

Social Housing Renovation and Retrofit Program (SHRRP)

Revised Notional Allocations Question & Answer November 19, 2009

Q1. Why is the Ministry increasing the Service Area Year 1 notional allocations and decreasing the Year 2 notional allocations?

A1. Revisions to notional allocations are required in response to the timing of the roll out of the Renewable Energy Initiative (REI).

Initially, \$70M was set aside for use under the REI in Year 1. The SHRRP remaining funds were notionally allocated to Service Managers (SMs) for Year 1.

As you may be aware, under the Canada-Ontario Affordable Housing Agreement, Canada Mortgage and Housing Corporation (CMHC) requires the use of 50% of the total funding allocation (\$704M) in each year of the program. Any unused funds at the end of each year must be returned.

The REI program will not roll out in Year 1, so in order to ensure funds are utilized, the notional allocations have been revised.

Q2. How were the revised notional allocations determined?

A2. The revised notional allocations were determined based on your service area's proportion of eligible social housing units. This is the same method used when the original notional allocations were developed.

Q3. Has my overall notional allocation increased or decreased?

A3. There has been no change in the overall two year allocation for Service Managers. The revisions to the notional allocations are to each of the first and second years. Your Year 1 allocation has increased by the same amount as your Year 2 decrease.

Q4. Do we need to submit a revised Take-Up Plan (TUP)?

A4. Yes. The TUP is a planning/monitoring tool that outlines how the Service Manager will use their notional allocation and is used by the Ministry to determine if take-up of the allocation will be completed within the deadline.

A revised TUP will be required to be submitted by January 8, 2010.

Q5. How will the revised allocations affect the year-end review of take-up plans and possible reallocation of funding to or from my Service Area?

A5. The Ministry recognizes the increased pressure and workload this change will create for SMs, but a revised TUP will need to be submitted by January 8, 2010. After that time, the Ministry will be conducting

individual meetings with SMs to determine if any reallocations will be required in order to meet the March 31st deadline for committing all Year 1 funding.

Q6. What if we can't utilize the revised allocation for Year 1 in time, can we maintain our original notional allocations?

A6. No. As per the CMHC requirements under the Canada-Ontario AHP Extension 2009, 50% of the total funding allocation must be used in each year of the program. The revised allocations ensure funds are fully utilized in both years of the program.

Q7. Can we exceed the revised Year 1 notional allocation if we are able?

A7. The Ministry will consider the approval of additional projects in January when we review each Service Manager's progress in committing their Year 1 notional allocation. When you submit your revised TUP, you will need to identify separately which projects you are putting forward in excess of your revised Year 1 notional allocation. If it is possible, the Ministry will reallocate funds for these additional projects to your service area as result of the review.