

Social Housing Reserve Fund Policy

POLICY STATEMENT	<p>The City of Hamilton has established a policy governing the use and management of the Social Housing Reserve Fund to ensure clear and consistent practices.</p> <p>Approval for all expenditures from the Social Housing Reserve Fund (SHRF) will be upon the approval of Council during the annual budget process or through a report to Council. In emergency situations, the General Manager of Community Services, or designate, may approve funding for emergency repairs.</p>
PURPOSE	<p>To establish standards for expenditures from the Social Housing Reserve Fund (Account #112248).</p>
SCOPE	<p>This policy applies to all requests from Social Housing Providers for expenditures from the Social Housing Reserve Fund. All payments from the SHRF are limited to social housing stock for: emergency capital repairs, exceptional situations and insufficient replacement reserves.</p>
DEFINITIONS <i>Business Case</i> <i>National Building Code, 2010</i> <i>Ontario Fire Code</i> <i>SHRF</i>	<p>the proposal submitted by a social housing provider seeking funding from the SHRF</p> <p>the National Building Code of Canada sets out provisions for new buildings construction and alteration, change of use and demolition of existing buildings</p> <p>the Ontario Fire Code sets out provisions under the <i>Fire Protection and Prevention Act</i> and is a companion document to the Ontario Building Code; properties are built under permit utilizing the Ontario Building Code and the Fire Code is utilized to ensure ongoing maintenance to the fire and life safety requirements.</p> <p>Social Housing Reserve Fund</p>
TERMS & CONDITIONS Emergency Capital Repairs	<p>Social housing providers may request a grant from the City of Hamilton for emergency capital repairs or for exceptional situations.</p> <p>Payments from the SHRF are limited to social housing stock as defined in the <i>Housing Services Act, 2011</i> or subsequent amended legislation.</p> <p>Qualifying emergency situations that could pose imminent danger to the tenants may include but are not limited to:</p> <ul style="list-style-type: none"> • Fire • Structural damage compromising the integrity of the building



Exceptional Situations

- Mechanical breakdown such as a one elevator building
- Major damages inflicted on units resulting in vacancies and economic hardship for the social housing provider
- Catastrophic weather events causing major roofing damage
- Flooding
- Municipal work orders
- Ontario Fire Code orders

Exceptional situations may include:

- a. Insufficient Replacement Reserves
- b. Retro-fits, for example:
 - Energy efficiency improvements
 - Modification and creation of units accessible to wheelchairs and/or to meet special needs
 - Creation of larger units to accommodate larger families
- c. Bridge financing for insurance claims, for example:
 - Coverage for uninsured damage
 - Loans while awaiting insurance coverage
- d. Costs incurred due to transfer or amalgamation of projects, for example:
 - Tax arrears
 - Upgrades
 - Debts
- d. Grants for capital assets, for example:
 - Additions to existing capital assets
 - Replacement of existing capital assets
 - Improvements (expenditures which increase capacity, quality, efficiency or useful life of existing capital assets)
 - Improvements of major building components
 - Acquisition of new capital assets required to manage and maintain the portfolio

Capital items should be replaced with ones of equivalent quality, standards of performance and expected useful life, unless it can be demonstrated that:

- a higher quality replacement is cost-effective because of lower maintenance or operating costs or a longer expected useful life; in this case, a cost benefit analysis that demonstrates the cost effectiveness of a higher quality replacement must be carried out, and;
- the capital item being replaced is generally considered inappropriate for the project due to proven climatic, geographic or other influences or effects

Replacements must meet all requirements of the [National Building Code, 2010](#) (insert hyperlink), Ontario Building Code and any other authority having jurisdiction.



RESPONSIBILITIES

Housing Provider

Housing Provider shall:

- Submit a completed [Business Case](#) (insert hyperlink to form) Template to the Housing Administration Officer assigned to the Housing Provider's portfolio

The business case must:

- provide a financial overview of costs incurred by the housing provider and quoted costs to complete the work
- outline alternate arrangements for tenants during construction, if applicable.

If a payment from the SHRF is approved, the [Special Advance Agreement](#) (insert hyperlink to form) must be signed by two duly authorized officers of the Social Housing Provider.

Tendering procedures must be followed, as per the *Housing Services Act, 2011* and documentation must be provided regarding the capital costs/expenses as required.

Housing Services Division Staff

Housing Administration Officer shall:


- Review the Social Housing Reserve annually and provide or update the associated financial plan, if necessary.
- Within **five business days** of receipt of the business case, send an [Acknowledgement Letter](#) (insert hyperlink to letter template) to the housing provider stating the signed business case has been received and is under consideration.
- Depending upon the scope of work, **within ten to twenty business days**, complete a technical review of the proposed modifications and deem the estimate costs as acceptable, not acceptable, or undetermined.
- If the acceptability of the cost estimate cannot be determined, identify, in writing, the additional information required from the Housing Provider in order to complete the technical review.

Expenditure Approval

After a Housing Provider submits a request for additional funding, the Housing Administration Officer will assess the request, and determine whether to:

- Recommend approval of the request as is;
- Recommend approval of the request but reduce the amount of the request;
- Recommend approval of the request with further conditions; or
- Recommend denial of the request.

	<p>The Housing Administration Officer will prepare a report for the Director of Housing Services Division recommending or not recommending SHRF approval. If approved, the amount of funding will be specified.</p> <p>Expenditures from the SHRF must be approved by Council through a report, or in the event of an emergency, approval may be delegated to the General Manager of Emergency and Community Services Department or his/her designate. If it is an emergency situation, the funds may be issued first, followed by a report to Council stating how much funding was issued and why.</p> <p>If SHRF funding is approved:</p> <ul style="list-style-type: none"> • A Special Advance Agreement must be completed before funding from the SHRF is released; • The Housing Administration Officer will: <ul style="list-style-type: none"> ○ contact the social housing provider to discuss the terms of the agreement, and ○ process a cheque requisition for the first payment, after approved documentation is received from the social housing provider; • A copy of all agreements (contracts) signed by the General Manager or those with delegated authority on behalf of the City shall be sent to the Clerk's office by the Housing Administration Officer as the City Clerk is the custodian of records. The current contact is Tina Bentham tina.bentham@hamilton.ca. <p>If SHRF funding is denied:</p> <ul style="list-style-type: none"> • A letter will be sent to the Housing Provider with the denial reasons
COMPLIANCE	<p>Non-Compliance with this policy may affect the ability for the Housing Services Division staff to perform its role as Service Manager and/or manage financial contracts.</p> <p>The Manager of Social Housing is responsible for ensuring compliance with this policy.</p>
HISTORY	<p>The Capital Reserve Fund was established and approved by Council (Report PD03021) in 2003. All payments from the SHRF are limited to social housing stock for emergency capital repairs and for exceptional situations. In a letter dated April 17, 2001, the Ministry of Municipal Affairs and Housing specified that the funds are to be used for building condition audits, capital repairs and other social housing purposes.</p> <p>The Capital Reserve Fund (Account#112248) was renamed the Social</p>

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	<p>Housing Reserve Fund and a revised policy and procedures were approved by Council at the Emergency & Community Services Committee (Report CS10094(a)) on March 2, 2011.</p> <p><i>Housing Services Act, 2011</i> O.Reg. 367/11, s.98 gives the City of Hamilton, as Service Manager, the authority to determine what expenses can be charged to Housing Providers' capital reserve funds.</p>	
Approval	Author Name: Tammy Morasse, Senior Policy Analyst Manager Name: Robert McKnight, Manager of Social Housing Director Name: Gillian Hendry, Director of Housing Services Date: 2014-11-11	