



Report To:	Program Planning Committee
From:	Connie Morphet, Director of Finance
Date:	November 22, 2017
Re:	Federal Funding for Social Housing - Issue Report

Purpose

In a letter dated October 31, 2017, the Ministry of Housing (MOH) is required to publish a notice in the Ontario Gazette of the annual amount of federal funding payable to each Service System Manager.

Background

Manitoulin-Sudbury DSB currently receives federal funding and pays debentures for the public housing buildings through funding distributed by the Ministry of Housing (MOH). As debentures for public housing mature, the federal funding associated with the buildings is also terminated due to the end of operating agreements.

There is also federal funding received for all the Non-Profits; Rent Supplement; and Urban Native projects. This funding will terminate due to the end of operating agreements which coincides with the completed mortgages for the projects.

The untargeted Social Housing Agreement (SHA) funding is created by MOH using different assumptions and approaches used by Canadian Mortgage and Housing Corporation (CMHC) and the ministry. The untargeted funds are distributed proportionately among all Service System Managers based on their share of funding in each year.

There is a fluctuation in the untargeted funding going up and down over the period of the next 11 years with the funding eliminated in 2029. The approved 2018 Budget included federal funding of \$920,305. The 2018 untargeted SHA funding was \$97,658 but for the purposes of the 2018 DSB budget the untargeted funding was included at \$36,255. The remaining \$61,403 would result in a year end surplus for 2018.

As the untargeted funding fluctuates between a low of \$7,780 in 2028 and a high of \$151,056 in 2020, staff are recommending that the untargeted funding be budgeted at \$36,255 annually until 2026 to ensure municipal budget impacts (see chart below) are mitigated.

2018 – 2032 Financial Impact to Manitoulin-Sudbury DSB Budget

	Federal Funding Public Housing	Federal Funding Non-Profits; Urban Native; Rent Supplement	Federal Funding untargeted SHA	Total Federal Funding	Loss of Funding net of Debentures / Mortgages
2017	\$316,074	\$602,014	\$109,279	\$1,027,367	\$0
2018	\$316,074	\$567,976	\$97,658	\$981,708	(\$3,554)
2019	\$316,074	\$547,430	\$82,033	\$945,537	(\$15,119)
2020	\$229,214	\$547,430	\$151,056	\$927,700	\$49,243
2021	\$229,214	\$438,184	\$139,201	\$806,599	\$58,127
2022	\$167,817	\$386,553	\$101,799	\$656,169	(\$34,094)
2023	\$92,573	\$307,325	\$131,205	\$531,103	(\$39,179)
2024	\$0	\$200,104	\$72,420	\$272,524	(\$27,094)
2025	\$0	\$126,487	\$39,217	\$165,704	(\$54,594)
2026	\$0	\$87,229	\$17,899	\$105,128	(\$34,463)
2027	\$0	\$26,505	\$11,600	\$38,105	\$11,405
2028	\$0	\$15,461	\$7,780	\$23,241	(\$14,864)
2029	\$0	\$0	\$0	\$0	(\$23,241)
	\$1,667,040	\$3,852,698	\$961,147	\$6,480,885	(\$127,427)

Recommendation

Staff are recommending that future budgets maintain the 2018 amount for the untargeted SHA funding until 2026. This is to ensure that the Municipal impact of \$127,427 in 2029 is mitigated. This will be reviewed annually by the DSB Finance Committee as they deliberate the annual budget.