

MUNICIPALITY OF CHATHAM-KENT
SOCIAL HOUSING POLICIES & PROCEDURES

Subject:	Provider Requests for Additional Subsidy	POLICY NO. SH-0301
Scope:	All Subsidized Housing Providers	
		Legal/Cross Reference: SHRA, s. 102 & 111; O. Reg. 339/01, s. 34
Issued Date:	December 17, 2003	Approval: _____ Director, Social Housing
Effective Date:	January 1, 2004	
Last Revised:		

I. PURPOSE:

- To communicate to housing providers what the Service Manager requires for the purpose of considering requests for additional subsidy; and
- To set out the policy and procedures to be followed by the Service Manager when evaluating requests for additional subsidy and making a decision with respect to such requests.

II. POLICY:

The *Social Housing Reform Act (sec. 111)* permits a Housing Provider who is entitled to a subsidy under *Sec. 102* to apply to a Service Manager for an additional subsidy in respect of its housing projects. Under *Subsection (2) of section 111*, a Service Manager may pay an additional subsidy to a Housing Provider if the Service Manager is satisfied that the additional subsidy is appropriate by reason of the Provider's financial situation.

Additional subsidies may be required from time to time for a variety of reasons including, but not limited to;

1. extraordinary purchases,
2. regular operating expenses,
3. cash flow shortfalls,
4. capital expenditures,
5. mortgage payments,
6. emergency situations;
7. assist a Project in Difficulty.

Those Housing Providers in the Municipality of Chatham-Kent who are entitled to subsidies under *Sec. 102* are as follows:

1. Chatham Hope Non-Profit Housing Inc.;
2. Christian Senior Citizens Home of Chatham (Phase III);
3. Clairvue Housing Co-operative Inc.;
4. Columbus Estates of Chatham Inc.;
5. Cpl. H. Miner V.C. (Ont 185) SC Corp. (Legion Villa);
6. Labourview Co-operative Homes Inc.;
7. New Beginnings Housing Project of Chatham;
8. Park Street United Church (Chatham) NPHC (Wedgewood Place);
9. Ridgetown Community Estates (Non-Profit) Inc.;
10. Ridge Marsh Manor Incorporated;
11. Riverway Non-Profit Housing Corporation;
12. Wallaceburg Housing Corporation.

A Service Manager may provide additional subsidies to other Housing Providers, not subject to *Sec. 102* of the *SHRA*. The Municipality of Chatham-Kent will accept requests for additional subsidies from its Section 95 federal housing providers following the same procedures for the above mentioned housing providers, as outlined in this policy.

Section 95 federal housing providers include:

1. Chatham Evangel Senior Citizen Villa Community Inc.
2. Chatham Christian Seniors (Phases I & II)
3. Wallaceburg Kinsmen Court

A request for additional subsidy will generally be processed in the following manner, with the understanding that each situation is unique and may require different approaches.

III. PROCEDURE:

1. The Housing Provider will complete an application form (Appendix 1) and submit this to the Director, Social Housing, 435 Grand Ave. W., P.O. Box 1296, Chatham, ON N7M 5R9.
2. Detailed current Financial Statements, including Income Statement and Balance Sheet, must accompany the application form.
3. The Housing Provider will provide additional information, as may be required, to provide proof to the satisfaction of the Service Manager that the Housing Provider requires the additional subsidy. *Regulation 339/01 section 34 (1) 1.*
4. Depending on the circumstances, it may be necessary to require the Housing Provider to complete a detailed Business Case to
 - i. describe the non-profit,
 - ii. identify the problem,
 - iii. outline the actions taken to date,
 - iv. discuss the impact of the problem,
 - v. make recommendations,
 - vi. describe how the Housing Provider intends to fund the repayment of any additional subsidy, if required.
5. The Director and/or his/her designate will review the application to determine if the additional subsidy request is warranted and to determine the causes of the shortfall or funds. This analysis will include a review of the adequacy of current market rents and an examination of the level of current expenditures.

6. It may be necessary to meet with representatives of the Housing Provider for further information about the problem and possible solutions.
7. The Director or his/her designate will notify the Housing Provider, in writing, once a decision regarding the request for additional subsidy is made.
8. Under *Section 111 (5)*, the Service Manager's decision is final and binding on both the Service Manager and the Housing Provider with respect to:
 - i. whether to pay an additional subsidy to the Housing Provider;
 - ii. the amount of any additional subsidy the Service Manager pays;
 - iii. any prescribed terms and conditions the Service Manager imposes on the payment.

IV. TERMS AND CONDITIONS

1. If a decision has been made to allow an additional subsidy, a written agreement will be completed by the Program Administrator outlining the terms and conditions of the additional payment.
2. Under *SHRA Subsection (3) of section 111*, the Service Manager may impose any one or more of the prescribed terms and conditions, as the Minister may prescribe, that it considers appropriate for the payment of any additional subsidy. These terms and conditions are listed in *Regulation 339/01 section 34* and may include the following:
 - i. repayment of all or part of the additional subsidy;
 - ii. a repayment schedule, if required;
 - iii. submission of annual budgets for approval;
 - iv. the submission of periodic financial reports (monthly or quarterly, depending on the situation) up to 5 years after debt is paid or forgiven;
 - v. approval of the annual market rents;
 - vi. a requirement to increase market rents;
 - vii. a requirement for review of property management services;
 - viii. a requirement to terminate a contract for property management services;
 - ix. a requirement to engage a property manager acceptable to the Service Manager;
 - x. a requirement for the Housing Provider to provide staff and/or Board training;
 - xi. restrictions on capital spending;
 - xii. temporary amendments, not to exceed a 2 year period, to the Provider's Target Plan, if, in the opinion of the Service Manager, the targeting plan or mandate contributed to the Provider's financial situation.
3. No additional subsidies will be forwarded until such time as two authorized signatories of the Housing Provider have signed the agreement and returned one signed copy to the Director of Social Housing.
4. Depending on the amount of and need for the additional subsidy, payments may be made in equal monthly payments along with the regular monthly subsidy electronic funds transfer, or in one lump-sum payment, transferred electronically.
5. The Housing Provider will be expected to report periodically to the Director of Social Housing on the use of the additional subsidy, in accordance with the agreed terms and conditions.
6. If re-payment of the additional subsidy is required, regular monthly subsidy payments will be reduced in accordance with the agreed repayment schedule. The recovered funds will be returned to the accounts from which they were originally drawn.

7. The Housing Provider will produce a final report summarizing the results of the receipt of an additional subsidy to determine if the initial problem has been corrected.

V. NOTES:

Appendix 1 – Application for Additional Social Housing Subsidy

VI. RESOURCES:

Housing Providers may find “ONPHA’s Guide for Preparing a Business Case” (updated November 2002) a useful resource when creating a business case to support their application for additional funds. This Guide is currently available to ONPHA members, under Management Help, Management Resources at:

<http://www.onpha.org>

Co-operative housing providers may be able to find a similar resource by contacting CHFC, or CHFC Ontario Region.

**MUNICIPALITY OF CHATHAM-KENT
HEALTH & FAMILY SERVICES DEPARTMENT
SOCIAL HOUSING**

**POLICY SH-0301 (Appendix 1)
SOCIAL HOUSING PROVIDER
APPLICATION FOR ADDITIONAL SUBSIDY**

Date of Application: _____

Name of Housing Provider: _____

Name of Project for which this application applies: _____

Total Additional Subsidy Request being applied for: \$ _____

Fiscal Period related to this application: _____ to _____

Reason/s for this request (point form acceptable for application form):

Detailed current Financial Statements, including Income Statement and Balance Sheet attached: _____
(yes/no)

Business Case Attached: _____ (yes/no)

Note: Housing Providers are encouraged to contact the Director of Social Housing, or his/her designate in advance of filing an Application for Additional Subsidy to discuss Business Case requirements.

Date Resolution passed by Board of Directors approving this Application for Additional Subsidy:

FOR CHATHAM-KENT OFFICE USE ONLY:

Additional Subsidy Request Application # _____

Application Reviewed by: _____

Date Received: _____

Application Complete or Incomplete: _____

Approved or Denied (circle one)

Date Notice of Decision Provided: _____

Authorised By: _____
Director, Social Housing