
Subsidy: Discussion Notes

For co-ops funded under the Homes BC program.

Subsidy is managed differently under different operating agreements. The agreements set out who is eligible for subsidy and how it is allocated. It is important to be informed about your co-op's operating agreement with BC Housing before starting work on a subsidy policy.

When households are eligible for subsidy, their housing charge is based on a percentage of income. Your co-op operating agreement provides housing charge assistance or subsidy funds to 'bridge' or make up the difference between the percent housing charge a household pays based on their income, and the full housing charge for that household's unit.

This subsidy is important because it allows co-ops to house lower income households and, at the same time, collect the full housing charges needed to operate the co-op effectively.


Your co-op subsidy policy is related to other co-op policies like member selection, over-housing and under-housing and personal information protection.

Regular and effective communication between board, management staff and the relevant committees will help your co-op to manage the subsidy effectively and wisely. For instance, your co-op would need to share information about available subsidy when a unit comes available for an internal or external move.

Your co-op must apply the subsidy policy fairly and consistently. Your co-op's personal information protection policy and procedures will play an important role in effective subsidy management

Subsidy under the Homes BC program

Homes BC co-ops have an operating agreement with BC Housing. It includes the provision of an operating subsidy for all units and rent supplements for designated units. The rent supplement or subsidy from BC Housing is used to reduce the housing charges of lower-income households in these "designated units".



The Homes BC program provides subsidy for 60% of the co-op units to households in “core housing need”. Core housing need is a national standard used to determine if people are eligible for subsidized housing. People with lower incomes below a set amount are said to be in core housing need. Your co-op must maintain a mix of:

- 30% of the units for households in “shallow core” need, and
- 30% of the units for households in “deep core” need.

BC Housing sends updated core need income thresholds (CNITs) every year. From that table, you can calculate:

- shallow core need, which means someone’s gross household income falls between the maximum CNIT level for that size of unit and 70% of the maximum, and
- deep core need, which means someone’s gross household income falls below 70% of the CNIT amount.

If households in the designated units have a drop in income, the subsidy will always cover the difference between what they can afford to pay and the full housing charges.

However, if a member household applies for subsidy, your co-op does not have a flexible subsidy pool as with the Section 95 (56.1) co-ops. If your co-op is already providing subsidy to the designated number of units, that household will have to wait until a subsidy comes available. That is why your policy needs to be very clear about an internal subsidy waiting list and criteria for allocating available subsidy to households on that list.

When households no longer qualify for subsidy, be sure to notify them in writing before you transfer the subsidy to other units. If there is no other unit qualifying for subsidy, it is not recommended to keep the unsubsidized unit as a “floating subsidy” in your co-op for a long time. BC Housing may take that subsidy for another co-op or non-profit society – it wants to make sure that subsidy is in use for those who need it.

The method of testing household income and assessing housing charges is very regulated in the Homes BC operating agreement and BC Housing’s Rent Calculation Manual. There is no point in repeating all these details in your co-op policy, as you cannot change them.

It is really important to monitor subsidy use so that your co-op can continue to provide assistance to as many households as you have designated units. You also need to maintain or restore the balance between deep core and shallow core need as required. This is why the sample financial reporting policy includes a monthly subsidy status report on overall use of rent supplement and the balance between deep core and shallow core need units.