

Policy on Homeownership and Fair Market Rent

Passed by the board of directors on June 14, 2023

Passed by Membership on July 10, 2023

1. Policy Statement

Liberty Co-Operative Homes Inc. is committed to low-income housing for all its members. The co-op recognizes the following:

- Cooperative is self-managed and decisions are made by the elected Board of Directors;
- The cooperative has 55 units in which 33 are required to subsidized;
- The cooperative base market is rent as of July 2023 is also heavily subsidized; as it not close to the market averages for the city.
- The City's definition of affordable housing is based on average market rent. The cooperative's current market rent has been historically much lower than the city's average market rent, in fact it has been much lower than then the recommended 80% of the average market rent.
- The Board of Directors are cognizant of costs and the cooperative decisions are made in order to keep the cooperative sustainable for future low income residents.

2. Purpose of Policy

The purpose of this policy is to:

- Identify members who are currently living in the cooperative who have purchased homes and considered homeowners and in actual fact are living in the cooperative and paying the cooperative's low market rent and or subsidized rent while enriching themselves personally.
- There has been a history within the cooperative of members residing in the cooperative while they are home buyers. Residing at the cooperative and paying the cooperative's below market average rent while they rent out their properties and enrich themselves.
- The cooperative will no longer provide below market average rent to homeowners and investors in order that they may reap the benefits of subsidized rent while enriching themselves.

3. Definition of Home Owner

Homeowner

Under the *Oxford Language Dictionary* a homeowner is a person who has purchased a property that is a residential dwelling.

4. Implementation of the Policy

1. A Policy has been adopted by the board of directors and general membership That all and every member living in the cooperative that is homeowner will have to pay the **full** market average as set out by the City of Toronto for that current year for their unit size as set out by the City of Toronto.
2. This will be effective October 1 2023.
3. Member will be asked to sign an affidavit declaring that they are not property owners and authorizing the cooperative if in doubt to conduct financial verification.
4. If a member is found to be falsifying or withholding this information the cooperative can terminate the members membership and or ask for the difference to be paid to the cooperative since the time of purchase of this property .

CERTIFIED to be a true copy of a Policy passed by the board of directors at a meeting held on the June 14. 2023 in the City of Toronto.

S.R. Samuel
President

Jaqueline
Corporate Secretary

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