

# Program Instructions



September 2, 2003

N° 2003- 03

Please note if your program is not checked, this Program Instruction is not applicable to your project(s)

- ✓ Public Housing
- ✓ Provincial Reform Housing Programs
- ✓ Municipal Non-Profit Housing Programs
- Federal Unilateral Housing Programs
- Rent Supplement - Commercial
- Rent Supplement - OCHAP & CSHP
- Rent Supplement Homelessness

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|-----------------------|---|
| <b>Subject</b>        | <b>Investing Capital Reserves in the SHSC Financial Inc. (SHSCFI) administered Social Housing Investment Program</b>  |
| <b>Authority</b>      | s. 93 (2) (f) of the <i>Social Housing Reform Act, 2000</i><br>s. 142 (1) (c) of the <i>Social Housing Reform Act, 2000</i><br>s. 4 of the <i>Ontario Regulation 17/02</i> , and associated schedules<br>s. 26 (2) of the <i>Ontario Regulation 339/01, 2000</i>  |
| <b>Effective Date</b> | Immediately   |
| <b>Summary</b>        | Prescribed housing providers are required to invest their capital reserves in the SHSCFI administered investment program by the end of December 2003.   |
| <b>Background</b>     | <p>With devolution of social housing programs from the province to municipalities, the provincial government recognized the benefits of maintaining some programs and services at a provincial level. A new entity, the Social Housing Services Corporation (SHSC), was created with several key objects, including management of an investment program for the capital reserves of all prescribed housing providers. Prescribed housing providers are generally those formerly administered and funded by the province and are listed in schedules one through three of Regulation 17/02.</p> <p>SHSC created a separate company, SHSCFI, to oversee the investment program. SHSCFI is managed by a board made up of representatives with backgrounds in financial management, investments and social housing.</p> |

## Background Continued

The investment program is designed to give housing providers a larger range of investment options and the opportunity to increase the return on their investments. The SHSC hired the investment firm, Phillips Hager & North (PH&N), to advise housing providers on investment choices and to manage the investment funds.

Housing providers can currently choose from four different investments funds with varying rates of return and levels of risk. The Asset Allocation Questionnaire included in the PH&N application package is designed to help housing providers decide how best to invest their capital reserves to accommodate their specific financial needs.

The investment funds have been available since February 2003. The Region appreciates the efforts of those providers who have already invested with PH&N. All other housing providers are reminded that they are required to transfer their capital reserve funds to PH&N by December 31, 2003.

## Procedure

### 1. Preparation

- Review any existing investment by-laws or policies and take appropriate steps to ensure compliance with SHRA requirements. Your sector association may be able to provide you with sample policies or by-laws if needed. Sample by-laws are also available on the SHSC web-site, [www.shscorp.ca](http://www.shscorp.ca), in the “Investing” section.
- Prepare a list of all current capital reserve investments, including rates of return and maturity dates. If you have an investment that does not mature before December 31<sup>st</sup> and you will experience a loss or penalty with early redemption, please contact your Program Coordinator and the SHSCFI **before** you liquidate the investment. SHSCFI and PH&N will be reviewing these cases on an individual basis, based on the information you provide, and will inform you whether or not you will be exempted from the deadline. In order to fully comply with the terms of the *Social Housing Reform Act*, you must inform the SHSCFI of any investments that will not be transferred by December 31, 2003.

### 2. Complete the appropriate forms in the PH&N investment package

- Earlier this year, you should have received an investment package with all the necessary forms from PH&N. Electronic versions of the forms are also available on the SHSC website, [www.shscorp.ca](http://www.shscorp.ca), in the “Investing” section. If you do not have internet access or if you would like an investment package sent to you, please contact Rosabelle Gonzales at 416-594-9325 or 1-866-268-4451 ext. 20.
- The housing provider’s board of directors must approve and sign the Resolution of Directors form. The board will also need to discuss a number of related issues, including:
  - signing authority, (who will be designated to give instructions to PH&N)
  - how and when current year contributions to the fund will be made
  - how much of the reserves should be allocated to short-term investments to cover anticipated capital needs
- If you have any questions about the investment process, you may call Rosabelle Gonzales and if you have any investment specific questions or would like assistance in completing the forms in the package, please call PH&N at 1-888-771-7473.

**Action  
Required**

All prescribed housing providers are required to transfer their capital reserve funds to the SHSC investment program managed by Phillips Hager & North, no later than December 31, 2003.

Please contact your Program Co-ordinator if you have any questions.

Sylvia Patterson  
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