MUNICIPAL GUIDE

How to Support Housing Co-ops

A practical guide for municipalities working with co-operative housing in Newfoundland & Labrador

2026 EDITION

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Co-operative Housing Federation of Canada

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PART ONE

Foundations

Understanding the co-operative housing model, the case for municipal involvement, and the key differences between market and non-market housing.

What Is a Housing Co-op

A housing co-op is a non-profit housing organization owned and governed by its members — the people who live there. Members elect a board of directors and participate in key decisions such as approving budgets and setting housing charges.

Housing co-ops operate at-cost. They do not generate profit for landlords. Any surplus is reinvested back into the housing. This structure protects long-term affordability and keeps housing in community control.

FOR MUNICIPALITIES

Co-ops are stable, mission-driven housing providers with long-term stewardship of their properties. Unlike market rental housing, they cannot be sold off or converted — they remain community assets permanently.

Municipal Participation in Co-op Governance

Municipalities can demonstrate deep commitment to affordable housing and the co-op sector's long-term success by participating in founding or supporting the ongoing governance of a cooperative, including sitting on a founding board.

This direct involvement helps to ensure the co-op's long-term management stability and alignment with public-interest governance principles. Promoting the co-op housing model to constituents signals clear leadership in non-market housing development and builds community confidence.

RELATED RESOURCE

CHF Canada, NLFC, and CHANAL have developed a step-by-step guide on how to start a housing co-op in Newfoundland and Labrador. This resource is designed to help community groups and municipalities understand the process of establishing a new co-operative housing organization.

To learn more about housing co-ops in Atlantic Canada, review the What is a Housing Co-op resource ↗

Why Co-ops Matter to Communities

Housing co-ops contribute directly to municipal housing, planning, and community development goals. They provide permanent, stable non-market housing supply, strengthen neighbourhood stability, and retain public investment in the community over the long term.

Long-Term Affordability

Co-ops preserve housing over decades. Public investment remains protected and affordability is secured for future residents.

Community Stability

Members have secure tenure and shared responsibility for property oversight — promoting long-term residency.

Mixed-Income Housing

Many co-ops house residents with a range of incomes, reducing income segregation and aligning with municipal social mix goals.

Permanent Asset Retention

Co-op housing remains in the non-profit sector permanently. Under NL's Co-op Act, assets cannot be privatized.

Local Economic Impact

Co-ops reinvest locally in maintenance, services, and partnerships, directing budgets toward local contractors and suppliers.

The Benefits of Municipal Involvement

Municipal involvement plays a key role in how a housing co-op project progresses, and in its feasibility and long-term success. Clear municipal support reduces risk, strengthens funding applications, and improves overall project viability. When councils align policy, planning, and financial tools, they create conditions where permanent affordable housing can move from concept to construction.

Strategic municipal engagement signals to provincial and federal funders that the project has community backing, reliable approval pathways, and committed local leadership. This directly strengthens competitive funding applications and improves project bankability. Early coordination between municipal departments prevents delays and redesign costs that impact housing affordability.

A NOTE ON SCOPE

Municipal support does not require municipalities to become housing operators. The tools outlined in this guide — land, planning, policy, permitting, financial instruments — are strategic contributions that reduce risk, leverage other funding, and support the development of permanent, community-owned assets.

Market vs. Non-Market Housing

Category	Market Housing	Non-Market Housing (Co-ops)
Ownership	Individuals, landlords, investors, or public agencies.	Collectively by members or held by a non-profit. Member-led decisions.
Purpose	Generates equity or profit.	Long-term affordability and community stability — not profit.
Affordability	Market-driven rates.	At-cost: housing charges based on actual operating costs.
Tenure Security	Variable; renters depend on landlord decisions.	High security — members remain housed as long as they meet obligations.
Governance	Decisions made privately by owners.	Democratic: members elect boards and approve budgets.
Asset Retention	Housing can be sold or redeveloped.	Stays in the non-market sector permanently. Cannot be privatized.
Municipal Alignment	Supports supply, not guaranteed affordability.	Strong alignment: affordability, stability, and local reinvestment.

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PART TWO

Ways to Support Co-ops

Practical tools and strategies municipalities can use — from land and planning to financial instruments, permitting, policy alignment, and taxation.

Land and Planning Support

MUNICIPAL LAND CONTRIBUTIONS

- Provide surplus or underutilized public land at below-market value
- Offer long-term land leases (40–99 years) with affordability conditions
- Enter land partnerships with affordability secured through registered agreements

PLANNING AND ZONING ALIGNMENT

- Pre-zone sites for medium or higher density housing
- Permit mixed-use development where appropriate
- Reduce or eliminate minimum parking requirements
- Allow flexibility in setbacks, height, or lot coverage
- Assign a staff lead and align interdepartmental requirements early

Financial Tools and Incentives

TOOL	HOW IT WORKS	BENEFIT
Pre-Development Grants / Loans	Grants or low-interest loans for feasibility, design, and incorporation before construction financing.	Reduces early risk
Property Tax Exemptions	Full or partial exemptions lower ongoing costs and provide lender certainty during underwriting.	Lowers operating costs
Waived Development Charges & Fees	Reducing or deferring fees and levies lowers capital requirements and improves debt coverage.	Improves debt coverage
Loan Guarantees / Subordinated Financing	Guarantees reduce lender risk and improve interest rates and amortization periods.	Better lending terms
Capital Grants + Affordability Agreements	Targeted capital contributions secured through housing covenants protect long-term affordability.	Protects affordability

Permitting and Approvals

Why timing matters: Co-ops rely on layered financing with strict deadlines. Approval delays can cause projects to lose secured funding and face months of costly reapplication.

1 Early Interdepartmental Coordination

Align servicing, engineering, and building code requirements before formal submission to prevent redesign and delays.

2 Single Municipal Point of Contact

A consistent contact reduces administrative burden for volunteer-led co-op development groups.

3 Streamlined Non-Market Processes

Clarify expectations and minimize procedural delays without bypassing standards or duplicating steps.

4 Clear Documentation of Requirements

Predictable approvals signal reduced risk to provincial and federal funders who assess municipal readiness.

Policy and Governance Support

Municipal policy direction shapes outcomes long before a specific project reaches council. Clear alignment reduces uncertainty, strengthens funding applications, and signals that co-ops are a legitimate housing form within the municipality.

Inclusion in Housing Strategies
Naming co-ops in municipal strategies makes them part of planned housing supply and strengthens funding applications.

Governance Participation
Municipalities can join founding boards or support co-op governance, signalling long-term public-interest commitment.

Recognition in Official Plans
Official plans that name co-ops as a priority use reduce rezoning ambiguity and discretionary approval risk.

Council Resolutions & Affordability Criteria
Resolutions signal political clarity; defined affordability criteria reduce project-by-project negotiation and build sector confidence.

Taxation and Fees

Municipal taxation and fee structures directly affect the long-term affordability of housing co-ops. Because co-ops operate at-cost, ongoing municipal charges translate directly into housing charges paid by members. Clear policies improve administrative efficiency and reduce project-by-project negotiation.

PROPERTY TAX EXEMPTIONS
Full or partial exemptions reduce annual operating costs. Even modest reductions materially improve long-term affordability, particularly in smaller municipalities.

NON-PROFIT TAX CLASSIFICATION
Where authority permits, classifying co-ops within a non-profit category aligns tax treatment with their operating model — recognizing that co-ops do not extract profit.

PHASED-IN TAXATION
Phased-in assessments during initial operating years reduce early financial pressure and allow co-ops to build adequate reserves before full taxation applies.

TAX DEFERRAL DURING CONSTRUCTION
Deferring municipal taxes until occupancy reduces pre-operating carrying costs and improves cash flow during the highest-risk phase of development.

REDUCED OR DEFERRED PERMIT AND INSPECTION FEES
Building permit fees contribute to upfront capital requirements. Reductions or deferrals improve debt coverage ratios and strengthen financing applications without requiring permanent tax expenditure.

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PART THREE

Learn More and Next Steps

Real examples of municipal-co-op partnerships in Atlantic Canada, and key organizations to contact when your community is ready to move forward.

Municipal-Co-op Partnerships in Practice

Across Canada, municipalities have partnered with housing co-ops in practical, measurable ways. The examples below illustrate the type of support provided and the resulting impact. Building relationships early improves project readiness, reduces risk, and strengthens funding applications.

FEDERAL LEADERSHIP ON HOUSING

"I am proud that we could support these two projects that will bring more affordable homes to Shelburne and Barton. We will keep working with partners across the country to build more homes and end the housing crisis."

The Hon. Sean Fraser — Minister of Housing

CO-OPERATIVE HOUSING SECTOR

"These new homes reflect the mission of Compass to build inclusive and sustainable housing communities through collaboration. This initiative could not have been possible without support from all levels of government."

Karen Brodeur — Director, CHF Canada

Case Studies

NS 2025

SHELBURNE, NOVA SCOTIA

Compass NS — Heritage Hall

Land acquired from municipality for nominal fee for a five-home redevelopment. Members pay 80% of median market rents; homes include energy-efficient upgrades and barrier-free design.

Case Study ↗

NS 2025

DIGBY, NOVA SCOTIA

Compass NS — Barton School

Land acquired for nominal fee for an eight-home development — four one-bedroom and four two-bedroom homes — with members paying 80% of median market rent.

Case Study ↗

NB 2024

SAINT JOHN, NEW BRUNSWICK

The Range — Visart St. Redevelopment

A 184-home co-operative community created through acquisition, renovation, and new construction. Municipal, provincial, and federal funding enabled the redevelopment of affordable housing in Saint John.

Case Study ↗

KEY LESSON ACROSS ALL THREE CASES

In each example, a tangible municipal contribution — typically land at below-market cost — was the decisive factor that made the project financially viable. None required the municipality to become a housing operator. The contribution was strategic, time-limited, and produced permanent community-owned housing as a result.

Where to Learn More and Get Support

Organizations ready to work with your municipality

Building relationships early improves project readiness, reduces risk, and strengthens funding applications. Ongoing collaboration between municipalities and the co-op sector increases the likelihood of delivering permanent, community-owned housing.

In Newfoundland and Labrador

NLFC

Newfoundland and Labrador Federation of Co-operatives

A provincial body supporting co-operative development across sectors, including housing. Provides education, incorporation guidance, governance support, and development advice to emerging and existing co-ops. For municipalities, NLFC can serve as a first point of contact when community groups express interest in forming a housing co-op and connects local initiatives to provincial and national co-op networks.

CHANAL

Co-operative Housing Association of Newfoundland and Labrador

Represents and supports housing co-ops in the province. Provides operational support, governance training, asset management guidance, and advocacy specific to the housing co-op sector. Municipalities engaging with CHANAL gain insight into the needs and realities of existing co-ops and can better align policy decisions with sector capacity.

Across Canada

CHF Canada

Co-operative Housing Federation of Canada

Provides national policy expertise, development resources, research, and connections to funding programs. Municipalities can access toolkits, best practices, and case studies to inform local decision-making.

NEXT STEPS

Ready to Support Co-op Housing?

Here are concrete actions your municipality can take today:

- → Connect with NLFC or CHANAL to learn about active co-op development initiatives in your region
- → Review your current housing strategy — does it explicitly name co-operative housing as a supported housing form?
- → Identify any surplus or underutilized municipal land that could support affordable housing development
- → Review your development charge, permit fee, and property tax policies for non-profit housing providers
- → Consider passing a council resolution in support of non-market housing to signal clear municipal intent
- → Assign a municipal staff lead to coordinate co-op housing inquiries and streamline approvals

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