

DIRECTIVE – REVISED NOVEMBER 20, 2010

EFFECTIVE DATE: October 1, 2010

NUMBER: 2010-02

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.

<input checked="" type="checkbox"/>	Non Profit Programs (Section 110 SHRA, formally Section 103)	<input type="checkbox"/>	Urban Native Programs (Post 85, Pre 86)
<input type="checkbox"/>	Federal Non-Profit (Section 95 Private/Municipal)	<input type="checkbox"/>	Rent Supplement Programs
<input type="checkbox"/>	Simcoe County Housing Corporation	<input type="checkbox"/>	Federal Non Profit (Section 27)

SUBJECT: 2011 INDICES FOR COSTS AND REVENUE TO BE USED IN 2011 FISCAL YEAR BUDGETS FOR MIXED NON-PROFIT PROJECTS (PROJECTS THAT HAVE A COMBINATION OF MARKET AND RGI TENANTS)

BACKGROUND

The 2011 Index Table presents a combination of indices for costs and revenues for mixed non-profit projects.

As revenue items and cost items for mixed non-profit projects were indexed in 2010, the standard single-year index is required for 2011. The indices for the mixed non-profit revenues and cost items are listed below.

PROCEDURE

The applicable index, from the attached 2011 list, is used to determine the 2011 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 2011 Benchmark Cost index is then multiplied by the 2010 Benchmark Operating Costs to determine the 2011 Benchmark Operating Costs. The 2011 Benchmark Revenue index is then multiplied by 2010 Benchmark Revenues to determine the 2011 Benchmark Revenue.

2011 Indices Mixed Non-Profit Projects SHRA O.Reg. 339 *Use weighted average of unit type/zone			
	Item	Index Description	2011 Index
Benchmark Costs	Admin and Maintenance	Ontario CPI all-items	1.93%
	Insurance	Ontario CPI - homeowner's home and mortgage insurance sub-index	14.14%
	Bad Debt*	Market Rent Index	2011 Market Rent Index Table (below)
	Electricity	Ontario CPI - Electricity Sub-Index	8.99%
	Water	Ontario CPI - Water sub-index	6.13%
	Natural Gas	Ontario CPI - Natural gas sub-index	6.49%
	Oil and Other Fuel	Ontario CPI - Oil and other fuel sub-index	16.66%
	Capital Reserves	Ontario CPI all-items	1.93%
Benchmark Revenues	Indexed Market Rent*	Market Rent Index	2011 Market Rent Index Table (below)
	Vacancy Loss*	Market Rent Index	2011 Market Rent Index Table (below)
	Non-Rental Revenue	Factor of 1	Factor of 1

2011 Market Rent Index Table						
District	(Row) Townhouse Average Rent			Apartments Average Rents		
	RMS CMHC 2008/2009	2011 Rent Control	2011 MRI	RMS CMHC 2008/2009	2011 Rent Control	2011 MRI
	% change	Guideline		% change	Guideline	
Barrie CA	2.2%	0.7%	0.7%	-1.4%	0.7%	-1.4%
Collingwood CA	0.0%	0.7%	0.0%	3.1%	0.7%	0.7%
Midland CA	0.0%	0.7%	0.0%	2.2%	0.7%	0.7%
Orillia CA	0.0%	0.7%	0.0%	2.5%	0.7%	0.7%
Bradford, W. Gwillimbury		0.7%	0.0%	1.0%	0.7%	0.7%

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.