

# The Arch of Experience

2014 ANNUAL REPORT



The Agency for Co-operative Housing  
L'Agence des coopératives d'habitation

## Table of Contents

The Arch of Experience: The CEO's View . . . . .	3
Board of Directors . . . . .	5
The Agency As It Stands. . . . .	6
Clients and Client Service . . . . .	7
Under the Arch in 2014: Data-Driven and Risk-Based . . . .	8
Concerns and Complaints . . . . .	11
Financial Highlights in 2014 . . . . .	12
Staff List as of 31 December 2014. . . . .	13
Values, Mission, Vision . . . . .	14





## The Arch of Experience: The CEO's View

In 2014 the Agency demonstrated the benefits deliverable by a mature organization with seasoned but continually improving processes and employees. Over the course of the year, we managed CMHC's exposure to \$1.1 billion in mortgages and met or exceeded all of the performance standards set out in our agreement with CMHC. Just as important, we guided our clients to improve their own operations and results. When we look back through the arch of experience to our first year of operation, we are pleased with the results our methods have achieved, although never complacent.

A number of projects came to fruition in 2014, some of them years in the making. One such was our Vendor of Record (VOR) List of Ontario property managers. After seeing too many clients struggle to find effective management at an affordable rate, we launched a Request for Supplier Qualifications to identify a pool of well-qualified property managers willing to work with Ontario housing co-operatives in difficulty. To ensure a consistent standard of service, we developed a Model Management Services Agreement that includes some features new to the world of co-operative housing. In particular, managers now have a financial incentive to collect housing-charge arrears and quickly fill vacant units. The agreement also sets out specific service levels, while giving managers more leeway in how they meet them. CMHC has accepted the new form, enabling the Agency to grant quick approval to a client who must ask us before hiring a manager.

The Agency's on-line tool for budget filing by clients with financial workouts has replaced a spreadsheet that was insufficiently robust for the demands made on it. Feeding client budgets directly into our information system, the budget module is a valuable time saver for Agency staff and has been well accepted by clients. Co-ops in financial trouble are also pleased with the new or updated financial-renewal plans we have prepared to show them how they can either repay their workout loan in full before their CMHC operating agreement ends or do so through qualifying for a new loan from a regular lender once the agreement expires.



*Alexandra Wilson*

The year also saw the successful piloting of our benchmarking and best-practices service for clients. At the HomeRun website, as it is known, housing co-operatives can self-identify groups of peers against which to compare their performance in different areas of operation. The website also includes first-person accounts from co-ops explaining how they achieved superior results.

In 2014 new Q&As were posted on our public website for the benefit of any interested person. These easy-to-read guides help clients work with contractors and prepare for the end of their ILM operating agreement. A third Q&A was developed to introduce clients with workouts to the new Model Management Services Agreement. The Agency has now posted a suite of 23 Q&As on topics of interest to our clients. Two issues of the Agency's electronic bulletin on relevant national and regional matters were distributed in the year to clients, auditors and other subscribers.

Newly improved aggregated data reports went to each co-op housing federation in the regions where the Agency has clients. Federations gain a better understanding of their members' training needs through these reports, which show how federal-program co-ops in their territory (members and non-members) are performing as a group against key indicators. Seeing, for example, that co-ops in their area have higher arrears should alert a federation to the need to offer workshops on how to deal with this problem.

Looking through the arch of current experience into the future, we intend to maintain our own high standard of performance while seeking incremental improvements in the performance of our clients. We expect to see declines on a per-unit basis in our clients' mortgage debt and intensified efforts to plan for the continuing maintenance and periodic refurbishment of their properties. We hope to make yet greater use of the information in our database and to undertake some new projects on CMHC's behalf. However, our focus will remain on strengthening client operations. Our reward will be to know that when they leave our oversight at the end of their agreements with CMHC, their building condition assessments will be current, their future plans well founded and their properties and finances sound.



## Board of Directors



*[Left to Right]*

*Cameron Gray; Elain Duvall, Vice-President; W. Laird Hunter, Q.C., President; Berta Zaccardi; Ken McFarland, Treasurer; Roger Maloney*

The Agency's six directors come from British Columbia, the Prairies and Ontario. A summary of their business experience and other qualifications appears on the [Agency's website](#). They were appointed to serve on the Board of Directors by the Agency's sole member, the Co-operative Housing Federation of Canada.

Together, the directors bring the Agency their deep knowledge of law, finance, public administration, regional economic conditions, government housing programs and co-operative housing operations. Each one accepted their nomination because of their conviction that effective, well-managed government programs are essential if affordable housing is to be available for all Canadians.

**“We are appreciative of the beautiful charts that the Agency provides. They are very useful for the Board and Finance Committee to see how we compare to other co-ops.”**

— A Client

# The Agency As It Stands

At the end of 2014, the Agency had been in operation for a little over eight years, managing CMHC’s co-operative housing portfolio in British Columbia, Alberta, Ontario and Prince Edward Island.

We are structured as a federally incorporated co-operative with CHF Canada (the Co-operative Housing Federation of Canada) as our sole member.

The Agency ended 2014 with 48 employees, temporary and permanent (42.6 full-time equivalents), based in four Agency and five home offices. Ten staff members are bilingual in English and French.

Throughout 2014, the Agency continued to deliver five services on CMHC’s behalf:

- risk management
- compliance management
- default prevention
- default management and
- information services.

From inception, our approach to service delivery has been risk-based, data-driven and client-focused.



*Payam Ressalat and Cole Dudley at work*

## Key Agency Dates

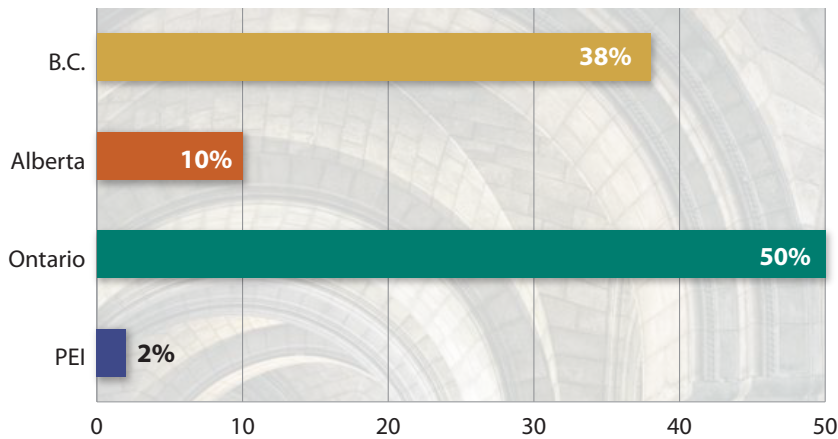
- |         |   |
|---------|---|
| 1995    | CHF Canada presents the federal Minister Responsible for CMHC with a proposal for an independent agency to administer the federal government’s co-operative housing programs. |
| 1996    | The federal budget announces the devolution of federal housing programs to the provinces and territories.   |
| 1997–98 | Program devolution affecting about 15 per cent of federal-program housing co-operatives takes place in the territories and six provinces.                                     |
| 1999    | Halting further devolution, the Minister initiates a study of the agency proposal.  |
| 2004    | CMHC agrees to the first steps towards creating an agency. CHF Canada appoints a Board of Directors to oversee its set-up.  |
| 2005    | The Agency’s first service agreement with the federal government is signed.   |
| 2006    | The Agency begins to deliver five core services in B.C., Alberta, Ontario, and PEI.   |



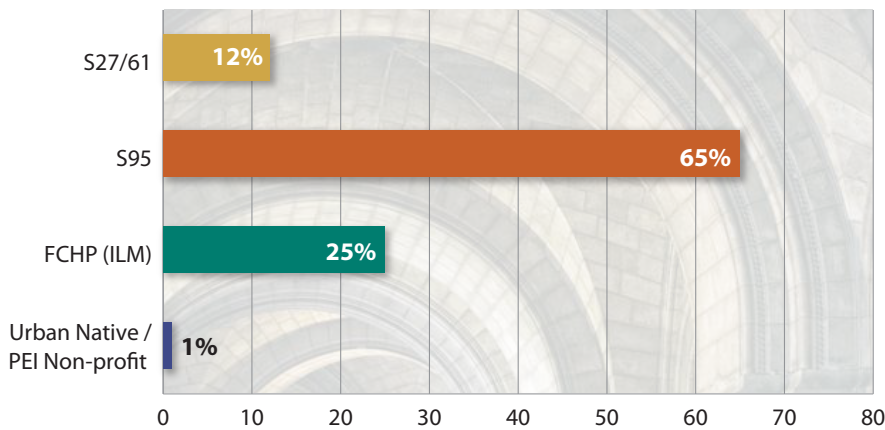
# Clients and Client Service

Expiring operating agreements reduced the Agency's portfolio slightly over 2014, bringing it from 554 to 547 client housing co-operatives. Their distribution across provinces and housing programs is illustrated below.

## Distribution of Agency Clients



## Clients under Each Program



*N.B.: Some co-operatives have operations under more than one program, resulting in a total above 100%.*

The Agency's client-service standards are set out in our [Client Service and Satisfaction Standards Policy](#), available to the public on the Agency's website. In the aggregate, we met these standards 97 per cent of the time in 2014.

“[Our relationship manager] always exceeds my expectations from a service perspective. She follows up in a very timely manner and is always patient when I have questions; she takes the time to ensure that she has provided me with the information I need. She is professional, friendly, and a pleasure to work with.”

— A Client



Agata Nobrega;  
Jane Davidson-Neville

Surveys of the clients themselves give the Agency vital feedback on where our service may fall short. In 2014, clients and their auditors—43 per cent of those asked (2013: 44%)—completed 316 feedback questionnaires. Asked about a recently received Agency service, 98 per cent rated it favourably (2013: 94%). Our Client Service Champion looked into all negative responses and took action, wherever possible, to address the client’s dissatisfaction.


Interviews conducted in each quarter with a selection of Agency stakeholders are another source of ideas for improvement. In 2014, for the first time, four management companies were interviewed, along with four clients and four CMHC staff members in different regions.

## Under the Arch in 2014: Data-Driven and Risk-Based

In 2014 the Agency continued to develop the Co-operative Housing Agency Information System (CHAIS), the bespoke database that is the driving force—the Swiss army knife of applications—that facilitates the Agency’s services, feeds our business-intelligence reports and informs our communications with clients. CHAIS tracks and analyses clients’ risk and compliance profiles, manages Agency work flows, supports our reporting to CMHC, and measures our staff’s collective and individual performance against objective standards.

Patches and five formal releases introduced improvements to various portfolio-management processes and internal and external reports. In addition, a new budget-approval tool was created, with tool tips following soon after to help clients complete the on-line form correctly. New form letters were automated to provide advice to individual clients well in advance of the conclusion of their operating agreements with CMHC. More detailed advice for them as they prepare for the end of their agreement is presented in person by their relationship manager and summarized in our final Annual Risk Assessment Report.

“[Our relationship manager] is quick with responding, patient when we are busy and extremely personable. It is a joy dealing with her.”

— A Client



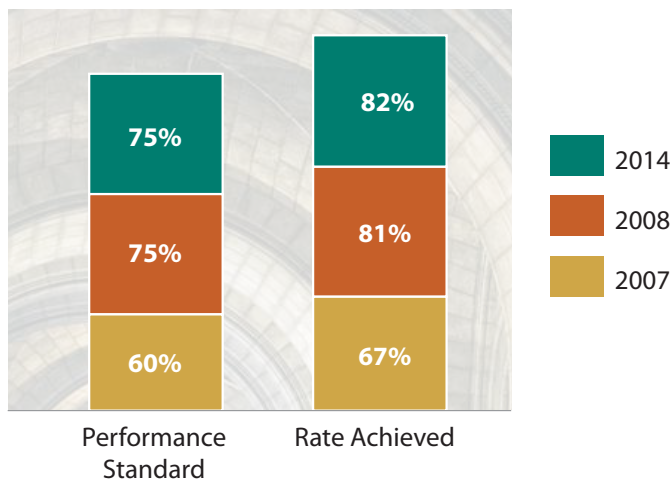
The Annual Information Return (AIR), filed on line for clients by their auditors, is the entry point for the extensive data that makes CHAIS unique as a searchable repository of detailed information on co-operative housing in Canada. Our relationship managers tell us that co-op managers have grown to appreciate the ease of filing. Once a client's return has been filed, however, Agency staff must review it to detect and correct any material errors. Two standards under the Agency's agreement with CMHC govern the receipt and validation of returns. The first now calls for 75 per cent to be validated within four months and six weeks of a client's fiscal year end (Standard 1); the second for 95 per cent to be validated within seven months of the fiscal year end (Standard 2).

**“[Our relationship manager] is always there for us. She always has answers to our concerns and she will be helping us in the near future to correct the issues and overcome the challenges we are facing.”**

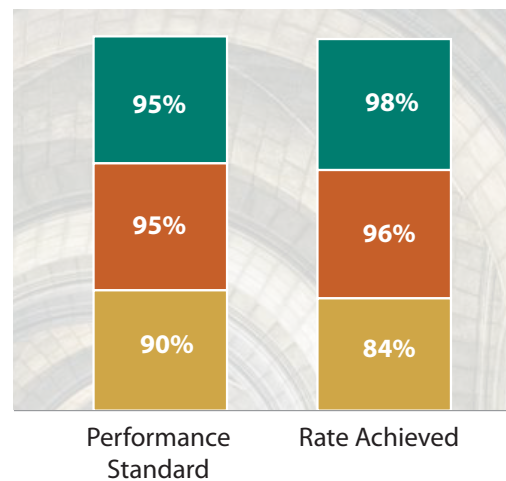
— A Client

The results achieved are shown below (note that the standard changed after 2007). Largely the fruit of the auditors' diligence and the Agency's efficient back office, they also owe a debt to our frontline staff, who frankly admit to the practice of nagging. When reminded, well-run co-operatives will generally file and provide full documentary support when the AIR is due. However, some of our most troubled clients continue to have difficulty with the timeliness of their filings, especially where the short tenure of management staff means that year-end routines must be re-established on an almost annual basis.

### Receipt / Validation of AIR Standard 1



### Receipt / Validation of AIR Standard 2



Sound planning and sure execution are the key to reducing a client's default risk, one of the Agency's most important responsibilities. According to our frontline staff, a building condition assessment (BCA) and capital replacement-reserve study are most effective when clients can not only see what work their property will require and how much money they must put aside for it, but also what the payback will be for members.

A sound plan for improvement must deal with the big building issues, but will be better accepted if it gives sufficient attention to the elements that affect members' pride of ownership, such as replacement of bathroom and kitchen components, unit flooring and the appearance of the grounds, halls and building lobby. Co-op boards of directors are far more willing to lead the membership to approve appropriate housing-charge increases if they see some reward ahead for individual households, as well as for the co-op itself.

A relationship manager described the focus on asset management as an integral part of lowering risk through the reduction of vacancy loss. While vacancies may be due to weak marketing, they often owe much more to the condition of the units and public spaces of the co-operative. The Agency's annual risk report, in conjunction with the capital plan, can encourage a client to adopt the practice of regular replacements of worn-out elements without waiting for a long-occupied unit to be vacated.

Staff are reporting varying levels of anxiety from clients about the prospect of their operating agreements ending. Low-risk co-operatives with a history of good management have BCAs and capital plans that give them confidence for the future. Some are already starting to think about borrowing to expand their property. These clients are chiefly concerned about the looming loss of housing assistance for poorer members. Their concerns are well-placed: at present our portfolio receives some \$50.5 million a year in government support for rent-geared-to-income subsidies.

Those with a more troubled history seem to be taking comfort from the customizable plans we prepare for them setting out long-term revenue and expense projections. It appears that our clients' managers value the ability to adjust the figures, which allows them to explore the consequences over time of various choices and gives them ownership of the results. Clients are now asking about continuing to get our Risk Assessment Reports, Co-op Data Reports and especially the Plain-Language Financials (which they tell us they love), once their agreement ends.

Our staff believe that our influence is causing client boards to become excited about the business side of their operations, which has sometimes been neglected. If so, this news gives us hope that the good habits learned through the guidance of our relationship managers will not be abandoned when that is removed.

**“We have had absolutely no difficulty in dealing with the Agency on a variety of matters and they have promptly responded with clear information.”**

— A Client



*Franca Sorace; Hia Inthavixay;  
Jennifer Brumwell*

## Concerns and Complaints

Our definition of concerns and complaints appears below.

**Concern:** The person is worried or unhappy about our service, a program matter, their co-op or another organization. In the end, they are satisfied with more information or a referral to a body better placed than the Agency to resolve their concern.

**Complaint:** More information or a referral has not satisfied the concerned person.

In 2014 the Agency dealt with 68 concerns (2013: 28) and four complaints (2013: 9), coming chiefly from co-op members, directors or staff (2014: 90%; 2013: 92%). The great majority originated in the Ontario/PEI region (2014: 83%; 2013: 65%).

Most concerns related to the governance or management of a housing co-operative, an Agency responsibility only when such problems are compromising a client's financial performance or its compliance with a CMHC agreement (2014: 94%; 2013: 81%). Sometimes a concern can be resolved by clearing up a misunderstanding or explaining a program requirement. In other cases, the Agency has no option but to refer the dissatisfied co-op member elsewhere.

A small percentage of concerns had to do with the Agency and its processes (2014: 4%; 2013: 13%) or a client's CMHC operating agreement (2014: 1%; 2013: 8%).

In 2014, the Agency was able to resolve 71 per cent of concerns and complaints, including many unrelated to us or our processes and services (2013: 73%).

Of the remainder, we referred 17 per cent to the client's board or staff (2013: 5%) and 11 per cent to the Co-operative Housing Federation of Canada or a regional federation (2013: 14%). We directed one to a legal clinic and none at all to CMHC (2013: 5%).





## Financial Highlights in 2014

	31 December 2014	31 December 2013
<b>ASSETS</b>		
Cash.....	\$ 2,149,939	\$ 1,915,558
Capital Assets .....	719,521	739,165
Other .....	132,447	269,380
	\$ 3,001,907	\$ 2,924,103
<b>LIABILITIES .....</b>	<b>\$ 2,443,585</b>	<b>\$ 2,322,306</b>
<b>FUND BALANCES</b>		
Operating Reserve .....	131,255	114,540
Capital Fund .....	402,067	462,257
Special Projects .....	25,000	25,000
	\$ 3,001,907	\$ 2,924,103
<b>CHANGES IN OPERATING RESERVE</b>		
	<b>2014</b>	<b>2013</b>
Revenue.....	\$ 6,382,449	\$ 6,217,131
Operating Expenses .....	(6,013,534)	(5,935,526)
Transfer to Capital Fund .....	(352,200)	(274,400)
	\$ 16,715	\$ 7,205

The full financial statements, audited by Marcil Lavallée, have been provided to the Co-operative Housing Federation of Canada and Canada Mortgage and Housing Corporation.

“Our RM...went more than just the extra mile. He gave us valuable input not just for current project spending, but also enlightened us of the importance of prudent spending to ensure we continue to maintain a healthy replacement reserve for the years ahead. The Co-op is most grateful for [his] input and direction.”

— A Client

# Staff List as of 31 December 2014

**Alexandra Wilson,**  
Chief Executive Officer

**Gerry McEvoy,** Special Advisor

**Agata Nobrega,** Co-ordinator,  
Financial and Administrative  
Services

## CORPORATE SERVICES

**Colin MacDougall,** Director,  
Corporate Services

**Maggie Keith,** Communications  
Officer and Corporate Secretary

**Sylvie Moreau,** Client Service  
Champion and Privacy Officer

**Stan Piechocinski,** Manager,  
Information Systems and Financial  
Reporting

**Gail McKenzie,** Software Quality  
Assurance Officer

**Sergei Pershukevich,** Database  
Administrator

**Natalie Hartley,** Manager, Human  
Resources

**Sirikit Moreau,** Co-ordinator,  
Human Resources and Client  
Service

**Kara Shipman,** Senior  
Administrative Assistant

**Laura Vaillancourt,** Administrative  
Assistant

## LENDING AND DEFAULT PREVENTION SERVICES

**Jennifer Hobbs,** Director,  
Lending and Default  
Prevention Services

**Greg O'Neill,** Senior Analyst

**Sandeep Thethy,** Analyst

**Nick Van Dyk,** Senior Analyst

**Grace Zhao,** Default Management  
Officer

## OPERATIONS

**Olga Tasci,** Director,  
Operations

**Ken Lawson,** AIR Help Desk Officer  
(on leave)

**Larry Lenske,** Financial Officer

**Jill Kelly,** Financial Officer  
(temporary)

**Dave Howard,** Manager, Operations  
(Ontario/PEI)

**Bridget Bayliss,** Relationship  
Manager

**Margaret Callaghan,** Relationship  
Manager

**Mel Cameron,** Relationship  
Manager

**Donna Charbonneau,** Relationship  
Manager

**Jacqueline Cooper,** Relationship  
Manager

**Jane Davidson-Neville,** Relationship  
Manager

**Catriona McCallum,** Relationship  
Manager

**David Nagy,** Relationship Manager

**Nicole Scott,** Senior Administrative  
Assistant

**Jason Sooch,** Relationship  
Manager

**G. Scott Wylie,** Relationship  
Manager

**Joanne Mick,** Manager, Operations  
(B.C./Prairies)

**Jennifer Brumwell,** Relationship  
Manager

**Angela Cowie,** Relationship  
Manager

**Traci Dubeau,** Relationship  
Manager

**Cole Dudley,** Relationship Manager

**Meghan Friesen,** Co-ordinator,  
Information Services

**Hia Inthavixay,** Relationship  
Manager

**Vicki Lackman,** Senior  
Administrative Assistant

**Shawn Preus,** Lead Relationship  
Manager

**Payam Ressalat,** Relationship  
Manager

**Debbie Saidman,** Relationship  
Manager

**Francesca Sorace,** Relationship  
Manager

**Heather Wesenberg,** Relationship  
Manager

**Michel St-Denis,** Manager,  
Technical Services

**René Boucher,** Co-ordinator,  
Technical Services



*Joanne Mick; Alexandra Wilson*

# Values, Mission, Vision

## Our Values

We hold to these values, which govern our conduct with the general public, our government and co-operative partners, and our employees and other stakeholders.

**Respect** 🌀 We esteem our clients and at all times treat them fairly and with consideration.

**Transparency** 🌀 We promote the open and honest sharing of knowledge and information, while guarding the privacy of individuals.

**Trust** 🌀 We earn the confidence of our co-operative and government partners through exceptional service and consistent performance.

**Excellence** 🌀 We pursue superior results and continuous improvement. Success, for us, is getting the right things done as well as possible.

**Innovation** 🌀 We challenge ourselves constantly to find fresh approaches that will lead to ever-better outcomes for our partners.

**Co-operation** 🌀 We work in concert with our stakeholders to achieve separate but complementary goals.

**Accountability** 🌀 We answer to our government and movement partners for the results we achieve as responsible stewards of the programs entrusted to us.

**Sustainability** 🌀 We look to the future, strengthening our operations, honouring the environment and encouraging our clients to sustain and conserve the properties they hold in common.

“[Our RM] continues to provide excellent service. Whenever I contact her she responds immediately, and she knows her stuff. She also always takes the time to send her answers in writing so I have it for my files. She is professional and courteous at all times. I truly enjoy interacting with her; she is a pleasure to work with.”

— A Client

## Our Mission

The Agency administers co-operative housing programs, deploying risk-based strategies, superior information management and client-centred service to safeguard the public’s investment and help our government and co-operative partners attain their goals.

## Our Vision

The Agency aspires to be a superlative administrator of co-operative housing programs, recognized for its leadership by governments across Canada and valued by housing co-operatives as a partner in their success.

“Our RM... could not be better.”

— A Client

Contact the Agency  
[www.agency.coop](http://www.agency.coop)