

CITY GUIDELINE

Number: 2014-3

Date Issued: September 5, 2014

Effective Date: January 1, 2015

The policies and procedures in this City Guideline are to be implemented under the following programs:

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|--|--|
| <input checked="" type="checkbox"/> HSA*, Section 78, Market and RGI** | <input type="checkbox"/> Non-Profit Housing Section 95 |
| <input type="checkbox"/> HSA, Section 78, 100% RGI | <input type="checkbox"/> Rent Supplement Programs |
| <input type="checkbox"/> Federal Non-Profit Housing Section 26/27 | <input type="checkbox"/> Toronto Community Housing Corporation |

Please note: If your program is not checked, this City Guideline does not apply to your project.

** Housing Services Act, formerly section 110 of the Social Housing Reform Act **Rent-Geared-to-Income*

Subject: Factors to be used in 2015 Fiscal Year to Calculate Subsidies

Cost Factors are inflationary factors that housing providers use to calculate

- ✓ the indexed benchmarked operating costs within the operating subsidy calculation,
- ✓ the operating subsidy in their budgets, and
- ✓ their capital replacement reserve fund allocations.

The Ontario Ministry of Municipal Affairs and Housing (MMAH) reviews these factors each year and adjusts them to reflect changes in the Consumer Price Indices.

Housing providers must use the following cost factors when calculating their subsidies for fiscal year beginning January 1, 2015:

Benchmark Costs	Administration & maintenance	1.0285
	Insurance	1.09
	Bad Debt	Market Rent Index*
	Electricity	1.0808
	Water	1.0681
	Natural Gas	1.3941
	Oil and Other Fuel	1.1128
	Capital Reserves	1.0285
Benchmark Revenues	Vacancy Loss	Market Rent Index*
	Non-Rental Revenue	1.000

*For Market Rent Index see City Guideline 2014-5.

Action Required:

1. Housing providers must use the appropriate Cost Factor for each benchmarked category to calculate indexed benchmarked costs and revenues for fiscal years beginning in 2015.

Helpful Hint:

- ✓ A Budget Tool is available on the Social Housing Unit web site. <www.toronto.ca/housing/social_housing>. Go to *Housing Provider Information and Training*, then *Other Resources*.
- ✓ Note that housing providers are not required to submit budget forms to the Social Housing Unit, but may continue to submit these forms if they prefer. If they do not submit budget forms, they must at least submit the following information.
 - i. Property taxes
 - ii. Total RGI rent revenue
 - iii. Market rents on RGI units (broken down by unit type)
 - iv. Number of RGI units (broken down by unit type)

For more information, or if you have questions or concerns, please contact your Social Housing Consultant.

Original Signed

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