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Capital Funding – Proportional Allocations					
POLICY STATEMENT	The City of Hamilton, as Service Manager, under the <i>Housing Services Act, 2011</i> may use proportional allocations for intermittent capital funding for social housing from the provincial and/or federal governments, subject to the terms and conditions imposed on such capital funding.				
PURPOSE	To establish a policy to allocate intermittent capital funding from the provincial and/or federal governments in an amount which is proportionate to the number of units in the inventory of each social housing provider, including CityHousing Hamilton, subject to the terms and conditions associated with any such funding.				
	In the absence of specific funding rules, terms and conditions, this policy will help guide the Service Manager to prioritize a ratio of capital funding from senior levels of government allocated to social housing providers on a basis that is approximately equivalent to the ratio of social housing units.				
SCOPE	The City of Hamilton is the designated Service Manager for social housing in the Hamilton area and as such, has legislated responsibility for administration and funding of prescribed housing programs.  This policy is intended for use by the Service Manager when				
	determining intermittent capital funding allocations for social housing providers who are under service agreement with the City to administer rent-geared-to-income (RGI) assistance under the <i>Housing Services Act, 2011.</i>				
DEFINITIONS City	means the City of Hamilton in its role as Service Manager designated under the <i>Housing Services Act, 2011</i>				
CityHousing Hamilton	is the local housi shareholder	ng corporat	ion of which the City	is the sole	
Eligible Units	are units offered by a Housing Provider for RGI and may include units rented at low end of market rent within a Housing Project, which are operated subject to the provisions of the <i>Housing Services Act, 2011</i>				
Housing Project	means a specific housing	address or	group of addresses that	provide RGI	
Housing Provider			ative or Corporation that with the <i>Housing Services</i>	•	

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### Rent-Geared-to-Income Assistance (RGI)

means the reduced rent/housing charge paid by a household residing in a social housing unit that is based on the household's gross monthly income. Households are generally charged 30% of their gross household income in rent.

#### Service Manager

means, for the purposes of this Policy, the Director of Housing Services or other person designated to administer the City of Hamilton's required mandate as established by the *Housing Services Act*, 2011

### Social Housing

refers to rental housing developed with the assistance of government and subsidized by levels of government for people with low to moderate incomes, seniors or people with special need who can live, with support, in the community. Social housing is either non-profit rental or co-operative housing. Some or all of the rents are subsidized so that households do not pay more than 30% of gross income on shelter.

# Total Housing Stock

means the total number of Eligible Units in the City of Hamilton, at any given time.

# TERMS & CONDITIONS

The terms and conditions of any capital funding from the provincial and/or federal governments supersede this Policy. The Service Manager reserves the right to allocate funding using a competitive or other process where, in the opinion of the Service Manager, proportional allocation may not result in the best use of the funding.

Proportional allocation will be considered within the context of any specific funding requirements prescribed by the provincial and/or federal governments.

The Service Manager reserves the right to allocate funding in a manner that is responsive to the needs and priorities established through the Housing and Homelessness Action Plan or any other City of Hamilton endorsed plan or priority.

Housing Providers who receive proportional allocations under this policy are required to submit a capital spending plan, approved by its Board of Directors, for the funding which should address capital repairs identified through a completed Building Condition Assessment or other high-priority preventative maintenance items.

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#### **RESPONSIBILITIES**

# Determining Proportions

To calculate the amount of funding potentially available to eligible social housing providers, the Service Manager will use this formula:

$$\frac{x \text{ (allocation)}}{\text{a (funding)}} = \frac{\text{b (Eligible Units)}}{\text{n (total units in housing stock)}}$$

Cross multiply: 
$$(x)(n) = (a)(b)$$
  
 $x = (a \times b)/n$ 

### Example:

 $\frac{x \text{ (allocation)}}{\$100,000 \text{ a}} = \frac{200 \text{ b (total individual housing provider units)}}{10,000 \text{ n (Total Housing Stock)}}$ 10,000 x = 20,000,000x = 2.000

In this example, the housing provider has 2% of the total units in the housing stock; therefore, the housing provider would be entitled to an equal proportion of funding which is also 2% or \$2,000.

## **Funding Allocation**

If capital funding is allocated in accordance with this Policy, an agreement must be completed before capital funding is released.

The Service Manager will work with the Housing Provider and staff from the City's Legal Services Division to determine the appropriate terms of the funding agreement, including an appropriate payment schedule.

The Service Manager and Housing Provider must complete the funding agreement prior to any funds being advanced. The Service Manager will requisition a Purchase Order once the funding agreement and any other requirements have been satisfied.

#### **COMPLIANCE**

Any Housing Provider who receives capital funding must adhere to the terms and conditions of the agreement, including any regular reporting requirements.

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	Specific monitoring mechanisms to verify how funds were spent will be built into each agreement.  Non-Compliance with this policy may impact funding and cash flow from the City to housing providers who provide social housing units to low-to-moderate income households. This may result in negative impacts to social housing units and to the tenants who live in them.  The Manager of Social Housing is responsible for ensuring compliance with this policy.			
HISTORY	On April 13, 2016, Council passed the following motion:  That Community & Emergency Services staff be directed to report to the Emergency & Community Services Committee with a policy for allocating intermittent additional capital funding from the provincial or federal governments to CityHousing Hamilton in an amount that is proportionate to the number of units in its inventory, subject to the terms and conditions associated with any such funding.			
Approval	City of Hamilton Council Approval: 2016-XX-XX (Report CES16030)			