

CITY GUIDELINE

Number: 2003-13

Date Issued: September 30, 2003

Last City Guideline Received:

Subject: Investing in Social Housing Investment Funds

Effective Date: Immediately

Applicable to:

The policies and procedures in this City Guideline are mandatory and are to be implemented by all Section 26, 27, and 95 social housing providers.

Background:

The Social Housing Reform Act (SHRA) created the Social Housing Services Corporation (SHSC). One of the roles of the SHSC is to pool capital reserves for investment purposes.

In February 2003, the SHSC introduced four Social Housing Investment Funds managed by Philips, Hager & North.

- ✓ Social Housing Canadian Money Market Fund
- ✓ Social Housing Canadian Short-Term Bond Fund
- ✓ Social Housing Canadian Bond Fund
- ✓ Social Housing Canadian Equity Fund

Section 26, 27, and 95 housing providers have restrictions in their operating agreements on how they may invest replacement reserve assets. The Boards of these providers are responsible for determining their investment policies within the terms of these agreements.

These agreements allow the City of Toronto, as service manager, to designate certain additional investment options. The City has decided that Section 26, 27, and 95 social housing providers may invest in Social Housing Investment Funds.

However, providers must receive approval from their Social Housing Consultant before investing in either the Social Housing Canadian Bond Fund or the Social Housing Canadian Equity Fund. The Social Housing Consultant will give approval if the following two conditions are met.

- ✓ The provider must show that the Board of Directors understands the additional risk of investing in these funds, and has approved the investment.
- ✓ The provider must show that the money they plan to invest will not be needed to fund capital expenses within the next five years.

Action Required:

1. Section 26, 27, and 95 social housing providers may add the Social Housing Investment Funds to their list of allowable investment options.
2. If the Board of Directors of a housing provider decides that it is appropriate to invest their replacement reserve funds in the Social Housing Canadian Bond Fund or the Social Housing Canadian Equity Fund, they must then receive approval from their Social Housing Consultant.
3. Social housing providers who would like to invest in the Social Housing Canadian Money Market Fund or the Social Housing Canadian Short-Term Bond Fund should contact
 - ✓ SHSC at 416-594-9325
 - ✓ Phillips, Hager, & North at 1-888-771-7473

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

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