

DIRECTIVE

EFFECTIVE DATE: September 24, 2007

NUMBER: 2007-07

The policies, procedures and County requirements in this Directive are to be implemented by housing providers that are funded under the following Programs, which are administered by the County:

Please note if your program is not checked, this Directive is not applicable to your project(s), and is for information purposes only.

✓	Non Profit Programs (Section 103 SHRA)		Urban Native Programs (Post 85, Pre 86)
	Federal Non-Profit (Section 95 Private/Municipal)		Rent Supplement Programs
	Simcoe County Housing Corporation		Federal Non Profit (Section 27)

SUBJECT: 2008 INDICIES FOR COSTS AND REVENUE TO BE USED IN 2008 FISCAL YEAR BUDGETS FOR MIXED NON-PROFIT PROJECTS (PROJECTS THAT HAVE A COMBINATION OF MARKET AND RGI TENANTS)

BACKGROUND

The 2008 Index Table presents a combination of indices for costs and revenues for mixed non-profit projects.

As revenue items for mixed non-profit projects were indexed in 2007, the standard single-year index is required for 2008. The indices for the mixed non-profit revenues are listed below.

Mixed non-profit cost items were not indexed in 2007. As a result, the 2008 index for mixed non-profit cost items reflect the cumulative effect of both the 2007 and 2008 years. This 2 year cumulative index is a one-time requirement to allow for implementation of the amended Social Housing Reform Act 2000 funding formula in the 2008 fiscal year.

PROCEDURE

The applicable index, from the attached 2008 list, is used to determine the 2008 Benchmark Operating Costs and Benchmark Revenues. When used in the budget, the indices are expressed as 1 plus a decimal number (e.g. 2.6% would be expressed as 1.026).

The 2008 Benchmark Cost index is then multiplied by the 2006 Benchmark Operating Costs to determine the 2008 Benchmark Operating Costs. The Benchmark Revenue index is then multiplied by 2007 Benchmark Revenues to determine the 2008 Benchmark Revenue.

2008 Indices Mixed Non-Profit Projects SHRA O.Reg. 339 *Use weighted average of unit type/zone			
	Item	Index Description	2008 Index** (2007/2005)
Benchmark Costs	Admin and Maintenance	Ontario CPI all-items	4.69%
	Insurance	Ontario CPI - homeowner's home and mortgage insurance sub-index	8.48%
	Bad Debt*	Market Rent Index	2008 Market Rent Index Table (below)
	Electricity	Ontario CPI - Electricity Sub-Index	4.85%
	Water	Ontario CPI - Water sub-index	16.37%
	Natural Gas	Ontario CPI - Natural gas sub-index	8.73%
	Oil and Other Fuel	Ontario CPI - Oil and other fuel sub-index	13.63%
	Capital Reserves	Ontario CPI all-items	4.69%
Benchmark Revenues	Indexed Market Rent*	Market Rent Index	2008 Market Rent Index Table (below)
	Vacancy Loss*	Market Rent Index	2008 Market Rent Index Table (below)
	Non-Rental Revenue	Factor of 1	Factor of 1

** Note: The 2008 index provided for mixed projects represents the cumulative change over 2005 - 2007.

2008 Market Rent Index Table						
District	(Row) Townhouse Average Rent			Apartments Average Rents		
	RMS CMHC 2005/2006	2008 Rent Control	2008 MRI	RMS CMHC 2005/2006	2008 Rent Control	2008 MRI
	% change	Guideline		% change	Guideline	
Barrie CA	1.3%	1.4%	1.3%	1.9%	1.4%	1.4%
Collingwood CA	1.3%	1.4%	1.3%	3.0%	1.4%	1.4%
Midland CA	1.3%	1.4%	1.3%	1.8%	1.4%	1.4%
Orillia CA	1.3%	1.4%	1.3%	0.6%	1.4%	0.6%
Bradford, W. Gwillimbury	-0.2%	1.4%	-0.2%	2.9%	1.4%	1.4%

Note: Barrie CA will be used for all providers in Barrie and Angus. Midland CA will be used for all providers in Midland and Coldwater.

If you have any further questions, please contact your Program Supervisor.