



APPENDIX C

**City of London Legislative Obligations under the
*Housing Services Act, 2011***

A) HSA Part IV – Paying subsidy to LHCs

- Subsidy is required to be paid by SMs to LHCs under s. 28 of the HSA
- Obligations related to required subsidy are further defined in s.12 of O.Reg (367/11) obligations, including concept of ‘sufficient funding’ for
 - Maintaining the project
 - Making housing available to eligible households
 - Making payments for mortgages/debentures
- This section of the regulation is noteworthy in that it introduces the concept of ‘sufficient funding’, a somewhat interpretive term, and is silent on the ‘sunsetting’ of the funding obligation.

The level of funding to LHCs is not prescribed and is subject to interpretation. As such, individual operating or shareholder agreements for LHCs tend to define the funding requirement and accountability relationship from SM to SM. For that reason, the impacts of funding post EOA will also vary, depending on the LHC agreements that are/will be in place.

B) HSA Part V – Providing RGI Assistance and Maintaining Service Levels

- SMs must provide RGI assistance and maintain minimum service levels for prescribed programs (s.40 & 41 of HSA and listed by SM area in Schedule 4 of O. Reg 367/11)
- Prescribed RGI programs are 1a, 1b, 2a, 2b, 6a and 6b – as a result, service levels apply to units in Provincial Reformed, Public Housing and transferred Rent Supplement programs (s. 39 of HSA, s. 18 of O.Reg (367/11))
- Excluded from RGI & service levels are programs 3, 4, 5, 7 and 8 – these are essentially prior federally funded programs (s. 40(2) of HSA, s. 20 of O.Reg 367/11)
- This section clearly distinguishes the obligation to provide RGI assistance and maintain service levels for specified programs. Again, the regulation is silent on the ‘sun setting’ of this obligation

Beyond individual project funding obligations that may survive EOA, SMs have overall responsibility to meet service levels and provide RGI assistance for certain programs. However, the administrative framework for doing this is less certain, especially in terms of legislated authorities and SM flexibility to meet service levels. Additional clarity here would assist SMs in identifying and selecting options for addressing HSA obligations post EOA.

C) HSA Part VI – Administering & funding prescribed programs

SMs must administer & fund prescribed programs in accordance with the Act or pre-reform operating agreements (s.68 of HSA)
 Prescribed rules and criteria for programs are generally defined (s. 86 and Schedule 5 of O.Reg 367/11)
 Additional requirement regarding the manner in which programs must be operated are specified and these would apply to post-EOA programs

However, the ability of SMs to administer these requirements is unclear, especially in terms of those projects with pre-reform operating agreements which sunset at EOA. Additional clarity here would assist SMs in identifying appropriate accountability options post of EOA.

D) HSA Part VII – Paying subsidy to prescribed Part VII providers

- SMs must pay subsidy to prescribed part VII housing providers (s. 78 of HSA)
 - Prescribed Part VII providers are defined as those with program 6a and 6b projects (s. 73 of HSA and s. 90 of O.Reg 367/11)



- Requirement and method of subsidy calculation are defined (s. 2,4 & 11 of O.Reg 369/11)
- This section establishes the obligation to provide subsidy to providers under the Provincial Reform program and the manner in which it is to be calculated. Again, the regulation is silent on the 'sun setting' of the obligation post-EOA

The required level of funding for these projects and the manner of calculation is prescribed by the Act. However, other matters related to operational oversight (i.e. SM delegated authorities, having regard for local rules, additional reporting obligations, etc.) are typically enshrined in an operating agreement which helps define the accountability relationship between SMs and individual housing providers. The funding calculation for SMs will vary post EOA, notwithstanding the continuing obligation to provide subsidy. However, the framework for accountability in this period is less certain, especially in terms of SMs legislated authority. Additional clarity here would assist SMs in preparing for and establishing accountability agreements that are appropriate to the post-EOA period.

E) HSA Part VIII – Use of federal funds, apportioning and payment of costs

- Obligations of Act require SMs to:
 - Use federal funds for prescribed uses (s.102)
 - Pay allocated provincial housing costs (s.106)
 - Determine and apportion SM housing costs + GTA equalization (s.110, s.111, s.119)
- Regulation details supporting these requirements oblige SMs to:
 - Pay provincial costs (s. 106-108, O.Reg 367/11)
 - Determine and apportion costs + GTA equalization (s. 109-127, O.Reg 367/11)
- This section obliges the payment of costs and prescribes uses for federal funding, notwithstanding the step down of federal funding at project EOA over time

The use of Federal funding by SMs (while it is being flowed) is limited to specific activities. In addition, certain applicable Provincial costs can be levied against SMs for items such as mortgages or SHA costs in relation to prescribed projects. These costs are typically deducted at source from Federal funds that are distributed by the Province.

Figure 1 (following) is provided to help illustrate the general obligations of SMs pre-EOA versus post-EOA as compared among the various social housing programs.

Figure 1

Service Manager Obligations Pre & Post EOA

Housing Program	Public Housing (LHC)	Municipal Non-Profits (Sec. 95)	Private Non-Profits (Sec. 95)	Provincial Reformed (Non-Profit & Coop)	Limited Dividend (Sec. 26)	N/P Low End of Market (Sec.26 & 27)	Urban Native Programs	Transferred Rent Supplement Programs
<i>Def'n of Program per O.Reg 367/11 Schedule 1</i>	<i>Programs 1(a) + 1(b)</i>	<i>Program 6(c)</i>	<i>Program 5</i>	<i>Programs 6(a) + 6(b)</i>	<i>Program 3</i>	<i>Program 4</i>	<i>Programs 7 + 8</i>	<i>Programs 2(a) + 2(b)</i>
Pre-EOA	Ensure program compliance	✓	✓	✓	✓	✓	✓	✓
	Maintain Service Levels	✓	✗	✗	✓	✗	✗	✓
	Flow federal subsidy dollars	✓	✓	✓	✗	✓	✓	✓
	Flow municipal subsidy dollars (formerly Prov)	✓	✗	✗	✓	✗	✗	✓***
	Fund pay down of principal capital debt	✓	✓	✓	✓	✗	✗	✗
Post-EOA	Ensure program compliance	✓*	✗	✗	✓	✗	✗	✗
	Maintain Service Levels	✓	✗	✗	✓	✗	✗	✓
	Flow federal subsidy dollars	✗	✗	✗	✗	✗	✗	✗
	Flow municipal subsidy dollars (formerly Prov)	✓*	✗	✗	✓	✗	✗	✓***
	Fund pay down of principal capital debt via subsidy	✗	✗	✗	✗	✗	✗	✗

* obligation is subject to 'sufficient funding' test of s. 12, O.Reg 367/11
 ** subsidy is in the form of RGI assistance only