

DIRECTIVE # 2002 - 05

Date: May 13, 2002

The policies, procedures and Service Manager Requirements in this Directive are to be implemented by all federal housing providers in the Region of Durham who were formerly administered by the Canada Mortgage and Housing Corporation.

Please note: If your housing corporation is included under the provisions of the Social Housing Reform Act and its associated Regulations, this Directive is for information purposes only.

SUBJECT

Requests for Replacement Reserve Funds from Federally Funded Housing Providers

BACKGROUND

The Region of Durham assumed financial responsibility for social housing programs effective January 1, 1998 and administrative responsibility for the management of the housing portfolio effective February 1, 2002.

Housing providers with projects formerly administered by Canada Mortgage and Housing Corporation (CMHC) must now request approval to access replacement reserve funds from the Region of Durham.

ACTION REQUIRED

Federally funded housing providers may withdraw up to \$5,000 each fiscal year for capital expenses from their replacement reserve funds without the prior approval of the Region of Durham.

Once a provider has exceeded the \$5,000 annual limit, they must request approval from the Region of Durham to access additional replacement reserve funds. For example:

1. A provider needs \$2,000 for the purchase of new appliances. There have been no withdrawals from their replacement reserve fund in the current fiscal year.

The provider does NOT require prior approval from the Region of Durham to access these funds.

2. A provider needs \$12,000 to replace the boiler in their building.

The provider must request prior approval from the Region of Durham to access these funds.

3. A provider has previously withdrawn \$3,500 from their replacement reserve fund. They now require an additional \$3,000 to replace carpeting in the corridors. This brings the total capital expenditures for the year to \$6,500 – which exceeds the annual limit of \$5,000.

Therefore, the provider must request prior approval from the Region of Durham to withdraw the additional \$3,500.

To request approval to access replacement reserve funds, federally funded housing providers must complete the attached 'Approval Request for Replacement Reserve Funds' form and send it to the Housing Co-ordinator at:

*Region of Durham
Housing Services Division
850 King Street West
Oshawa, Ontario
L1J 8N5
E-mail: housing.services@region.durham.on.ca*

If you have any questions please contact your Housing Co-ordinator.

Mary Simpson
Director of Financial Planning

Shirley Van Steen
Director of Housing Services