involved. The Board will make a decision.
- 4.10 Rules outlining procedures for application and allocation process shall be determined by the Board of Directors and distributed to all members.

#### ARTICLE V - EARLY TERMINATION

- 5.01 Any subsidy agreement may be ended prior to the end of the fiscal year (November 30th) by motion of the Board of Directors for any one of the following reasons:
  - (a) Failure to abide by the Subsidy Agreement;
  - (b) Willful falsification of the income verification;
  - (c) Failure to report additional household income within 7 days of any such change.
- 5.02 In all cases outlined in 5.01 above, except (b), willful falsification of income verification, the member must be given 14 days notice and given the opportunity to appear before the Board of Directors prior to termination of subsidy.

#### ARTICLE VI - AMENDMENT

6.01 This By-law may be amended by resolution of the general members at a meeting called for that purpose. A quorum for such a meeting shall be set out in By-law No. 1 Article IV - Meetings, Section 4 - Quorum, and shall be passed in accordance with By-law No. 1, Article XVI - Amendments, Section 1.

This By-law was PASSED by the Board of Directors of PETERBOROUGH CO-OPERATIVE HOMES INCORPORATED and sealed to the Corporate seal of the Co-operative this

Sixth day of August 1996

This By-law was CONFIRMED by two-thirds of the votes cast at a General Member's Meeting, this

Sixteenth day of October 1996

Changes to this By-law were suggested to the Board of Directors on : May 4th, 2005

The Board reviewed and approved the suggested changes on: August 12, 2005

The members discussed and approved the changes to this By-law on: September 26, 2005

The Board dissolved the Subsidy Committee in 2006

The Board reviewed and suggested changes on: November 6, 2006

The Members discussed and approved these changes on: November 29, 2006

The Board reviewed, no changes made : August 15, 2011

## **Subsidy Policy**

The co-op receives funds from the federal government to provide housing charge assistance (subsidy) to Co-op members. The Agreement, signed by the Co-op and Canada Mortgage and Housing Corporation (CMHC), sets out certain terms related to the allocation of subsidy.

This Policy establishes more detailed provisions concerning the allocation of subsidy by the Co-op and the rights and responsibilities of members receiving subsidy. Requirements relating to Co-op administration, reporting to CMHC and other administrative matters are not addressed in this Policy. The Subsidy Procedures, as established by the Board of Directors, should be consulted with respect to these matters.

BE IT ENACTED as a Policy of PETERBOROUGH CO-OPERATIVE HOMES INCORPORATED (hereafter referred to as the Co-op) as follows:

#### ARTICLE I - BASIC DEFINITION OF INCOME

- 1.01 To determine the amount of subsidy that a member household is eligible to receive, it is necessary to determine the household's "Adjusted Household Income". For the purposes of this Policy, these terms will be defined in the following way:
- (a) "Income" means gross (before tax) monthly/annual income, cash receipts, accruals, income imputed in accordance with Schedule B to this Policy and all other revenue and receipts. In the case of those members eligible to receive social assistance, it will include the amount to which they are entitled, whether they elect to receive it or not.
  - (b) "Household Income" shall mean the total of the income of all persons forming a member's household.
  - (c) "Adjusted Household Income" shall mean household income less those deductions as set out in Schedule B.

#### ARTICLE II - APPLICANT ELIGIBILITY REQUIREMENTS

Only those member households meeting eligibility requirements are entitled to apply for subsidy. Eligibility conditions set out here do not imply entitlement to subsidy.

- 2.01 Member households may not initially be allocated subsidy or continue to receive subsidy unless they meet the following requirements:
- (a) The full housing charge is more than the amount the applicant would be required to pay based on the applicant's adjusted gross monthly household income.
  - (b) A household must require a minimum of \$50.00 per month in subsidy.
  - (c) Members may not receive subsidy greater than that for which they qualify.

- (d) All persons applying for subsidy must be resident members or accepted for membership pending occupancy.
  - (e) Members applying for subsidy must be members in good standing with the Co-op.
- 2.02 A member household may not be eligible to apply for subsidy as a result of voluntary decrease in income. (For example: quitting a job to attend school).

### ARTICLE III - APPLICATION FOR AND ALLOCATION OF ASSISTANCE

- 3.01 (a) Each member household wishing to receive subsidy must submit an application on a form provided by the Co-op.

The application shall include:

- declaration of household composition, and
  - proof of current household income.
- (b) By March 1st each year, the Co-ordinator will endeavour to publish the guidelines by which eligibility is determined for distribution to the members and post prior to the fiscal mid-year, (June 30th), so that all members may be aware of the details and procedures for application.
- (c) By September 1st each year, the Co-ordinator will once again publish the guidelines for subsidy eligibility and circulate to all members who are on a 'locked-in' basis in anticipation of the co-op's fiscal year-end (Nov 30).
- 3.02 (a) The Co-op's policy will be to give subsidy, if it is available, to those who require it, with priority being given to members with the earliest move-in dates.

The Co-ordinator will make a decision on each application for initial, increased or decreased subsidy.

Any questions, disputes or appeals may be referred to the Board of Directors by the member household involved and the Board will make a decision.

- (b) At the time of the annual review and mid-annual reviews, member households receiving subsidy who continue to meet eligibility requirements will be entitled to continue to receive subsidy, provided that their subsidy has not been terminated for some violation of Subsidy Policy.

Member households who at that time are receiving Emergency Subsidy will be allocated regular subsidy provided they continue to be eligible, and provided the co-op is in a financial position to provide it.

Upon the Co-ordinator's recommendation, the percentage of income payable as per Schedule A for housing charges by all member households receiving subsidy may be increase or decreased at that time subject to approval of the Board of Directors, based on the level of demand on the Subsidy Pool. Every effort will be made to provide some measure of subsidy to all member households who qualify.

- 3.03 In making decision, the Co-ordinator and the Board of Directors will act on the basis of the information available to them in order to reach what they perceive to be the fairest decision. The burden of proof of entitlement to subsidy will in all cases be on the applicant and if the Co-ordinator or Board has doubts of a factual nature, they may refuse to grant subsidy, reduce, terminate or calculate the subsidy on the basis of an income level they consider reasonable.
- 3.04 (a) The Co-ordinator will verify, that the households applying for subsidy qualify, administer the waiting list, make all necessary factual judgements and calculations and give necessary notices.
- The Co-op may refer factual questions relating to calculations of household income or other matters relevant to subsidy to the Co-op's accountant, solicitor, Agency Project Manager, Social Services or other appropriate party whose decision on the factual question will be final and binding on the Co-op and the member household.
- (b) In the case of a clerical error in calculation discovered at some later time, adjustments are automatic and may be required to be retroactive.
- 3.05 As soon as possible after the decision is made, all member households who applied for subsidy will be notified, in writing, of the decision concerning their application and the amount, if any, of the subsidy allocated.
- 3.06 A member household may appeal any decision regarding subsidy to the Board within 14 days of receiving notice of the decision. If such a request is made, the appeal will be heard by the Board. A retroactive adjustment will be made if necessary.
- 3.07 Once member households have been granted Subsidy, other than Emergency Subsidy, they will be entitled to continue to receive subsidy in future years provided they continuously meet the eligibility criteria.
- 3.08 All members of a household receiving subsidy must sign the Co-op's standard Subsidy Agreement.

#### ARTICLE IV - CALCULATION OF SUBSIDY

- 4.01 The Co-ordinator will determine the monthly household income as closely as possible

based on the information submitted. In cases where income varies from month to month, income information must be submitted for each month and adjustments will be made.

- 4.02 The Board will periodically review the estimated local cost of utilities agreed to between the Co-op and CMHC as compared to the actual costs incurred by member households and will, attempt to negotiate with CMHC any necessary changes.

#### ARTICLE V - CHANGES IN INCOME, ASSETS AND HOUSEHOLD COMPOSITION

- 5.01 (a) Member households must, within seven days of the change occurring, report to the Co-op:
- any change in the household income from the amount used as the basis for calculating subsidy
  - any increase in the shelter component or equivalent allowance for housing costs provided to members receiving social assistance
  - any change in household composition, including guests or long-term guests
- 5.02 Following a member household's report of changes under 6.01, subsidy will be recalculated. Where the recalculation results in an increase in subsidy, the increase will be effective as of the beginning of the month following notification of income change.
- 5.03 Changes must be reported, even if they are only temporary.

#### ARTICLE VI - LIMITS OF SUBSIDY AND FUNDS

- 6.01 Funds are available to the Co-op by CMHC under an operating agreement between the Co-op and CMHC, (the Section 95 Agreement). The Agreement provides that:
- (a) a certain maximum amount is provided by CMHC to the Co-op monthly for the purpose of subsidy, which amount is described in the Agreement as the Subsidy Pool
  - (b) to the extent that the Subsidy Pool is not used for subsidy in any given period, any surplus is to be placed in a Subsidy Surplus Reserve Fund as defined in the Agreement
  - (c) the Subsidy Surplus Reserve Fund is permitted to reach a maximum of \$500.00 per unit in the Co-op, excluding interest earned on monies in the fund, and any amount received by the Co-op that would increase the fund beyond this point must be refunded to CMHC.
- 6.02 The purpose of the Subsidy Surplus Reserve Fund is to try to ensure sufficient funds available to:

- (a) increase the amount of assistance to members, as required
- (b) to provide Emergency Assistance to members

#### ARTICLE VII - EMERGENCY ASSISTANCE

- 7.01 The Board of Directors will try to reserve some subsidy funds for short term emergency allocations.
- 7.02 Eligibility for Emergency Assistance will be restricted to those who meet all other eligibility requirements.
- 7.03 Application for Emergency Assistance must be made in accordance with the application procedure for regular subsidy and must be submitted to the Co-op office.
- 7.04 Emergency Assistance will be granted for a specific period to be determined in each case by the Co-ordinator. This period will normally be three months or less. Subsidy may be extended for additional specific periods.
- 7.05 If a household on the waiting list for subsidy is allocated Emergency Assistance, that household shall retain its place on the waiting list and will be allocated permanent subsidy as soon as it becomes available.
- 7.06 If a household ceases to be eligible for Emergency Assistance because of an increase in income, the subsidy will be withdrawn at the beginning of the month following the increase. (The 60 day grace period does not apply here). Households receiving Emergency Assistance must report promptly to the Co-op any change in their financial circumstances.

#### ARTICLE VIII - TERMINATION OF SUBSIDY

- 8.01 All subsidies shall terminate automatically at the end of the fiscal year, (November 30th), and/or at such time as the verified income of the household is increased to make the household ineligible, whichever comes first.

New applications may be submitted and granted at any time during the year, but all are subject to the automatic termination procedure at the end of the fiscal year.

- 8.02 Any subsidy may be terminated at any time prior to the fiscal year end for the following:
  - (a) failure to abide by the Subsidy Agreement, By-laws or Policies of the Co-op
  - (b) falsification of income or failure to report a change within seven days

In circumstances as outlined above, the member household must be given fourteen days notice and be given the opportunity to appear before the Board prior to termination



of subsidy.

- 8.03 Where a household has falsely declared its income, or failed to report a change under Article VI (Changes in Income, Assets and Household Composition), it will be required, retroactively, to reimburse the Co-op for subsidy obtained. Where the household refuses to reimburse the Co-op, eviction proceedings will be initiated.

Where a household is being evicted, any subsidy allocated will be terminated effective on the date at which the household is required to vacate the unit.

#### ARTICLE IX - INTERNAL WAITING LIST FOR SUBSIDY

- 9.01 An Internal Waiting List will be established consisting of member households resident in the Co-op who have applied for subsidy and who meet all the eligibility requirements of Article II.
- 9.02 Allocation of subsidy for both permanent and Emergency Assistance will be based on the members move-in date.
- 9.03 Applicants on the Internal Waiting List will have priority over applicants on the External Waiting List for the allocation of subsidy.

#### ARTICLE X - EXTERNAL WAITING LIST FOR SUBSIDY

- 10.01 In accordance with the Co-op's Member Selection Policy, a waiting list will be maintained of applicants who have been interviewed and accepted for membership in the Co-op.
- 10.02 When funds are available in the CMHC Subsidy Pool that are not required internally, and where there is an available unit, subsidy will be offered to the first household on the External Waiting List.

#### ARTICLE XI - GENERAL

- 11.01 Any matter relating to subsidy not dealt with in this Policy or the attached Schedules will be dealt with having regard to the Co-op's obligations under any agreement(s) with CMHC.

This Policy was PASSED by the Board of Directors of PETERBOROUGH CO-OPERATIVE HOMES INCORPORATED and sealed with the Corporate seal of the Co-operative this

6th day of August 1996

This Policy was CONFIRMED by 51% of the votes cast at a General Member's Meeting, this

16th day of October 1996

Subsidy Committee suggested changes: May 6, 2005  
Board approved the suggested changes: August 12, 2005  
Members approved the suggested changes: September 26, 2005

Board suggested changes: November 6, 2006  
Members approved changes: November 29, 2006

Minor changes suggested by the Board :August 15, 2011  
Members Approved Changes : September 21, 2011