

An overview of member selection in a housing co-op.

Some but not all co-ops funded under the Federal/Provincial Affordable Housing Program (AHP) have rent-gear-to-income assistance available for some units or have units for special needs households. There may be special rules attached to this funding about how applicants are selected. But co-ops have always aimed to treat RGI, special needs and market households in the same way. It is a deeply held value of housing co-ops that everyone should have equal treatment, rights and responsibilities. It is important to preserve this value by creating an approach to member selection that can be applied to all applicants.

Statement of non-discrimination

Co-ops should adopt a statement of non-discrimination to apply to all applicants. The Model Membership By-law, published in 1996 through the Co-op Housing Bookstore, has a statement that reads: "The co-op will not discriminate against applicants because of: race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, marital status, family status, handicap, receipt of public assistance." This makes the point that membership is open and will not be refused without a good reason.

Recommended membership criteria

The criteria for membership, for all applicants, that we recommend for co-ops are:

- Age. One member of the household is 16 years or older.
- Financial responsibility. The household will pay the monthly housing charges in full and on time.
- Household size. The co-op has units suitable to the household size.
- Membership responsibilities:
 - The member will treat other members with respect.
 - The applicant is willing to contribute to the operation and life of the co-op.
 - The household will maintain the unit.
- Mandate. The applicant meets the co-op's mandate (if any).

Age

Age is part of the recommended criteria as a reminder that anyone 16 years and older can be a member.



Financial responsibility

The expectation is that a household will be able to pay housing charges in full and on time.

Household size

For someone to become a member, the co-op must have at least one unit that is suitable to the household's size and composition.

Membership responsibilities

The expectation that members will meet certain membership responsibilities is what makes co-ops different from other kinds of social housing. The three responsibilities identified above in the recommended membership criteria are requirements included in many co-op's by-laws and policies.

Mandate

Your co-op may have a mandate that all members or members in a particular set of units must fit. For example, some co-ops provide housing for seniors or people with special needs.

Unacceptable membership criteria

Some criteria for selecting members should not be used by co-ops including

- *likely to be a good neighbour*
- *likely to make a long-term commitment to living in the co-op*
- *household income is below the income cut-off for a market unit*
- *ability to live independently.*

The problem with these criteria is that they can be used to discriminate against people – people who are disabled, who are students, and who are lower income. Another problem is that they are too vague. They are based on assumptions that may or may not be true. One person's idea of a 'good' neighbour could be quite different from another's. In the same way, 'long-term' could mean different things to different people. What standard do we use to decide who is a good neighbour and who isn't, or who will stay long enough and who won't?

Income cut-offs are based on the assumption that no one can afford to pay more than 25 percent or 30 percent of their gross income on housing. This assumption isn't always true. Many people manage, with considerable hardship, to pay more. The level of a person's income doesn't say anything about their ability to manage their income. The Ontario Human Rights Code does not permit landlords to use arbitrary



income cut-offs. Income information must only be considered together with credit and rental history information.

Co-ops should be extremely cautious about making decisions on an applicant's ability to live independently. Under the Ontario Human Rights Code disabled persons have the right to equal treatment in housing. Landlords and social housing providers have a 'duty to accommodate' a disability to the point of 'undue hardship.' This means co-ops may have to make changes to help someone with a disability live in the co-op, even if it means an extra cost to the co-op. Any co-op considering a refusal on these grounds should consult a lawyer.

Once the membership criteria are in place in a by-law, your co-op should make sure that staff and volunteers involved in the member selection process understand them and use them correctly.

The co-op should then accept applicants – unless there is clear proof that they don't meet one of the membership criteria. Rejection for any other reason is wrong.

Member selection process

There are two main goals of member selection. One goal is to minimize vacancy loss. Another goal is to attract households who are willing to make a positive contribution to the co-op. The 'traditional' member selection process has the following steps:

- *The co-op holds an information meeting.*
- *Interested applicants receive and fill in an application form.*
- *The co-op checks whether the applicant meets the membership criteria. This may include a credit check, landlord check and interview.*
- *The co-op board approves or rejects recommendations for membership and informs applicants of the results.*
- *Rejected applicants have the right to appeal the board's decision.*
- *Approved applicants are placed on a waiting list for a suitable unit.*

Many housing co-ops may still use this traditional process for member selection, but more and more co-ops have made changes. Some do not have orientations until after move-in and some do not do interviews. Others have developed a flexible approach in which the number and order of steps varies depending on the needs of the applicant, the skills and availability of volunteers, and housing market conditions.



Checks on financial and membership responsibilities

Many housing co-ops use credit checks, landlord checks, interviews, and information meetings as sources of information about whether an applicant meets the membership criteria. These checks can be useful methods of getting information on potential members. With the exception of credit checks, the quality of the information we get from these sources depends on the quality of our approach — the preparation and skills we bring to these tasks. That is why volunteers and staff who do member selection must always strive to improve their skills in these areas.

Credit checks

You can use credit checks to gather information to help you decide if you think the household will pay the monthly housing charges. Your local co-op housing federation (if you have one) may be able to help you get a credit check service at a good price.

If your co-op is subject to the *Social Housing Reform Act*, you can only use information from a credit check about the household's rental housing history.

Landlord checks

You can use landlord checks to gather information to help you decide if you think

- the household will pay the monthly housing charges
- the household will maintain the unit reasonably well.

Some applicants have no credit rating, which makes a landlord check a very important source of information about financial responsibility.

Privacy legislation means that the co-op must have the applicant's signed permission to talk to a previous landlord. You have a duty to advise the landlord if the information they provide could be disclosed to anyone else. For example, if you refuse an applicant based on information from the landlord you would disclose this to the applicant. Since these privacy requirements make it harder to get an honest landlord check, it is good to seek contact information from as many previous landlords as possible. Some co-ops find it more convenient to use a professional landlord checking service.

Orientations

An information meeting or some other form of orientation to living in a housing co-op is an important part of the member selection process. The orientation can take place some time before the interview, on the same day or during the interview. In addition to providing basic information about your co-op, the orientation should give people enough information about co-op living so they can decide whether it appeals to them. Of course, many people looking for affordable housing may be desperate enough to say yes to almost any housing they can get. Still, giving applicants enough information to decide for themselves if they want to live in the co-op is the best method of selection.



An orientation can also be held after move-in. If that is the case, you still need some way for applicants to get information about co-op living so that they can decide if they want to follow through with their application.

Interviews

Interviews may offer a useful opportunity to

- get information about an applicant's financial and membership responsibility
- explore with the applicant the pros and cons of co-op membership for them.

Interviews will only be successful if interviewers have the right skills and knowledge. Many local federations have workshops and other resources on interviewing.

In some co-ops, either volunteers or a staff person may handle all interviewing. In other co-ops, applicants are not interviewed. Any of these approaches can work.

If you do interview applicants, it's okay to work from a set of prepared questions, but the interview should be flexible enough that it doesn't rely on asking exactly the same questions in the same order all the time. Good interviews are more of a discussion than a series of questions and answers. The questions just get the discussion started. Questions need to be directly related to the membership criteria and in clear, plain language.

Some questions are not appropriate. These include questions that have yes or no answers, questions that don't relate to the membership criteria, questions that are too personal or questions that are already on the application form. The following kinds of questions should not be asked:

- *Why do you want to move?*

This question can be too personal for some people, like those who are living in a shelter. Also, the question doesn't relate to the membership criteria. It is enough to ask the applicant why they want to live in the co-op.

- *Will you be a good neighbour?*

This is a yes-no question. In addition the word 'good' isn't clear, since one person's idea of a good neighbour may be different from another person's idea.

- *What committee will you join?*

This question doesn't apply to the membership responsibilities criterion, because a member can contribute to the co-op in lots of different ways, not just on a committee.

- *What experience do you have in co-ops?*

This question is very narrow, and doesn't link to any of the membership criteria.



Ideally an interviewer will not know if an applicant is an RGI or market household. But often applicants will share this information. Interviewers should discourage discussion of a household's RGI status. It is not relevant to the issue of membership, and should not affect the membership decision.

Written reasons for refusal

Your co-op should give written reasons for refusal to all applicants. Giving written reasons is a way to hold ourselves more accountable when we refuse an applicant. It makes our member selection process fairer and more transparent. If the credit check, landlord check or interview do not provide clear grounds for refusing an applicant that can be set out in writing, the co-op should approve the applicant. If in doubt, take a risk on the applicant.

Appeals

If the co-op refuses an applicant, they should have the right to appeal the decision.

If your co-op is subject to the SHRA, there are some rules you must follow. The process below meets those requirements:

- *No directors take part in the interview or member selection committee decision, unless they have made a commitment not to be involved in any appeal process.*
- *The board should give the member selection committee or staff the authority to refuse an application without taking it to the board. The board hears appeals of refusals. After the time to request an appeal has passed, the board receives a report on all refusals, and confirms the decisions.*
- *The member selection committee or staff recommends acceptance of membership applications to the board. Of course, the board may disagree with the recommendation and refuse the membership. If the refused applicant requests an appeal, the board hears the appeal, inviting the applicant to attend.*

Even if your co-op does not have to follow the SHRA, you may want to use this process.

It is a good practice not to have board members directly involved in the first stages of the membership process. This ensures that board decisions on appeals are impartial and fair to applicants.

Final words

Fairness requires that the member selection process your co-op uses treats market applicants and RGI and special needs applicants in the same way. The process also needs to be both efficient and respectful of applicants so that you can keep units full while attracting households who have an interest in contributing to the operation and life of the community. The bottom line is to recognize that the best member selection



approach is one that relies less on rejecting unsuitable applicants and more on educating applicants about co-ops so they can 'self-select' in or out of becoming a co-op member.

