



Housing Department

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October 2, 2017

Keith Extance, Director of Funding and Risk Management
Ministry of Housing
Housing Funding and Risk Management Branch
777 Bay Street, 14th Floor
Toronto, ON M5G 2E5

Dear Mr. Extance,

Please accept the following County staff comments regarding the mandatory services provided by Housing Services Corporation.

1. *Have you, your Local Housing Corporation, and/or your local housing providers made use of HSC's non-mandatory programs and services? If so, do you have an opinion regarding their value?*

Grey County Housing uses the tenant insurance program through HSC. Grey County Housing has a mandatory tenant insurance program and provides information on HSC tenant insurance program. The program provides economical tenant insurance for social housing residents. The insurance package provided by HSC has also led to local companies reducing their rates to meet HSC rates and provide economical insurance for tenants.

2. *Have you, as Service Manager, examined alternatives to HSC's mandatory programs? If so, what is your assessment of those alternatives?*

Insurance: Grey County has three non-profit housing providers that obtain insurance elsewhere and are satisfied with their current coverage and service. When asked why they chose alternative services two stated they were able to find better prices and one stated the service they received during and after a fire was not satisfactory and caused them to look elsewhere.

Other providers reported to be satisfied with the current service and prices. Some non-profit housing providers have looked for local alternatives but the cost of coverage was higher than that of HSC.

Natural Gas: Grey County is pleased to see a reduction in the price for natural gas over the past five years and a further reduction scheduled for next year. The price of natural gas in 2013 was 0.24/m³ and has reduced to 0.13/m³ for 2018. The price is competitive compared to what the County of Grey currently pays for natural gas.

Capital Investments: There are two streams of thought on mandatory investments with HSC. Some of our smaller non-profits were investing their capital reserve funds in GIC's which were safe but seeing very little in the way of returns. As buildings and infrastructure age the need for capital investment increases. These smaller non-profits have noted an increase in their overall portfolio as a result of investing with HSC.

Larger or more investment savvy non-profits that were investing their capital funds wisely complain about the lack of control over their funds and the lack of opportunity to invest in other portfolios to increase values.

From a process point of view it makes sense to pool assets from around the Province to get better investment choices and returns.

3. *Would you support the elimination of the reciprocal obligation related to HSC's programs, which would give housing providers and Local Housing Corporations the freedom to choose vendors for insurance, natural gas, and capital reserve investments, but would also give HSC the right to refuse providing those services to your Local Housing Corporation or housing providers?*

As housing is unpredictable and a higher risk due to smoking, differing states of health with tenants and multi-dwelling living, fire and water events are hard to prevent completely and may result in some providers unable to find insurance in worst case scenarios. The elimination of the reciprocal obligation with respect to insurance services would put some providers at risk.

Grey County has three high risk providers based on insurance claim history and of the three, two providers have total claims that exceed their premiums and may have a hard time finding affordable coverage resulting in an increase in insurance costs due to higher premiums.

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As a Service Manager this is also worrisome as the Service Manager pays for insurance for their non-profits and this could result in an increase in cost and risk for the Service Manager.

Regards

A handwritten signature in cursive script that reads "Anne Marie Shaw".

Anne Marie Shaw
Director of Housing
Grey County Housing

