

Housing Division Notice

Date: November 14, 2007

HDN# 2007 - 125

This applicable legislation/policy is to be implemented by the housing provider(s) under the following programs:

Please note, if your program is **not checked**, this change is **not applicable** to your project.

<input type="checkbox"/>
<input checked="" type="checkbox"/>
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Federal Non-Profit Housing Program

Private Non-Profit Housing Program

Co-operative Non-Profit Housing Program

Municipal Non-Profit Housing Program (Pre-1986)

Local Housing Corporation

Subject: SUBSIDY ESTIMATION REQUEST FORM (Replaces HDN 2002-10)

BACKGROUND:

In accordance with section 105 and 108 of the *Social Housing Reform Act (SHRA)*, prior to the beginning of each fiscal year, a Housing Provider establishes, in conjunction with the Service Manager, a subsidy that will be sufficient to pay all normal operating expenses during the fiscal year. Under the City of London administration, subsidies are then provided to the Housing Provider monthly (1/12 of the annual total) on the last business day of the month for that current month. At the end of the fiscal year, estimated amounts will be adjusted to reflect actual results and subsidy entitlement.

REQUIREMENTS:

The estimation requirements are contained in two section of the SHRA. Section 105(1) of the SHRA requires that Housing Providers entitled to receive subsidy calculated under Section 103 (for groups with a mix of RGI and market units) determine and submit to the Service Manager the following amounts:

1. The estimated total amount of rent the Housing Provider would receive in the fiscal year from its rent-geared-to-income units, if it were receiving market rent for all of these units

2. The estimated rental payments the Housing Provider will receive in the fiscal year from households residing in its rent-geared-to-income units.
3. The estimated amount of property taxes payable for the fiscal year.
4. The estimated amount of principle and interest payable for the fiscal year for mortgages guaranteed by the Province of Ontario or the Ontario Housing Corporation

Section 108(1) of the SHRA requires that Housing Providers entitled to receive the subsidy calculated under Section 106 (for groups which are 100% RGI units) shall determine and submit to the Service Manager the following amounts:

1. The estimated total amount of revenue the Housing Provider will receive in the fiscal year from those housing projects.
2. The estimated amount of property taxes payable for the fiscal year.
3. The estimated amount of principle and interest payable for the fiscal year for mortgages guaranteed by the Province of Ontario or the Ontario Housing Corporation

As per Section 105 (2) and Section 108 (2) of the SHRA, Housing Providers, both mixed non-profit projects and 100% RGI non-profit projects shall submit estimation figures to the Service Manager 90 days before the beginning of each fiscal year.

Section 105(3) also requires that a Housing Provider notify the Service Manager of all changes in the amount of mortgage payments payable by the provider, in respect of its housing project(s) prior to the change taking effect.

SUBSIDY ESTIMATION REQUEST FORM:

The Housing Division has designed a new Subsidy Estimation Request Form in order to simplify the subsidy request process and to assist Housing Providers in providing the information necessary to estimate their annual subsidy. The tool is not designed to take the place of an internal budget. It is only a way of requesting subsidy and presenting budget figures in a format that the Housing Division can use to calculate a Housing Provider's annual subsidy, capital reserve requirements and analyze any budgeted surplus or deficit.

Housing Providers must continue to develop and use their own internal budget for planning and controlling financial resources, to aid in decision making and to ensure that public funds are used efficiently and effectively. An internal budget should provide accurate information for analysis and a historical reference that can be used for future planning. CHF and ONPHA have developed new budget spreadsheets and guides designed to conform to the *2008 Social Housing Reform Act (SHRA)* funding model revisions. These forms can be used in a Housing Provider's internal budgeting process and to assist in estimating annual subsidy requirements.

ACTION:

Housing Providers are to use and submit, **not less than 90 days before the beginning of each fiscal year**, the Subsidy Estimation Request Form as developed by the City of London Housing Division to request their annual subsidy.

If you have any questions or concerns regarding this Housing Division Notice, please contact the Financial Officer assigned to your portfolio.

Louise Stevens
Director of Municipal Housing

Attachments: Subsidy Estimation Request Form
Subsidy Estimation Request Form Guide