



# SOCIAL HOUSING POLICIES



<b>DIVISION:</b>	Social and Community Services		
<b>POLICY SECTION:</b>	Social Housing	<b>EFFECTIVE DATE:</b>	2/18/2016
<b>SUBJECT:</b>	Housing Providers – Capital Repair Loan Process		
<b>POLICY NUMBER:</b>	2016 – NP – 07	<b>SUPERCEDES:</b>	None

## 1. PURPOSE

1.1 This policy is intended for use by all County of Simcoe housing providers that operate a designated housing project under the Housing Services Act.

<input checked="" type="checkbox"/>	Municipal & Private Non-Profit	<input type="checkbox"/>	Rent Supplement * *including former OCHAP/CSHP
<input checked="" type="checkbox"/>	Co-Operatives	<input type="checkbox"/>	CWL
<input checked="" type="checkbox"/>	Federal Non-Profit	<input type="checkbox"/>	Simcoe County Housing

1.2 This policy's intended purpose is to inform housing providers within the County of Simcoe, of the requirements and processes related to a request for a capital repair loan from the County of Simcoe for essential capital repairs.

## 2. POLICY STATEMENT

2.1 The County of Simcoe in its capacity as Service Manager has the authority under the *Housing Services Act, 2011*, s. 75 (2) to establish local standards as they relate to prescribed matters.

2.2 The County of Simcoe in its capacity as Service Manager has the authority under the *Housing Services Act, 2011*, s. 12, in accordance with its housing and homelessness plan, to carry out measures to meet the objectives and targets relating to housing needs within the service manager's service area.

2.3 The County of Simcoe has approved *Our Community 10-Year Affordable Housing and Homelessness Prevention Strategy*, which includes the Strategic Opportunity "Protect Existing Public Assets", specifically the following recommendation: "Maintain and preserve existing housing assets and seize opportunities to renovate and improve other housing stock for the purpose of affordable housing".

2.4 An analysis of the impact of End of Operating Agreements/Mortgages on the social housing system identified that the social housing providers would generally be viable from an operational basis at the end of their mortgages, however they would collectively experience pressure to the overall state of capital repairs of their portfolio. The use of capital repair loans under this policy is intended for social housing providers that require supports for necessary capital repairs.

### 3. REFERENCES

*Housing Services Act, 2011* s. 12; s. 75 (2)  
*Our Community 10-Year Affordable Housing and Homelessness Prevention Strategy*  
Item CCW 14-391 Social Housing Provider Capital Repair Loan Process (October 30, 2014)  
Directive 2012-02 Subsidy Surplus Sharing  
Item HS 12-136 (August 14, 2012)  
County Corporate Policy

Prior Reference: None

### 4. SCOPE

- 4.1 The *Housing Services Act, 2011* allows Service Managers to implement local policies as they pertain to prescribed matters, and in order to fulfill objectives and targets as outlined in the 10-year housing and homelessness plans. In the area of a request for financial assistance for essential capital repairs under this Capital Repair Loan Policy, social housing providers must meet requirements and processes as set out in this policy.
- 4.2 Eligibility to access capital repair loans is limited to mandated social housing providers.
- 4.3 Non-mandated social housing providers are eligible to apply for a capital repair loan but further conditions will be required on a case-by-case basis, and each business case is subject to Council approval.
- 4.4 Additional capital repair requests that are considered extraordinary, unforeseen in nature, and/or were not submitted within the approved timeframe may be brought to the County for consideration on an individual case-by-case basis, and each case is subject to Council approval.
- 4.5 The timelines in this policy are set in alignment with the County's budget planning cycles.

### 5. PROCEDURES

- 5.1 In consideration of granting financial assistance under this Capital Repair Loan Policy, Housing Providers are required to fulfill the following processes:

Step 1:

Social housing provider uses their capital reserve fund, leaving an amount in place that is sufficient for that size of provider to conduct regular in-year capital repairs that are part of regular social housing business.

Step 2:

Social housing provider maximizes the funding available to them through the annual opportunity to surplus-share.

Step 3:

Social housing provider utilizes the opportunity to have the capital funding portion of their annual subsidy allocated to them in advance as a lump-sum amount.

Step 4:

Social housing provider must make an application for a capital repair loan, in accordance with the conditions set out below.

5.2 Social Housing Providers are required to adhere to the following terms and conditions when submitting an application for a capital repair loan from the County of Simcoe:

- Social housing provider must provide a completed application and business case (Appendix A).
- Business case must include verification that social housing provider has used all reasonable opportunities offered in above steps 1 to 3, including utilizing a substantial portion of their capital reserve fund, surplus-sharing, and annual advance of capital subsidy.
- Social housing provider must demonstrate efforts to generate other revenue (e.g.: Infrastructure Ontario, selling part of lands, leasing unused parts of the building, etc.) to offset the capital repair pressures.
- Loan applications will only be considered for necessary capital repairs which include:
  - Life safety items
  - Building envelope and structural integrity
  - Code compliance issues.
- All repairs identified in the request will be reviewed by County Social Housing staff with technical and programs expertise.
- Social housing provider is required to submit a minimum 3-year capital repair plan as part of the business case, outlining planned repairs for County review; County may request a longer term plan if required, depending on type and complexity of capital repairs.
- Social housing provider may not submit additional requests until 3 years have passed, unless there are extraordinary and unforeseen circumstances which can be substantiated.
- Loan is to be registered on title.
- If original requested amount exceeds the actual cost of the work, the County's Corporate Policies will be followed.
- If additional funding becomes available through time-limited programs offered through other levels of government, and/or if the prescribed funding formula changes in legislation, and/or if other revenue becomes available, the housing provider will repay loans within the rules/guidelines of those funding programs.
- Loan re-payment date will start at the end of the housing provider's mortgage.
- Re-payment term will be 15 years, interest rate will be Ontario bond rate or 2%, whichever is greater.
- Interest will not accrue in interim between the approval of a loan agreement and the start date of the re-payment of the capital repair loan.
- The loan agreement template, terms, and conditions have been approved by County Council. As such, social housing providers are deterred from negotiating terms, conditions, and processes.
- A Supervisory Management Agreement may be recommended depending on the risk level of the social housing provider. An example of such situation is a demonstration of poor performance with respect to financial management or governance.

- County staff will attend board meetings as required to observe decision-making for key capital repair items.

5.3 Housing Providers are required to annually meet the timelines that align with the County's budget planning cycles, for consideration of financial assistance under this Capital Repair Loan Policy:

- Autumn Months – social housing providers are encouraged to contact County staff for input on capital repair needs and to establish their 3-5 year capital repair plan.
- Winter Months (Jan/Feb) – deadline to submit an application and business case to the Social Housing Department, for capital repair work that will commence in the next annual cycle (ie: Jan 2017 submission for work to be done in 2018).

5.4 On an annual basis, County of Simcoe Social Housing Staff will:

- review applications and business cases; make recommendations based on technical and program expertise for allocations in accordance with the following priorities:
  - Life safety items
  - Building envelope and structural integrity
  - Code compliance issues
- recommend an allocation as part of the County budget planning process for the following year's budget
- notify social housing providers regarding the result of their request, and where a loan has been approved, loan agreements will be prepared using the approved template and Legal support

## **APPENDICES**

Capital repair loan application

Capital repair loan agreement template

# Provider Application for Capital Repair Loan and Business Case

SOCIAL AND  
COMMUNITY SERVICES

Please print clearly and fill out all sections.

HOUSING PROVIDER (legal name): \_\_\_\_\_

STREET ADDRESS: \_\_\_\_\_ CITY/TOWN: \_\_\_\_\_

PROVINCE: \_\_\_\_\_ POSTAL CODE: \_\_\_\_\_

OPERATING AGREEMENT/MORTGAGE EXPIRY DATE: \_\_\_\_\_

EXISTING LOANS:  YES  NO If yes, list details: \_\_\_\_\_

AMOUNT OF FUNDING REQUESTED: \_\_\_\_\_ DATE OF REQUEST: \_\_\_\_\_

3 - 5 YEAR CAPITAL REPAIR PLAN IS ATTACHED:  YES  NO

CURRENT CAPITAL RESERVE BALANCE: \$ \_\_\_\_\_

CAPITAL REPAIR LOAN FUNDING PLAN WITH YEAR(S)	ESTIMATED AMOUNT
TOTAL (to match amount of funding requested)	\$

**\*Costs MUST include all taxes, contingencies, fees and soft costs.** Soft Costs may include but not limited to; surveys if required, cost consultant, soil test, legal, building permits, planning application, committee of adjustment, asbestos removal & testing, catch basin cleaning (parking lot), signage, tenant meetings, connection fees such as water, hydro, gas, insurance (building risk insurance)

RELEVANT INFORMATION IS ATTACHED (i.e. Consultant reports, studies, scope of work, etc.):  YES  NO

RATIONALE IS INCLUDED IN A SEPARATE ATTACHMENT:  YES  NO

OTHER OPTIONS EXPLORED TO ADDRESS THE ISSUE/PROVIDER'S NEEDS, DEFINE AND EXPLAIN:

(attach additional sheets if required): \_\_\_\_\_

IMPACT ON THE EXISTING RESIDENTS: \_\_\_\_\_

RELOCATION PLAN NEEDED:  YES  NO

RELOCATION PLAN ATTACHED:  YES  NO

PROPOSED PROJECT SCHEDULE ATTACHED (if known):  YES  NO

RISKS/CONSTRAINTS FOR THE PROJECT ATTACHED (This can include any environmental concerns, shared facilities agreements, issues with adjacent properties, easements):  YES  NO

MOST CURRENT FINANCIAL STATEMENTS ARE ATTACHED:  YES  NO      NUMBER OF PAGES: \_\_\_\_\_

CURRENTLY IN SURPLUS SHARE PROGRAM:  YES  NO

PROVIDER ACKNOWLEDGES THAT ALL COSTS, INCLUDING LEGAL, INCURRED IN CONNECTION WITH THIS AGREEMENT ARE TO BE PAID BY THE PROVIDER:  YES  NO

**SIGNATURE OF APPLICANTS:**

**Authorized Board Member**

**Authorized Board Member**

Name and Title

Name and Title

BOARD RESOLUTION ATTACHED:  YES  NO

INSURANCE CERTIFICATE IS ATTACHED:  YES  NO

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1<sup>ST</sup> MORTGAGE DETAILS ARE PROVIDED:  YES  NO

Mortgage Company:

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1<sup>ST</sup> MORTGAGER ACKNOWLEDGES AND AGREES TO COUNTY'S 2<sup>ND</sup> POSITION:  YES  NO

LAWYERS DETAILS ARE PROVIDED:  YES  NO

Lawyer's contact information:

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