

Lambton County Community Services Housing Services Department Policy and Procedure Manual

SUBJECT: Requests for Additional Subsidy		INDEX NO.: 1.014
EFFECTIVE: Nov. 1, 2003	APPROVED: Feb. 4, 2004	REVISED:

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.

Those Housing Providers in the County of Lambton who are entitled to subsidies under *Sec. 102* are as follows:

- Arkona Lions Non-Profit Housing;
- Bethel Manor;
- Faethorne Place Housing Co-operative;
- Ozanam Manor Non-Profit Housing;
- Sarnia-Lambton Berean Community Housing;
- Thedford Non-Profit Housing;
- Watford Optimist Non-Profit.

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

Procedure:

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

- extraordinary purchases;
- regular operating expenses;
- cash flow shortfalls;
- capital expenditures;
- mortgage payments;

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- emergency situations;
- to assist Projects in Difficulty.

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.

1. The Housing Provider will complete an application form (Appendix 1) and submit this to the Program Administrator at Housing Services Department, 150 N. Christina Street, Sarnia, ON N7T 8H3.
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
 - describe the non-profit;
 - identify the problem;
 - outline the actions take to date;
 - discuss the impact of the problem;
 - make recommendations;
 - describe how the Housing Provider intends to fund the repayment of any additional subsidy, if required.
5. The Program Administrator and Housing Manager 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.

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6. It may be necessary to meet with representatives of the Housing Provider for further information about the problem and possible solutions.

7. The Program Administrator 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:

- whether to pay an additional subsidy to the Housing Provider;
- the amount of any additional subsidy the Service Manager pays;
- any prescribed terms and conditions the Service Manager imposes on the payment.

9. 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 Housing Administrator.

10. 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.

11. The Housing Provider will be expected to report periodically to the Housing Administrator on the use of the additional subsidy, in accordance with the agreed terms and conditions.

12. 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.

13. 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.

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Terms and Conditions

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.

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:

- repayment of all or part of the additional subsidy;
- a repayment schedule, if required;
- submission of annual budgets for approval;
- the submission of periodic financial reports (monthly or quarterly, depending on the situation) up to 5 years after debt is paid or forgiven;
- approval of the annual market rents;
- a requirement to increase market rents;
- a requirement for review of property management services;
- a requirement to terminate a contract for property management services;
- a requirement to engage a property manager acceptable to the Service Manager;
- a requirement for the Housing Provider to provide staff and/or Board training;
- restrictions on capital spending;
- 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.