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London
CANADA

Housing Division Notice

Date: November 26, 2010

HDN# 2010 - 160

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.

√
√
√
√

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: Building Condition Assessments and Reserve Fund Studies

Background:

All Housing Providers are required to ensure that their housing developments are well managed and are maintained in a satisfactory state of repair in order to provide for the health, safety and well-being of their residents and also to preserve the value of their assets.

In May 2008, the Housing Division requested information from all Housing Providers on Building Condition Assessments (BCA) and Reserve Fund Studies (RFS). As a result of this survey it was determined that most groups have never completed a Building Condition Assessment or a Reserve Fund Study. The Housing Division identified that there was a need to address this situation on a portfolio wide basis.

A contract to conduct Building Condition Assessments and Reserve Fund Studies of our social housing portfolio was awarded to The Stonewell Group Inc. in conjunction with Byrne Engineering Inc. in 2009.

The project was completed in two phases. The first phase involved data collection and the development of the Building Condition Assessments. Phase I commenced in June of 2009 and was completed in September 2009. The second phase involved data consolidation, Replacement Reserve Fund analysis and the generation of the finished reports. Phase II commenced in July 2009 and was completed in January 2010.

Application:

As part of the budget approval process, the Housing Division will be reviewing all proposed capital reserve expenditures to ensure that the expenditures have been identified as priority items in a Housing Provider's Building Condition Assessment (BCA). The Capital Reserve section of the Subsidy Estimation Request Form has been revised to include a more comprehensive list of eligible capital repairs. A copy of the revised form has been attached for your reference. The revised form is also available on our website at www.housing.london.ca.

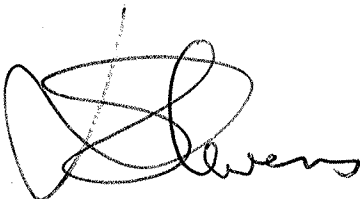
In addition, a further review will take place as part of the Annual Information Return (AIR) review and reconciliation process. It is recommended that Housing Providers ensure that their capital expenditures are in keeping with the priorities identified in the BCA.

In some cases a Housing Provider will be faced with unplanned capital emergencies. This may result in the deferral of priority items to subsequent years. The Housing Division will consider requests for one-time additional capital repair funding in emergency situations. A Housing Provider must submit a Business Case to access additional funding.

The BCA is considered as a planning tool. Each Housing Provider's financial position will determine their ability to implement the recommendations contained in the BCA. All BCA's included a Reserve Fund Study (RFS). The Housing Division encourages all Housing Providers to update their RFS on an annual basis.

Action:

All Housing Providers are required to refer to their BCA's as part of their budget preparation process and to make every effort to update the RFS on an annual basis. All Private Non-Profit, Co-operative Non-Profit and Municipal Non-Profit Housing Providers are required to use the new Subsidy Estimation Request Form. Federal Non-Profit Housing Providers are encouraged to adopt the new form as an alternative to requesting pre-approval of capital expenditures. The annual capital plan approach will eliminate the need for Housing Providers to request Housing Division approval for individual expenditures, thus saving administrative resources.



Louise Stevens
Director of Housing

Attachment



Section I - HOUSING PROVIDER IDENTIFICATION

Corporation Name	HPIN #	Budget Year End (yyyy/mm/dd)

Section II - UNIT ALLOCATION

	Building Category	Unit Type	Utilities Included		Projected Market Rent A	Total Units B	Estimated MARKET Units C	Estimated RGI Units B - C
			Heat	Hydro				
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
Totals					D	E	F	

Section III - ESTIMATED RGI REVENUE (Based on Current Year Actuals)

Total number of RGI units charged rent (current year)	11	
Total rent charged on RGI units (current year)	12	
Average RGI revenue per unit (current year)	Line 12 / Line 11	13
Estimated RGI revenue (budget year)	Line 13 x F x 12	14

Section IV - ESTIMATED OPERATING REVENUE

Gross Market Revenue	Line 1 (A x C x 12) + Line 2 (A x C x 12) + Line 10 (A x C x 12)	15	
Less: Projected Market Vacancy Loss		16	
Net Market Revenue	Line 15 - Line 16	17	
Interest Income		18	
Non-Rental Revenue		19	
Other Revenue (specify) _____		20	

Section V - ESTIMATED OPERATING COSTS

Group Administration & Maintenance (GAM)	21	
Hydro - (Electricity)	22	
Fuel - (Natural gas)	23	
Water	24	
Insurance	25	
Bad Debt	26	
Capital Reserve Mandatory Allocation	27	
Municipal Taxes	28	
Mortgage Interest & Amortization - shelter portion only	29	

Corporation Name:
 Budget Year End:

Section VI - CAPITAL RESERVE

Estimated Balance, Beginning of Year

Cash		30	
Investment A (Specify)	_____	31	
Investment B (Specify)	_____	32	
Investment C (Specify)	_____	33	
Total		35	\$ -

Total sum of Lines 30 to 33

Revenue

Mandatory Transfer from Operations		From Line 27	36	
Investment Income			37	
Other (Repayments, Additional Service Manager Funding)			38	
Total			39	\$ -

Total sum of Lines 36 to 38

Total Working Capital

Line 35 + Line 39 **40** \$ -

Eligible Expenditures
Sitework

Type	Description (required)	Qty	In accordance with BCA?
Driveways/Parking Lots			
Sidewalks/Walkways			
Fencing, Handrails, Exterior Stairs			
Playground Equipment			
Retaining Walls			
Surface Drainage			
Plantings and Landscaping			
Service Buildings			
Other			

41	
42	
43	
44	
45	
46	
47	
48	
49	

Structure

Subtotal			
Columns			
Parapets			
Shear Walls			
Foundation Walls			
Floor Slabs			
Other			

50	\$ -
51	
52	
53	
54	
55	
56	

Building Exterior

Subtotal			
Roofing Systems			
Eaves Troughs and Downspouts			
Soffit & Fascia			
Caulking/Sealant			
Exterior Walls			
Canopies			
Porches/Balcony Decks/Railings			
Windows			
Doors			
Exterior Stairs			
Mailboxes			
Other			

57	\$ -
58	
59	
60	
61	
62	
63	
64	
65	
66	
67	
68	
69	

Building Interior

Subtotal			
Drywall Replacement			
Floors - Vinyl			
Floors - Carpet			
Ceramic Tile / Tub Surround			
Stairs and Handrails			
Interior Doors			
Kitchen Cabinetry			
Bathroom Cabinetry			
Storage Lockers			
Corridor Handrails			
Lighting Fixtures			
Other			

70	\$ -
71	
72	
73	
74	
75	
76	
77	
78	
79	
80	
81	
82	
83	\$ -

Corporation Name:
 Budget Year End:

Section VI - CAPITAL RESERVE

Eligible Expenditures	Type	Description (required)	Qty	In accordance with BCA?	
Appliances	Refrigerators				84
	Stoves				85
	Washers				86
	Dryers				87
	Other				88
	Subtotal				89
Plumbing Systems	Faucets				90
	Sinks				91
	Toilets				92
	Bathtubs / Shower Stalls				93
	Domestic Water Supply & Distribution				94
	Domestic Water - Boilers & Storage Tanks				95
	Space Heating Piping System				96
	Fire Pump				97
	Fire Alarm - Sprinkler System				98
	Fire Dept - Connections & Standpipes				99
	Fire Dept - Fire Hose Cabinets				100
	Storm Water including Roof Drains				101
	Sump Pumps				102
	Domestic Water Softeners				103
	Other				104
	Subtotal				105
Electrical Systems	Distribution Panels - Main & Intermediate				106
	Distribution Panels - In-suite				107
	Fire Alarm - Panel				108
	Fire Alarm System				109
	Emergency Generator				110
	Emergency Lighting / Exit Lighting				111
	Exterior Lighting System				112
	Door System - Entry and Intercom				113
	Other				114
	Subtotal				115
Mechanical Systems	Heating Systems				116
	Air Make-up Systems				117
	Exhaust Systems - In-suite				118
	Air Conditioning Systems				119
	Other				120
	Subtotal				121
Elevators	Elevator				122
	Other				123
	Subtotal				124
Furniture & Equipment	Furnishings				125
	Office Equipment				126
	Maintenance Equipment				127
	Other				128
	Subtotal				129
Grand Total					130
Total Sum of Category Subtotals (Lines 50+57+70+83+89+105+115+121+124+129)					130
Estimated Balance, End of Year					131
Line 40 - Line 130					131

Section VII - BOARD OF DIRECTORS DECLARATION (Must be signed by two members of the Board.)

We declare that, to the best of our knowledge and belief, the information provided in this Subsidy Estimation Request Form is true and correct.
 We also declare that the information approved in the final Annual Subsidy Advance by the Housing Division will be incorporated into the budgeting process.

Signature	Name	Position	Date