



	REPORT No.: 2019-24
MEETING DATE: MAY 16, 2019	DATE PREPARED: APRIL 25, 2019
SUBJECT: NOT FOR PROFIT HOUSING PROVIDER SURPLUS SHARING POLICY	

RECOMMENDATION

THAT with respect to Report No. 2019-24 (Housing Services Division) we, The District of Thunder Bay Social Services Administration Board, approve the Not for Profit Housing Provider Surplus Sharing Policy as presented;

AND THAT the Chief Administrative Officer be authorized to amend this policy with respect to housekeeping items, as may be required from time to time.

REPORT SUMMARY

To present The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with information related to the implementation of a Not for Profit (NFP) Housing Provider Surplus Sharing Policy.

BACKGROUND

The regulations that determine the reconciliation of subsidy payable for NFP Housing Providers operating under Part VII of the *Housing Services Act* (HSA) is found in O. Reg 369/11. This regulation outlines the funding model, the determination of subsidy and the calculation of the surplus for housing providers and, for those Housing Providers that have had an accumulated surplus equal to or greater than \$300/unit at the beginning of any fiscal year, allows for 50% of a provider's operating surplus (after application of the settlement process) to be repayable to TBDSSAB. This regulation does not cover the Housing Providers that are governed under other Parts of the HSA or Operating Agreements.

Since the year 2002 transfer of Social Housing responsibility from Ontario to Service Managers, TBDSSAB has recovered 50% of annual operating surpluses from NFP Providers governed by Part VII of the HSA with only a few exceptions. There is not a Board Policy in force that supports this 17-year practice.

TBDSSAB recovered \$85,190 in 2015, \$66,905 in 2016, and \$125,576 in 2017 through the 50% surplus sharing model. These recoveries are netted against Social Housing

expenses in the year in which the settlement is finalized. Although these recoveries are not budgeted for, they may be used to offset spending in other areas or contribute to an overall surplus within the Housing Services budget.

COMMENTS

TBDSSAB will recover 50% of the annual operating surplus of NFP Housing Providers operating under Part VII of the HSA if a surplus exists after the calculation model outlined in O. Reg 369/11 is concluded.

A NFP Housing Provider may submit a Business Case to TBDSSAB, requesting consideration to allow retention of the full annual operating surplus. Any additional surplus retention approval would be made without prejudice and for only the year that the retention is requested for.

FINANCIAL IMPLICATIONS



There are no direct financial implications arising from this Report.

CONCLUSION

It is concluded that this report provides the Board with information relative to the adoption of the Not for Profit Housing Provider Surplus Sharing Policy.

REFERENCE MATERIALS ATTACHED

Attachment #1 – [Not for Profit Housing Provider Surplus Sharing Policy](#)

PREPARED BY:	Aaron Park, Manager, Housing and Homelessness Programs, Housing Services Division The District of Thunder Bay Social Services Administration Board
APPROVED / SIGNATURE:	 Ken Ranta, Director, Housing Services Division The District of Thunder Bay Social Services Administration Board
SUBMITTED / SIGNATURE:	 William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board

POLICY

CATEGORY/SECTION

HOUSING SERVICES – HOUSING AND HOMELESSNESS PROGRAMS

SUBJECT

NOT FOR PROFIT HOUSING PROVIDER - SURPLUS SHARING

AUTHORITY

Housing Service Act, 2011 (HSA) and associated Regulations
Approval and Signing Authorization Policy #CS-01:79

INTENT OF POLICY

The District of Thunder Bay Social Services Administration Board (TBDSSAB) strives to assist those Not for Profit housing providers that comply with provincial legislation and TBDSSAB directives to be stable financially. The regulations that determine the reconciliation of subsidy payable for Not for Profit housing providers operating under Part VII of the *Housing Services Act* (HSA) (formerly sections 106 and 110 of the Social Housing Reform Act) is found in O. Reg 369/11 which outlines the funding model and determination of subsidy and calculation of the surplus for housing providers.

Under O. Reg 369/11, a housing provider may retain their full annual operating surplus, provided the housing provider's accumulated surplus, in respect of its housing projects, has not reached the \$300/unit threshold. If, at the beginning of the fiscal year or the beginning of any previous fiscal year, the housing provider's accumulated surplus was equal to, or greater than, \$300/unit, the housing provider may retain 50% of its annual operating surplus with the other 50% returned to the Service Manager. The Service Manager, at its discretion, may determine a greater housing provider surplus retention level.

This Policy provides direction regarding how TBDSSAB will exercise its discretion to allow housing providers, who have reached the \$300/unit accumulated surplus threshold, to retain greater than 50% of their annual operating surplus.

This Policy does not cover the Housing Providers that are governed under other Parts of the HSA and Operating Agreements.

POLICY

A Not for Profit housing provider operating under Part VII of the HSA that has reached the \$300/unit accumulated surplus threshold at the beginning of any fiscal year, is required to repay 50% of its annual operating surplus to TBDSSAB.

BOARD APPROVAL DATE:

May 16, 2019

REVISION DATE(S):

PAGE

1 of 2

CATEGORY/SECTION HOUSING SERVICES – HOUSING & HOMELESSNESS	SUBJECT NOT FOR PROFIT HOUSING PROVIDER – SURPLUS SHARING
---	--

A Not for Profit housing provider may submit a business case requesting retention of the full annual operating surplus. If supported by Administration, approval of the retention of more than 50% of the annual operating surplus will require approval by the Chief Administrative Officer or the Board in accordance with the Approval and Signing Authorization Policy No. CS-01:79.

STANDARDS OF APPLICATION

Not for Profit housing providers operating under Part VII of the HSA that generate an annual operating surplus as calculated in Section 9 of O. Reg 369/11 are eligible under this policy.

RELATED PROCEDURES

PRC Not for Profit Housing Provider - Surplus Sharing

DRAFT

BOARD APPROVAL DATE:

May 16, 2019

REVISION DATE(S):

PAGE

2 of 2