

City of London Social Housing Overview

Housing Program	Funding	Ownership	Administration	Reserves
<p>1. PUBLIC HOUSING</p> <p>London & Middlesex Housing Corporation (LMHC) Public Housing for: Seniors, Adults (from age 16+ singles & couples), and Families LMHC is located at 379 Dundas Street, Suite 207, and is responsible for the management of 3,282 rent-geared-to-income public housing units in 31 projects.</p>	<p>Funding for capital repairs and replacement is provided during the year in which it is incurred, as part of the local housing corporation’s budget approval process. Capital works are undertaken in accordance with a long-term asset management plan.</p> <p>The overall contingent liability for the public housing debentures remains with the province. The Province will deduct the federal portion of the debenture debt from the flow through federal funds to the Service Manager. The province remains responsible for the balance of the annual debenture payment and for managing the overall debenture liability.</p> <p>Federal funding ceases with the end of debentures.</p>	<p>The City is the sole shareholder in the London & Middlesex Housing Corporation (LMHC).</p> <p>The Board of Directors consists of nine members and is responsible for governing the public housing portfolio in London and Middlesex. The membership of the Board of Directors is comprised of the following: one appointee from London City Council, one appointee from County Council, and seven appointees from the public at large.</p> <p>The City of London may change the structure and ownership of LMHC within limits set out in legislation.</p>	<p>All operating agreements between LMHC and the province were terminated. This occurred when the administration of social housing was transferred to the City.</p> <p>The LMHC has 55 permanent full-time staff. The bargaining unit is CUPE 101.3.</p> <p>The London & Middlesex Housing Corporation is responsible for public housing property management functions and must participate in the coordinated access waiting list.</p>	<p>LMHC Employee Entitlement Funds As part of the dissolution of the London & Middlesex Housing Authority and the formation of the London & Middlesex Housing Corporation, the province recognized its obligation for future costs of entitlements for the employees. The City of London received one time funding to cover the costs of vacation, sick leave credits and other employee entitlements. These funds are held in reserve and distributed to the employee, based on each employee’s entitlement and the timing of their termination from the London & Middlesex Housing Corporation.</p> <p>One-Time Federal Funds Under the Federal/Provincial Social Housing Agreement, funding was provided by the federal government to the province for distribution to Service Managers to offset future increases in the costs of delivering federal programs including public housing. These funds may not be sufficient to cover the future costs that may be incurred to maintain the public housing stock in good condition.</p> <p>The City of London commissioned a study that provided an analysis of the current condition of the public housing stock and the level of funding that will be required over a ten year period, to maintain the housing stock in proper condition. The</p>

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				<p>report has been completed and the recommendation was that approximately \$2.5M be allocated annually to LMHC for capital repairs. This is in line with the transfer order indicating an LMHC capital budget of \$2,208,350.</p>
<p>2. PRIVATE NON-PROFIT AND CO-OPERATIVE HOUSING</p> <p>Private Non-Profit Housing for: Seniors, Adults (age 16+ singles & couples), and Families Owned by sponsor organizations such as churches and service clubs, and either self-managed or managed through a property management company.</p> <p>There are 27 private non-profit groups with 37 projects under City of London administration.</p> <p>Most of the Non-Profit units are designated for RGI Housing, the rest are market rent (not subsidized). Market rent applicants apply directly to the non-profit.</p> <p>Co-operative Non-Profit Housing for: Seniors, Adults (age 16+ singles & couples), and Families Non-profit housing co-operatives are similar to other non-profit housing corporations in that they house a mix of</p>	<p>Under current funding arrangements, the subsidies provided to social housing providers amount to the difference between total costs (for mortgage payments, taxes and operating costs) and total revenues (mostly rents and housing charges).</p> <p>A contributing factor to the need for operating subsidies is that most of the non-profit and cooperative housing projects built since 1985 are mortgaged for more than their current value as rental properties. Typically only 15% to 20% of the costs incurred by non-profit and co-op housing providers are manageable costs, i.e. costs that the providers have some control over.</p> <p>The funding provided to most non-profits and co-operatives includes an annual contribution to</p>	<p>Non-profit and co-operative housing providers will continue to own the housing that they operate for social housing purposes.</p> <p>After devolution, mortgage risk remained with the province, but any losses associated with these claims can be charged back to the Service Manager. Therefore there will be risk to both parties. While the province is immediately responsible for the full amount of all claims, the municipal charge-back may be applied on an incremental basis at the discretion of the Minister. Service Managers may be required to share in the losses that occur, but the province retains the contingent liability for the entire mortgage-financed housing portfolio.</p>	<p>All operating agreements between nonprofit and co-operative housing providers and the province were terminated. This occurred when the administration of social housing was transferred to the City.</p> <p>Original operating agreements for duration of mortgages, up to 35 years.</p> <p>Federal funding ceases with the end of the operating agreements/mortgages.</p> <p>Must participate in the coordinated access waiting list for rent-geared-to-income assisted units.</p> <p>Self-managed or managed through a property management company. Each is governed by and reports to its own board of directors.</p>	<p>Major Repairs to Non-Profits and Co-ops</p> <p>Provincial funding of non-profit housing capital reserve contributions was frozen in 1992. In 1995, provincial contributions resumed but only at 1/3 of the original contribution amounts. Most of the projects are in the 15 to 20 year old range. In 2000, the City of London commissioned an independent building condition audit and capital reserve fund review for the non-profits and co-ops prior to assuming the administration of Social Housing. The final recommendation from the review was to increase in the current annual contribution by \$2,535,000.</p> <p>Since 2005, Council approved \$1M for a Stabilization Reserve Fund for non-profits and co-ops, which can only be accessed through specific criteria. This annual allocation has been reduced to \$500,000 per year. Annual requests for future allocations to this reserve are done through the budget process.</p>

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<p>people with varying household incomes in their developments. The Board of Directors is comprised from the members of the co-operative. Each resident has a say in how the co-op is operated and each resident is expected to help in the day-to-day operation of the co-op. There are 16 non-profit housing co-operatives with 16 projects under City of London administration.</p> <p>Most of the Co-op units are designated for RGI Housing, the rest are market rent (not subsidized). Market rent applicants apply directly to the non-profit.</p>	<p>a capital reserve fund for each project to offset the cost of major replacements and repairs.</p>	<p>The City of London as Service Manager has no ownership interest in private non-profit or co-operative housing and has no authority to sell any housing provider’s land or housing units.</p> <p>Mortgage Financing & Mortgage Renewals</p> <p>Mortgage management for all projects being administered by the City of London, continues to be a provincial function. The Ministry pools all upcoming mortgage renewals and offers them to institutional investors through a tendering process. Through this “bulk” tendering, reduced interest rates have been realized and substantial savings in social housing subsidy costs have been achieved.</p> <p>If the mortgage renewal is less than the current mortgage rate a lower mortgage subsidy will be required. The City will adjust subsidy payments after the</p>		

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		<p>mortgage renewal and the Housing Provider will be contacted by the Housing Division with the new mortgage particulars.</p> <p>If the mortgage renewal is for a rate greater than the existing mortgage, the City will be required to provide the funds for the additional subsidy. Should a significant increase in mortgage subsidy costs occur across the entire portfolio, Council must provide funds to offset the increase.</p>		
<p>3. Federal Non-Profit Housing for: Seniors, Adults (age 16+ singles & couples), and Families</p> <p>Owned by sponsor organizations such as churches and service clubs, and are usually managed through a property management company. There are 20 federal non-profit groups with 27 projects under City of London administration.</p> <p>Very few of the Federal Non-Profit units are designated for RGI housing, most are low end market rent. Federal Non-Profit housing providers are not required to participate in the centralized waiting list and applicants apply directly</p>	<p>Subsidy assistance is based on the original approved capital cost and an effective interest rate write-down to 2%. The assistance amount changes whenever there is a mortgage renewal because of interest rate changes.</p> <p>The funding provided to the federal non-profit housing providers includes an annual contribution to a capital reserve fund for each project to offset the cost of major replacements and repairs.</p> <p>Federal non-profit housing providers must seek approval</p>	<p>Federal non-profit housing providers will continue to own the housing that they operate for social housing purposes.</p> <p>Operating agreements for the federal private non-profit projects, to which CMHC is a signatory, were not terminated. These federal agreements were transferred to the City of London by Transfer Orders as outlined in the legislation.</p> <p>However, if a federal non-profit housing provider and</p>	<p>Federal housing portfolio will continue to be governed by existing CMHC Operating Agreements, units are not included in the legislated service level standards and the provincial rules for rent-geared-to-income do not apply. Provincial Conflict of Interest guidelines do not apply. Not required to participate in coordinated access waiting list. Property Management Tendering Guidelines do not apply, but basic tendering practices should be followed. Self-managed or managed through a property management company. Each non-</p>	<p>One-Time Federal Funds</p> <p>Under the Federal/Provincial Social Housing Agreement, funding was provided by the federal government to the province for distribution to Service Managers to offset future increases in the costs of delivering federal programs including public housing. These funds may not be sufficient to cover the future costs that may be incurred to maintain the public housing stock in good condition.</p>

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<p>to the non-profit.</p>	<p>from the City of London for capital expenditures prior to having the work completed.</p>	<p>the City of London mutually agree to operate the project under the new accountability and operating framework rules, the framework would be applied to the project.</p> <p>The City of London as Service Manager has no ownership interest in federal non-profit housing and has no authority to sell any housing provider's land or housing units.</p>	<p>profit is governed by and reports to its own board of directors. Original operating agreements are for the duration of mortgages, up to 35 years.</p> <p>Federal funding ceases with the end of the operating agreements/mortgages.</p>	
<p>4. RENT SUPPLEMENT HOUSING</p> <p>Rent Supplement Program for: Seniors, Adults (Low to moderate income tenants; age 16+, singles & childless couples) and Families Besides the Commercial Rent supplement Program transferred from the province, other variations of the rent supplement program include the Strong Communities Rent Supplement program (SCRS); Ontario Community Housing Assistance Program (OCHAP); and the Housing Allowance Rent Supplement Component of the Canada-Ontario New Affordable Housing Program.</p>	<p>Tenants pay their portion of the rent directly to their private landlord.</p> <p>The Rent Supplement is the difference between the tenant's rent set at 30% of the tenant's gross household income (+ or – a utility charge or allowance) and the market rent for the unit.</p> <p>The monthly payments that are required to be made to the landlords for the rent supplement units are calculated and issued to the landlords through the Housing Division.</p>	<p>Private or non-profit landlords who manage a set number of rent-geared-to-income units.</p> <p>The city has no involvement in the landlord/tenant relationship even though the landlord must choose tenants from the centralized waiting list.</p>	<p>The Housing Division administers the rent supplement program in the City and the County of Middlesex. This includes the responsibility for approving any new rent supplement agreements and re-allocation of expired units, where the existing agreements are not renewed.</p>	<p>N/A</p>