



County of Wellington
Social Services Department – Housing Services
DIRECTIVE

Directive Number: 2014-10
Effective Date: December 23, 2014

This directive has been developed by the County of Wellington in its role as Consolidated Municipal Service Manager (CMSM) and applies to housing providers funded under the following social housing programs:

- | | |
|---|---|
| √ | Provincially Reformed Non-Profit Housing Programs (MNP, PNP & OCHAP) |
| √ | Provincially Reformed Co-operative Housing Programs (Co-ops) |
| √ | Municipal Non-Profit Housing Program (Section 56.1 Pre-1986) |
| | Local Housing Corporation (LHC) |
| √ | Federal Non-Profit Housing Program (Section 95 Pre-1986) |

SUBJECT: Extraordinary Operating Funding

LEGISLATIVE REFERENCES: Housing Services Act, 2011

POLICY REFERENCES: Extraordinary Funding HS 2014-PA17.0

DIRECTIVE REFERENCES: N/A

ATTACHED: Appendix A: Business Case Template

BACKGROUND:

Housing providers are required to manage their operations and finances responsibly, which includes seeking out opportunities to maximize revenues and minimize costs.

Housing providers receive funding from the CMSM and funding levels provided are expected to be adequate for providers to maintain their assets. However, the CMSM recognizes that:

- Unexpected expenses and circumstances can occur which may cause deficits;
- Housing projects' annual benchmarked operating contribution rates, which are included in the overall funding to the housing providers, may be insufficient to meet long-term operational funding requirements;
- When financial shortfalls are experienced, housing providers will turn to the CMSM for support.

On June 25, 2003, County Council passed the Extraordinary Funding for Social Housing Providers policy, which prescribed some of the requirements for a request for additional capital funding.

On October 30, 2014 this policy was removed from use and replaced by the County of Wellington's HS 2014-PA17.0 Extraordinary Funding policy. The intent of this directive is to formally establish the requirements and procedures for extraordinary operational funding requests.

ADDITIONAL OPTIONS:

Housing providers may request a subsidy advance, in order to make an operational expenditure payment that is set to be due and payable prior to the next subsidy payment. The amount advanced to the housing providers will be reduced from future subsidies at the amount and frequency prescribed by the Service Manager.

Housing providers may also request a change to the indexed benchmarks through the Ministry of Municipal Affairs and Housing (MMAH), in the form prescribed by the MMAH. Please contact your Housing Advisor for more information on this process.

DIRECTION:

Housing providers may submit a request for onetime extraordinary operational funding from the County of Wellington Housing Services department, in such a manner as prescribed in this directive.

To respond to a possible need by housing providers for financial support, the CMSM may provide an additional subsidy to assist a housing provider that requests additional funding for a specific operational use. The County of Wellington in its role as CMSM, reserves the right to refuse any housing provider request for onetime extraordinary operational funding.

PROCEDURE:

1. Upon first identifying a potential or actual operational funding shortfall, the housing provider must immediately contact their Housing Advisor to inform and consider the variety of options for correcting the operational funding shortfall. A formal request of the Service Manager for Extraordinary Operational Funding must be a last option considered.
2. Should the housing provider and Housing Advisor opt to submit a formal request for Extraordinary Operational Funding, they must do so in the following manner:
 - The formal request will be in the form of a business case that clearly identifies the reason for the request, including all relevant material and data. Housing providers are encouraged to work with their Housing Advisors in the development of their business case. A business case template is attached as Appendix A
 - The housing provider must submit the formal request for Extraordinary Operational Funding directly to the Social Services Administrator and the Director of Housing.
3. The CMSM will assess the request and, when satisfied that the housing provider has provided sufficient information, will determine whether additional funding is appropriate by reason of the provider's financial situation and risk;

4. If the CMSM determines that additional funding is appropriate, it may impose one or more of the following terms and conditions to the funding which may include:
 - a) repayment
 - b) ongoing reporting requirements
 - c) required operational change
 - d) a requirement for an financial audit
 - e) any other terms and conditions the CMSM sees fit to impose on the funding
5. The CMSM will notify the housing provider, in writing, of its decision. The CMSM's decision is final and binding on both the CMSM and the housing provider with respect to:
 - (a) the payment of an additional subsidy
 - (b) the amount of any additional subsidy
 - (c) any prescribed terms or conditions to be imposed

APPROVAL PROCESS:

Final approval authority for housing provider extraordinary funding requests may come from the County of Wellington Social Services Committee and County of Wellington Council. In extraordinary circumstances, where time does not permit submission to Committee and Council due to the nature, timing or circumstance of the emergency funding request; final approval authority may be at the discretion of the Social Services Administrator, County of Wellington Treasurer and the County Warden. Housing providers are expected to meet all deadlines for submission as required by the CMSM.

Funding approvals will be issued on a case by case basis, according to the criteria set out below:

1. Housing provider requests for additional funding for operational must come in the form of a business case, as prescribed in this directive;
2. Housing providers are expected to meet all deadlines for submission as required by the CMSM. Failure to meet a deadline by the provider is not a valid reason for an extraordinary circumstances exception to the standard approval process;
3. Housing providers may be expected to use funds from their accumulated surplus amounts;
4. The CMSM will consider the housing providers' spending habits and patterns over past years to ensure that every effort was taken to remain a fiscally responsible housing provider. If past spending patterns or purchasing practices have been deemed irresponsible, the CMSM may deny the request;
5. A federal housing provider which is otherwise entitled to a subsidy under the HSA s.102 may apply to a CMSM for an additional subsidy with respect to its housing projects.

If you have any questions, please contact the Housing Advisor.



HARRY BLINKHORN
Acting Director of Housing

Appendix A: Business Case Template

All extraordinary operational funding requests must be submitted directly to the Social Services Administrator and the Director of Housing and must include the information prescribed below:

SECTIONS	CONTENT
1. Executive Summary	A short description of the extraordinary operational funding request (one to two paragraphs)
2. Housing Provider Information	<ul style="list-style-type: none"> • Legal name • Project name • Project address • Updated mortgage information (i.e. term, balance) • Other loan information • Building mandate or client group • Contact person for the purposes of the funding request
3. Background on the Project	<ul style="list-style-type: none"> • Describe the need identified • Describe the current financial situation • Indicate the urgency, if any
4. Other Options Explored to Address the Issue/ Need	<ul style="list-style-type: none"> • Describe the options that were explored to address the operational funding shortfall • Describe all alternate funding sources that were explored (i.e. rebates, etc.)
5. Roles and Responsibilities of Parties Involved	List all those who are/have been involved, including their roles and responsibilities (staff, board members, auditors, etc.)
6. Required Documentation	<ul style="list-style-type: none"> • Most recent audited financial statements • Any other supporting documentation required to express the need. (As operational components documentation can vary greatly, the housing provider may wish to contact the Senior Financial Analyst for Social Services and enquire as to what supporting documentation may be required prior to submitting a business case)