

## BACKGROUND

The City performs several functions relating to the administration and delivery of social housing in the City of Greater Sudbury. The City is the Service Manager designated under the *Housing Services Act, 2011* that is responsible for carrying out measures to meet objectives and targets relating to affordable housing needs in the City of Greater Sudbury. The Service Manager administers and manages funding of housing for non-profit and cooperative housing providers throughout the City. Furthermore, the City is the sole shareholder the Greater Sudbury Housing Corporation (GSHC), which is an affordable housing provider operated by a Board of Directors. The GSHC is subject to decisions issued by the City as the Service Manager and from the City's shareholder declaration and operating framework.

The Greater Sudbury Housing Corporation was created by the Province in 2001, and was inherited by the City of Greater Sudbury through devolution of Social Housing from the Ministry of Housing to the City of Greater Sudbury.

### Creation of Greater Sudbury Housing Reserves - 2006

In 2006, Council approved the establishment of reserves for each of the Greater Sudbury Housing Corporation's program areas. Each reserve was to be funded from the Greater Sudbury Housing Corporation's annual under expenditures in that specific program area. Contributions and withdrawals from the reserve require Service Manager Approval.

As outlined in Appendix A, the 2006 Greater Sudbury Housing Corporation Reserves, these reserves were established for the following reasons;

- The Greater Sudbury Housing Corporation would be provided with an additional incentive to operate efficiently;
- The Greater Sudbury Housing Corporation would be expected to fund its emergencies and in year cost pressures from the reserves;
- The reserves would assist in the Greater Sudbury Housing Corporation in its long term planning and viability.

A limit on reserve balances was not established.

The percentage of municipal funding vs. federal/provincial funding since 2006 has drastically changed. This funding continues to decrease on an annual basis. In GSHC's 2017 budget 79% was funded by the municipal tax levy. In GSHC's 2018 budget 83% comes from the municipal tax levy.

### Authority for a Policy

The *Housing Services Act, 2011* provides that a Service Manager may make rules under which a local housing corporation shall operate regarding budget and funding.

Furthermore, the Shareholder Declaration states: "*The GSHC shall be further regulated by such additional policies prescribed by the Service Manager from time to time and the GSHC shall take all necessary steps to adopt as its own, the additional policies prescribed by the Service Manager*".

As outlined in the Appendix C, Greater Sudbury Housing Corporation Reserve Policy, the reserve limits are as follows:

Operating Reserve	\$300,000
Capital Reserve	\$500,000
Rent Supplement	\$200,000

If a surplus in Operations, Capital or Rent Supplement would result in the Reserve exceeding the limits, the surplus will be returned to the City of Greater Sudbury.

## **NEXT STEPS**

The Greater Sudbury Housing Corporation Reserve Policy will be implemented on June 20, 2018.

## **REFERENCES**

Appendix A – 2006 Request for Decision – Greater Sudbury Housing Corporation Reserves

Appendix B – The Shareholder Declaration

Appendix C – Greater Sudbury Housing Corporation Reserve Policy