

Housing Division Notice

Date: July 17, 2008

HDN# 2008 – 134

This applicable legislation/policy is to be implemented by the housing provider(s) under the following programs:

Please note if your program is **not checked**, this change is **not applicable** to your project.

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Federal Non-Profit Housing Program

Private Non-Profit Housing Program

Co-operative Non-Profit Housing Program

Municipal Non-Profit Housing Program (Pre-1986)

Local Housing Corporation

Subject: CAPITAL EXPENDITURE & RESERVE GUIDE

Authority: s. 98 & 100 of the Social Housing Reform Act, 2000 (SHRA)
s 14 of Regulation 339/01
Operating Agreement (Federal Programs)

Background: The City of London Housing Division is committed to helping Housing Providers manage their capital reserve funds in a proactive, ongoing and useful manner. The Housing Division recognized a need to develop a capital expenditure and reserve guide to outline the Housing Division's position and administrative approach on the capital planning and investing activities of Housing Providers.

As a result and through an extensive consultation process with Housing Providers by way of the Social Housing Operational Advisory Committee (SHOAC), a capital reserve guide was drafted, revised and approved.

Application: The purpose of this guide is to explain the government rules that affect the capital reserve and investing, describe what is a capital item; explain when a capital item should be replaced and what it should be replaced with; clarify what kinds of costs cannot be paid for from the capital reserve; outline purchasing requirements; highlight the pertinent information pertaining to capital reserve planning and investing; and to provide additional resources.

Action: Housing Providers are to consistently apply and reference the principles, concepts and definitions outlined in the Capital Reserve Guide on an ongoing basis to manage, plan and use their capital reserve.

Louise Stevens
Director of Municipal Housing

Attached: City of London Housing Division Capital Reserve Guide