



BC Housing



BRITISH
COLUMBIA

Group Home Guide

for Sponsors





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CHAPTER 1 INTRODUCTION

Group homes provide housing and services for clients in need of supportive care, such as people with physical and mental challenges or mental illness. In B.C., our staff at BC Housing administer many group homes owned by the Provincial Rental Housing Corporation (PRHC), while support services are funded by health authorities or various provincial government ministries.

In this *Group Home Guide for Sponsors*, we explain how the PRHC group home model works, so sponsoring ministries and health authorities understand each partner's role in managing PRHC group homes. The second guidebook in this binder, called the *Group Home Guide for Operators*, outlines the responsibilities of PRHC group home operators.

(In addition, a number of group homes are owned and operated by non-profit societies, with funding for support services from government ministries, but these guides do not cover non-profit managed group homes.)

WHAT'S IN THIS GUIDE?

In this first chapter, we list the most *Frequently Asked Questions* about PRHC group homes, with answers, for quick reference.

In chapter two, we explain the PRHC group home partnership model and the role of the partners: the Provincial Rental Housing Corporation (PRHC), BC Housing, the group home operator, the sponsor and Canada Mortgage and Housing Corporation (CMHC).

Chapter three summarizes the *PRHC Group Home Operating Agreement* and the *PRHC Operator Agreement*.

We outline revenue sources for group home operating costs and the various housing programs in chapter four.

The role of BC Housing's Property Portfolio Managers is described in chapter five, as well as the process for modernization and improvement and replacement reserve funding.

In chapter six, we explain the annual operating budget process and year-end reconciliation.

And in chapter seven, we outline BC Housing's portfolio administration and vacant group home procedures.

Refer to the *Glossary* beginning on page 34 for a definition of any unfamiliar terms.



FREQUENTLY ASKED QUESTIONS

What are group homes?

A group home is a residence, generally a house, for persons who share a need for supportive care.

Who uses group homes?

People living in group homes may be adults or children with physical or mental challenges, people with mental illness, youth, infants, or men and women in need of transitional housing.

Who selects group home clients?

Group home sponsors select residents who fit the special needs or disabilities of the client group living in a particular home.

Who are the partners?

The partners for PRHC group homes include group home sponsors, group home operators, BC Housing, as the agent for the Provincial Rental Housing Corporation (PRHC), and Canada Mortgage and Housing Corporation (CMHC).

What is a group home sponsor?

Under the PRHC group home model, a sponsor is the provincial ministry or health authority that signs contracts with BC Housing and a group home operator to fund and run PRHC group homes. Provincial government sponsors include ministries responsible for social services and the health and welfare of individuals and families. Sponsors contract with the operator to define care and support services for group home clients, and with BC Housing to define the funding arrangements.

What is the Provincial Rental Housing Corporation?

The Provincial Rental Housing Corporation (PRHC) is a holding company set up to own land and buildings for social housing on behalf of the provincial government. PRHC owns the land and group homes administered by BC Housing. BC Housing's senior managers make up the Board that directs PRHC, and our staff carry out PRHC responsibilities.

What is BC Housing?

BC Housing is the provincial government agency that develops, manages and administers a range of subsidized housing options across the province, in partnership with non-profit housing providers, the private sector, other levels of government, health authorities and community agencies.

BC Housing provides housing subsidies for more than 56,300 low to moderate income families, seniors, and people with disabilities, and administers 33,400 units of social housing managed by non-profit societies and co-operatives.



BC Housing is also the agent for PRHC. We acquire and dispose of PRHC properties, and provide financial, administrative and property management services for group homes owned by PRHC.

How are group homes funded?

The group home sponsor, BC Housing and CMHC all contribute funding for PRHC group homes. Sponsors fund all program costs, and some or all shelter-related costs. CMHC and BC Housing (on behalf of the provincial ministry responsible for housing) fund shelter-related costs. The amount each partner provides depends on the housing program in place when the group home was developed. For more information on partner contributions, see page 16.

How does BC Housing determine operating budget increases?

We forecast group home operating costs for each budget category based on past experience, current information, and assumptions about future costs. The budget includes Modernization and Improvement projects identified by Property Portfolio Managers during their annual group home inspections.

We determine the percentage increase for heating fuel (oil or propane), electricity, water and sewer, security, waste removal, heating and ventilation, and property taxes. We define remaining budget item increases and decreases based on historical operating costs.

What items can be funded from the replacement reserve?

Items included in the *Standardized List of Replacement Reserve Items* on page 21 can be funded from the replacement reserve.

What is the PRHC Group Home Operating Agreement?

This agreement (previously called the *Group Home Ministry-Commission Agreement*) outlines the group home responsibilities of BC Housing and the sponsor. The agreement may be amended as new group homes are added to a sponsor's portfolio, or as group homes are sold or transferred.

How often does BC Housing inspect group homes?

Our Property Portfolio Managers (PPM) inspect group homes annually to assess their condition and the operator's level of compliance with the terms of the *PRHC Operator Agreement*. PPMs may visit particular group homes more frequently if maintenance issues arise that the operator is unable to handle alone, or to meet contractors implementing major projects.

What is tenant rent revenue?

Tenant rent revenue refers to the amount of rent payable by the sponsor on behalf of group home clients.



Are “eligible units” the same as bedrooms?

Eligible units do not necessarily equal the number of bedrooms. Eligible units refer to the number of beds originally allocated for clients. Most group homes have one bed per bedroom, but in some older homes clients were expected to share bedrooms. As well, the number of eligible units can increase if the group home is renovated to include additional bedrooms.

What do shelter costs include?

Shelter-related expenses include costs incurred for the land and for shared or private space in the group home used for living, sleeping, eating, food preparation and sanitation, as well as parking, laundry and amenities space shared with other residents in the building.

What does the term “ineligible operating costs” mean?

Ineligible operating costs include costs related to client care that are not eligible for federal/provincial subsidy, such as:

- Repairing damage caused by group home residents beyond normal wear and tear.
- Installing and repairing specialized equipment.
- Making modifications to accommodate clients’ specific needs.

The sponsor provides funding for any ineligible operating costs.

What is a Modernization and Improvement (M&I) project?

M&I projects include major repairs, replacements or improvements to a property, such as an interior renovation. Generally, no M&I funding is directed to items on the *Standardized List of Replacement Reserve Items*, unless insufficient funds have accumulated in the reserve when a replacement is required.

How are Modernization and Improvement projects initiated?

The need for M&I projects is identified during the annual group home inspection, and throughout the year, if unforeseen maintenance issues arise. The PPM coordinates all M&I projects.

What is a special funding request?

A special request may be made for additional funding for urgent maintenance or a major repair that was not included in the operating budget. Such a request may be related to a health and safety issue, licensing requirements or client care.



What is a “Grant in Lieu of Taxes?”

BC Housing pays all municipal taxes for PRHC group homes, as a Grant in Lieu of Taxes.

Who pays for licensing requirements?

Some operators require a license to operate their group homes as community care facilities under the *Community Care Facility Act*, depending on the number and type of clients and type of care provided. BC Housing does not provide funds to repair equipment needed to meet licensing requirements, such as locked medicine cabinets, wheelchair ramps, client lifts or fire sprinkler systems. BC Housing will arrange for the work to be done, and sponsors are responsible for funding these licensing costs.

What happens when a sponsor no longer requires a group home?

Sponsors should contact BC Housing’s Portfolio Administrator, at 604-433-1711, when a group home in their portfolio is no longer required. Our Portfolio Administrator will outline the sponsor’s financial obligations, which vary depending on the housing program. BC Housing will also search for another sponsor or client group to use the home.



CHAPTER 2 PRHC GROUP HOME PARTNERSHIP MODEL

Under the PRHC group home model, BC Housing works with sponsors and operators to ensure well maintained group homes are available for special needs residents in British Columbia. BC Housing acts as the agent for the Provincial Rental Housing Corporation, which owns these group homes.

The sponsor signs a contract with BC Housing to use the home for a particular group of clients, and with an operator to provide support services.

THE PARTNERS

Provincial Rental Housing Corporation

The Provincial Rental Housing Corporation (PRHC) is a holding company set up to acquire and dispose of land for social housing, including group homes, to construct or acquire public housing, and to borrow money.

The Provincial Rental Housing Corporation owns all PRHC group homes. PRHC ownership was designed to:

- Provide sponsors with the flexibility to change group home clients and operators as required.
- Allow sponsors to receive federal/provincial subsidies.
- Ensure the quality of property management is consistent from home to home.
- Enable sponsors to focus their resources on delivering programs and care for clients.
- Ensure group homes remain available for special needs clients for the life of the building.

PRHC also qualifies as a public housing corporation, which enables it to sponsor and manage social housing projects such as PRHC group homes. BC Housing's senior managers make up the Board that directs PRHC, and BC Housing staff carry out PRHC's responsibilities for:

- Acquiring or constructing group homes, on PRHC's or the sponsors' behalf, to provide temporary and permanent housing for clients.
- Leading the development and construction process with input and approval from the sponsor.
- Assuming ownership of existing group homes that are no longer required by the original non-profit owner, on behalf of the sponsor.



BC Housing

BC Housing is the provincial government agency responsible for social housing programs. We develop, manage and administer a range of subsidized housing across the province.

BC Housing staff provide administration and property management support for PRHC group homes, as the agent for PRHC. BC Housing also provides subsidies for shelter-related costs for group homes developed under federal and provincial housing programs. Our role is to:

- Provide property management services through seven offices located throughout the province.
- Prepare and implement annual group home operating agreements with each sponsor.
- Contract with operators for day-to-day group home maintenance.
- Coordinate funding from the provincial ministry responsible for housing, Canada Mortgage and Housing Corporation (CMHC) and the sponsor to cover shelter costs for PRHC group homes.
- Provide payments for all shelter-related group home operating costs, including the mortgage and property taxes. (BC Housing sends out all the cheques for these costs, even when some funding is provided by the sponsor or CMHC.)
- Prepare annual operating budgets for each group home and report annual operating costs to sponsors at fiscal year end.
- Plan and implement major repairs or improvements to ensure group homes remain viable for the long-term.

Sponsor

The sponsor signs contracts with BC Housing and the operator to define funding, management and support services in PRHC group homes. Sponsors include health authorities and provincial government ministries responsible for social services and the health and welfare of individuals and families. The sponsor's role is to:

- Contract with the operator to provide care and support services for group home clients.
- Provide operators with funding for client care and programs.
- Contract with BC Housing for the use and occupancy of PRHC group homes.
- Provide BC Housing with funding for the sponsor's share of operating costs for group homes in their portfolio.
- Provide BC Housing with funding for renovations and Modernization and Improvements that are not eligible for federal/provincial subsidy.



Operator

The operator is a non-profit society or private entrepreneur who provides programs and services for PRHC group home residents. The operator's role is to:

- Contract with a sponsor to provide daily support services and care for special needs clients.
- Contract with BC Housing to provide routine group home maintenance.

Canada Mortgage and Housing Corporation

CMHC is the federal government housing agency that provides subsidies for group homes and other housing developed under federal and federal/provincial housing programs. CMHC's role is to:

- Provide subsidies to BC Housing for group homes developed under joint federal/provincial housing programs.
- Provide grants to write down the mortgage rate for group homes developed under the federal, Pre 1986, Section 95, housing programs. (See the table on page 16 for more information on these programs.)
- Monitor PRHC's compliance with the operating agreements for group homes developed under federal/provincial housing programs.

For more information on the role of each partner, refer to the list of *PRHC Group Home Responsibilities*, beginning on page 39 of the appendix.



CHAPTER 3 PRHC GROUP HOME OPERATING AGREEMENTS

Two agreements govern the operation of group homes: the *PRHC Group Home Operating Agreement* and the *PRHC Operator Agreement*. This chapter explains the two contracts.

THE PRHC GROUP HOME OPERATING AGREEMENT

Each sponsor signs an agreement with BC Housing governing the use of their group homes. The *PRHC Group Home Operating Agreement* (previously called the *Group Home Ministry-Commission Agreement*) outlines the responsibilities of BC Housing and the sponsor for that sponsor's PRHC group home portfolio. *Schedule A* of the agreement lists the PRHC group homes in each sponsor's portfolio.

For specific information on sponsor agreements, please refer to individual agreements, which may contain clauses governing financial reporting and methods of payment negotiated by individual sponsors.

A sample *PRHC Group Home Operating Agreement* is included in the second tabbed section of this binder for reference.

Group Home Operating Costs

Group home operating costs include the following shelter costs:

- Municipal land taxes
- Mortgage and land lease payments
- Gas, electric, water and sewer
- Municipal garbage costs
- Repairs and maintenance
- Modernization and improvement projects

For a list of shelter-related expenses, see the section *Annual Operating Budgets* in chapter six.

Agreement Amount

Group homes have been developed under different housing programs over the years, with different funding models for shelter costs.

The agreement amount is the sponsor's contribution towards shelter-related operating costs for each PRHC group home in their portfolio. Under the *PRHC Group Home Operating Agreement*, the sponsor pays BC Housing for group home operating costs that neither BC Housing nor CMHC fund.



In addition, some group homes are designated as rent-geared-to-income (RGI), and require a rent contribution based on *BC Housing's Flat Rent Table* for a single person receiving income assistance. (A copy of the table is included in the appendix on page 44.) The sponsor pays BC Housing the tenant rent contribution for eligible units in each group home.

Term of the Agreement

The term of the *PRHC Group Home Operating Agreement* runs from April 1 to March 31, and is renewed annually under the same terms and conditions. Each year the total agreement amount is recalculated to reflect anticipated increases in operating costs or additions and deletions to the sponsor's group home portfolio.

Amendments

We amend the *PRHC Group Home Operating Agreement* during the term of the agreement whenever group homes are added to or deleted from the sponsor's portfolio.

THE PRHC OPERATOR AGREEMENT

The *PRHC Operator Agreement* (POA) is an agreement between BC Housing and the group home operator. Sponsors also have contracts with operators, which form part of the POA.

Under the POA, the operator has responsibility for day-to-day group home maintenance. The agreement contains a *Schedule of Maintenance and Repairs* that describes the operator's responsibilities for:

- Exterior landscaping, grounds and home maintenance.
- Interior cleaning, maintenance, fire and safety responsibilities and pest control.

A sample *PRHC Operator Agreement* is included in the appendix of the *Group Home Guide for Operators* in the third tabbed section of this binder.

Operator Assistance

BC Housing gives the operator funding for minor building and grounds maintenance based on the number of clients in the home. This annual amount of "operator assistance" is shown in *Schedule C* of the agreement. Each year, group home operators are required to account for maintenance revenues and expenses.



Term of the Agreement

The term of the agreement is from April 1 to March 31, and is renewed automatically each year under the same term and conditions. A POA ends when a contract with a sponsor is terminated, when an operator no longer wants to provide services, or all the clients are moved from the home to a different location.

Amendments

The amount of operator assistance should be amended when there is a permanent change in the number of clients or a change in the operator's duties. Changes to the POA are made 60 days before the end of the term, or as mutually agreed by BC Housing and the operator.



CHAPTER 4 GROUP HOME OPERATING COSTS

Under the *PRHC Group Home Operating Agreement*, the sponsor is responsible for all operating costs not funded by federal or provincial subsidies. The amount a sponsor contributes to shelter-related operating costs depends on the housing program a group home was developed under. This chapter explains the sponsor's contribution under different housing programs.

HOUSING PROGRAMS

Sponsors could have group homes in some or all of the following housing programs:

Pre 1986 federal/provincial housing programs:

- Section 26 and Section 27 (of the National Housing Act)
- Section 95 federal non-profit housing program
- Provincial Rental Assistance Program for the Disabled (PRAPD)
- Section 82(1) AD
- Section 82(1) B

Post 1985 federal/provincial housing programs:

- Non-profit public special purpose
- Non-profit public special facilities

Wholly provincial housing programs:

- Wholly provincial group homes
- HOMES BC (now called the Provincial Housing Program) – Homeless at Risk/Homeless at Risk – Fixed Sponsor Contribution

Schedule A of the *PRHC Group Home Operating Agreement* lists the housing program for each group home. The housing program determines the amount of subsidy available from Canada Mortgage and Housing Corporation and BC Housing. The amount of the federal, provincial and sponsor contributions for each housing program is explained in the table on the next page.



PRHC FUNDING FORMULAS

Housing Program	Contributions to Group Home Operating Costs
<i>Sections 26 & 27</i>	<ul style="list-style-type: none"> The sponsor is responsible for 100% of group home operating costs, including modernization and improvements.
<i>Section 95</i>	<ul style="list-style-type: none"> CMHC provides a mortgage assistance subsidy, which writes the mortgage interest down to 2%. The sponsor is responsible for the remaining group home operating costs, including modernization and improvements.
<i>82(1) AD and 82(1) B</i>	<ul style="list-style-type: none"> The sponsor is responsible for the tenant rent contribution for each eligible unit, and ineligible operating costs for programs and services (see page 18 for an explanation of ineligible costs). The sponsor also pays for improvements related to licensing requirements and client programs and services. BC Housing (on behalf of the provincial ministry responsible for housing) and CMHC each pay 50% of the difference between the total shelter-related operating costs, including modernization and improvement projects, and the tenant rent contribution.
<i>PRAP Disabled</i>	<ul style="list-style-type: none"> The sponsor is responsible for tenant rent contributions, operating costs for programs and services and ineligible operating costs. The sponsor pays for improvements for licensing requirements and resident programs and services. CMHC provides a 2% mortgage write-down. BC Housing funds the remaining shelter operating costs, including modernization and improvement projects, on behalf of the provincial ministry responsible for housing.
<i>Special Facilities</i>	<ul style="list-style-type: none"> The sponsor is responsible for the tenant rent contribution for each eligible unit and ineligible operating costs. The sponsor also pays for improvements for licensing requirements and resident services. CMHC and BC Housing jointly fund the difference between total group home operating costs, including modernization and improvement projects, and the tenant rent contribution. CMHC pays 67% and BC Housing pays 33%.



Housing Program	Contributions to Group Home Operating Costs
<i>Special Purpose</i>	<ul style="list-style-type: none"> • CMHC and BC Housing jointly fund a 2% mortgage write-down (67% and 33%). • The sponsor funds remaining group home operating costs, including modernization and improvement projects. • There is no tenant rent contribution for this program.
<i>Wholly Provincial</i>	<ul style="list-style-type: none"> • The sponsor is responsible for 100% of group home operating costs, including modernization and improvement projects. • There is no tenant rent contribution for this program.
<i>Homeless at Risk</i>	<ul style="list-style-type: none"> • The sponsor is responsible for 100% of group home operating costs. • The sponsor also pays for improvements for licensing requirements and resident services.
<i>Homeless at Risk – Fixed Sponsor Contribution</i>	<ul style="list-style-type: none"> • The sponsor funds a portion of group home operating costs, based on a fixed amount determined during construction. • The sponsor also pays for improvements for licensing requirements and resident services. • BC Housing funds the remaining group home operating costs, including major improvements for the shelter component.

A summary of the different housing programs is included in the appendix on page 42.

SHELTER COSTS

Shelter-related expenses include costs incurred for the land and for shared or private space in the group home used for living, sleeping, eating, food preparation and sanitation, as well as parking, laundry and amenities space shared with other residents in the building.



INELIGIBLE EXPENSES

Federal and provincial housing subsidies are provided for shelter-related costs only. As a result, expenses for client services and programs are considered *ineligible* for housing subsidy, and the sponsor is responsible for paying all client care costs.

Care Maintenance

Ineligible maintenance costs related to client needs include:

- Repairing damage caused by group home residents in excess of normal wear and tear.
- Installing and repairing specialized equipment.
- Making modifications to accommodate clients' specific needs.

Ineligible Space

Ineligible space includes any areas of a group home not used for client accommodation. These ineligible space or shelter costs include:

- Staff office space
- Meeting rooms
- Locked medication rooms

If a group home contains ineligible space, we calculate the percentage of operating costs (excluding mortgage payments) that are ineligible for subsidy, based on the floor space. For example, a group home using 10% of the floor space for an office would be subsidized for 90% of its operating costs, and the sponsor would be responsible for the remaining 10%.

Space unused due to fewer occupants is also ineligible for subsidy. In this situation, the sponsor is responsible for the tenant rent contribution for vacant units.

When a permanent reduction in the number of clients occurs, the sponsor is responsible for 15% of the operating costs for each unused bedroom.

Ineligible Mortgage

CMHC set a Maximum Unit Price (MUP) for group homes developed under federal/provincial housing programs, and the sponsor was responsible for any construction costs over MUP. In most cases, the sponsor provided a grant to cover additional costs.

However, in some situations additional costs over MUP were included in the final loan amount for the group home. In these cases, BC Housing calculates the ineligible portion of the mortgage, based on the percentage of the loan over MUP.



Here is a sample calculation for ineligible mortgage expenses:

Final loan amount for three-unit group home:	\$200,000
MUP for a three-unit group home:	<u>\$180,000</u>
Loan amount over MUP (ineligible for subsidy):	\$20,000
Percentage of loan over MUP	
(\$20,000 ÷ \$200,000 x 100%)	10%
Annual mortgage payments	<u>\$9,000</u>
Sponsor contribution (10% of \$9,000)	\$900

A percentage of the annual mortgage payment may also be ineligible for subsidy if part of the loan is for improvements or renovations required for programs and services. For example, if an elevator is built in the home or an extra room is added for client programs or staff requirements, the sponsor is responsible for the increased mortgage amount for these changes.

Each group home operating budget indicates whether a portion of operating or mortgage costs are ineligible for subsidy. For assistance calculating ineligible space costs for a specific group home, please contact BC Housing's Group Home Assistants at 604-433-1711.



CHAPTER 5 PROPERTY MANAGEMENT

We assign a BC Housing Property Portfolio Manager (PPM) to provide property management services for each PRHC group home. The PPM inspects the building and grounds, prepares annual operating budgets, authorizes expenditures, and implements a maintenance program to ensure the safety of residents and the long-term viability of the property.

The operator handles regular group home maintenance, and the PPM's job is to ensure this maintenance work meets the terms of the *PRHC Operator Agreement* (POA).

ANNUAL GROUP HOME INSPECTIONS

PPMs conduct annual group home inspections to assess the condition of homes, the level of maintenance required, and the operators' compliance with health and safety standards. PPMs record the results of the group home inspections in the *Group Home Inspection Form*. A sample form is included in the appendix on page 45.

REPAIRS AND MAINTENANCE

The Property Portfolio Manager:

- Coordinates fire and safety inspections.
- Facilitates repairs, maintenance items and services beyond the scope of the POA, such as common area painting, new flooring, or replacing appliances.
- Responds immediately to emergency issues and coordinates contracts for emergency maintenance requirements.

REPLACEMENT RESERVES

Each group home has a replacement reserve fund to replace major items as they wear out, so the building continues to be functional over its useful life. We fund the replacement reserve through an annual provision in the group home operating budget.

Accumulated replacement reserve funds are used to replace items included in the list of eligible replacement items on the next page. The Property Portfolio Manager assesses the condition of these items during the annual group home inspection and determines when replacements are required. Then the PPM oversees the work and authorizes invoice payments.



STANDARDIZED LIST OF REPLACEMENT RESERVE ITEMS

Category	Item
APPLIANCES	Dishwasher
	Dryer
	Fridge
	Wall Oven
	Stove Top
	Stove
	Washer
FLOORING	Carpet
	Linoleum/Vinyl
	Carpet – Common Areas Linoleum/Vinyl – Common Areas
HEATING	Furnace
	Boiler
	Electric Heat
	Hot Water Tank
	Water/Oil Pumps
INTERIOR STRUCTURE	Air Conditioning
	Central Air Conditioning – Common Areas
	Countertops
PAINTING	Exterior Painting
	Exterior Trim Painting
	Interior Painting – Common Areas
	Interior Painting
PAVING	Driveway Paving
ROOFING	Roof
WINDOW COVERINGS	Blinds
	Drapes
	Awning
EXTERIOR STRUCTURE	Balcony Coverings
	Deck and Deck Coverings
	Fencing
	Playground Equipment
OTHER	Security Gate
	Fresh Water Pump
	Sewage/Pressure/Relay



CARE MAINTENANCE AND LICENSING REQUIREMENTS

Licensed PRHC group homes are also inspected by community care licensing officers. When repairs and maintenance are required to comply with the *Community Care Licensing Act*, the PPM arranges the maintenance for care and licensing requirements that are beyond the scope of the operators' responsibilities.

Sponsors are responsible for funding repairs, maintenance or modifications for care and licensing, such as wheelchair ramps, client lifts, fire sprinkler systems or locked medicine cabinets.

MODERNIZATION AND IMPROVEMENTS (M&I)

Modernization and improvement projects include replacing and repairing major structural components of a building due to:

- Premature failure
- Deficiencies in construction or design
- Cosmetic or functional upgrades
- Obsolescence of existing components
- Change in use or number of bedrooms

Each year we prepare a three-year M&I plan for PRHC group homes to prioritize major improvements not funded through replacement reserves. M&I projects are included as part of the operating costs in the annual operating budget for each group home. The amount a sponsor contributes towards an M&I project depends on the housing program and the scope of work for each home. For example, renovations to increase the capacity of the home or to install a wheelchair ramp would be funded by the sponsor.

To plan and implement an M&I project:

- The PPM identifies the need for M&I projects during the annual group home inspection, and throughout the year, if unforeseen maintenance issues arise.
- M&I projects are proposed in the annual operating budget.
- Sponsors approve funding for M&I projects, if applicable.
- The PPM coordinates the work for all M&I projects.
- The sponsor reimburses BC Housing for M&I costs that are not eligible for federal/provincial subsidies.



See the table on page 16 of chapter four for details on M&I funding for different housing programs.

When an M&I project is approved, the Property Portfolio Manager:

- Determines when the project will start.
- Obtains quotes for the work and arranges contracts for repairs.
- Arranges for the work to be completed.
- Directs BC Housing's maintenance and technical staff to oversee the work.
- Authorizes invoice payments.

Refer to the section on M&I projects in *PRHC Group Home Responsibilities* for details of each partner's role, on page 39 of the appendix.



CHAPTER 6 FINANCIAL ADMINISTRATION

Group home sponsors, BC Housing and CMHC all contribute funding for PRHC group homes. BC Housing administers the funding from all partners to cover shelter-related costs.

ANNUAL OPERATING BUDGETS

Each year, BC Housing prepares a new operating budget for every PRHC group home to determine the amount of funding required for the fiscal year. The approved budget also provides a benchmark for measuring financial performance during the year.

We forecast group home operating costs for each budget category based on past experience, current information, and assumptions about future costs. The budget includes M&I projects identified by Property Portfolio Managers during their annual group home inspections.

When the budgets are finalized, we prepare the *PRHC Group Home Operating Agreement* for the next fiscal year, and forward a copy of each budget to the sponsor to confirm the contract amount. A sample budget and assumptions worksheet is included in the appendix on page 48. A brief description of each budget category begins on the next page.



Budget Category	Description
<i>Sponsor Contribution</i>	The sponsor's share of group home operating costs based on total anticipated expenses for the year and the funding formula for each housing program.
<i>BC Housing's Contribution</i>	BC Housing's subsidy contribution to group home operating costs, on behalf of the provincial ministry responsible for housing.
<i>CMHC Contribution</i>	CMHC's subsidy contribution to group home operating costs.
<i>Tenant Rent Revenue</i>	The sponsor's payment toward the tenant rent contribution for RGI group homes, on behalf of clients. The tenant rent contribution for each unit is based on the <i>BC Housing Flat Rent Table</i> .
<i>Administration Charge</i>	BC Housing's fee for administrative, financial and property management services.
<i>Operator Assistance (also referred to as site rep fees)</i>	Operator assistance based on <i>Schedule C</i> of the <i>PRHC Operator Agreement</i> for regular group home maintenance. Costs paid by the operator include maintenance supplies, equipment rental, and janitorial supplies such as hand tools, pails and cleaning products.
<i>Heating Fuel – Gas/Oil</i>	All gas and oil heating and hot water costs.
<i>Electricity</i>	All electrical power costs, including electrical heating costs if applicable.
<i>Water and Sewer</i>	Amounts paid for municipal water and sewer services. If the group home does not have municipal water and sewer services, the costs to pump a septic tank or maintain a sanitary system or well are included here.
<i>Security</i>	Security systems, all fire and safety equipment and inspections, and re-keying the building.
<i>Waste Removal</i>	Costs for municipal garbage pick up or for a private waste removal company.
<i>Insurance Premiums</i>	PRHC group homes are self-insured by BC Housing, under provincial guidelines. We include a flat fee per unit per month in the budget for insurance coverage for liability, fire, theft, earthquake and other damages. Insurance costs for operator liability and contents insurance are the operator's responsibility.



Budget Category	Description
<i>Interior and Exterior Building Maintenance</i>	Budgeted contingency for repairs and maintenance outside the scope of the POA, such as large maintenance projects and repairs identified during group home inspections.
<i>Grounds Maintenance</i>	Fee paid to the group home operator for landscaping and grounds maintenance. May also include services outside the scope of the <i>PRHC Operator Agreement</i> such as tree removal and repairs to fencing, pathways, parking areas and sidewalks.
<i>Heating Ventilation</i>	Budgeted contingency for repairs and service to heating and hot water systems.
<i>Appliance Repairs</i>	Budgeted contingency for repairs to group home appliances.
<i>Ineligible Care Maintenance</i>	Budgeted contingency for care maintenance and repairs identified during group home inspections, and costs not covered by the operator's contract with the sponsor.
<i>M&I</i>	Modernization and improvement projects pre-approved by BC Housing, based on the three-year <i>Modernization and Improvement Plan</i> , including: <ul style="list-style-type: none">• Energy conservation and fire safety programs• Interior building projects• Grounds projects• Exterior building projects
<i>Maintenance Replacement Reserve</i>	Annual provision for future replacement of items such as flooring, carpeting and appliances included in the <i>Standardized List of Replacement Reserve Items</i> .
<i>Grants for Taxes</i>	Costs for municipal taxes, as well as any license fees paid for municipal or regional services.
<i>Mortgage Payments</i>	Annual mortgage interest and principal based on the current loan amount.



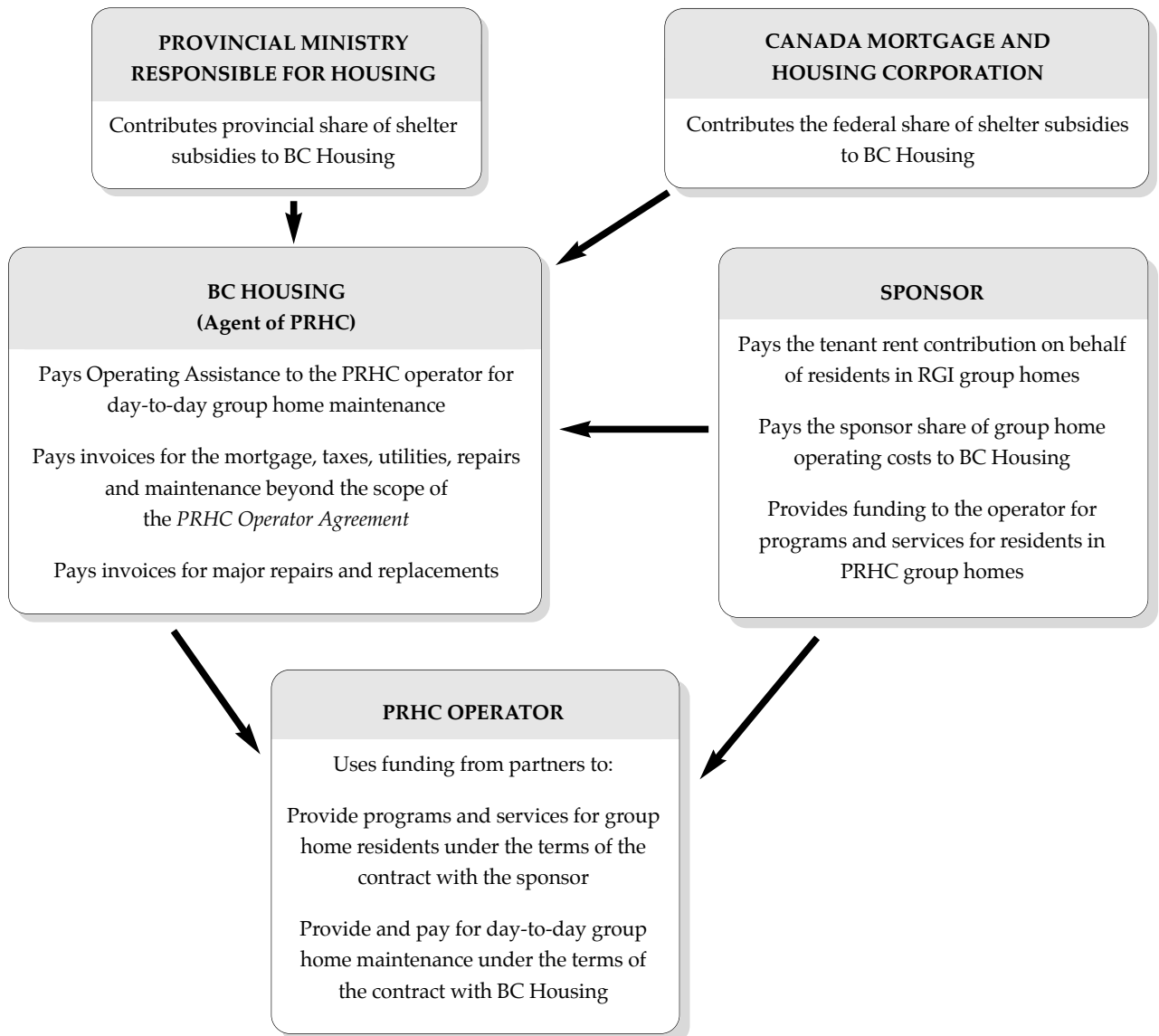
MONETARY FLOW

For each fiscal year, BC Housing:

- Coordinates payments from the partners for all shelter-related group home operating costs, including utilities, mortgages and property taxes.
- Provides the operator with funding for regular group home maintenance.

The diagram below shows the flow of funds for PRHC group homes:

PRHC PARTNERSHIP MODEL





MONITORING GROUP HOME OPERATING COSTS

BC Housing monitors group home operating costs to ensure expenses are within budget amounts, and funding from the different partners is sufficient to cover total operating costs.

Special Funding Requests

No budget can predict every circumstance that might affect group home operating costs during the year. As a result, we may request special funding from a sponsor if the budget significantly underestimates operating costs in a particular category, such as property taxes, utilities or emergency repairs.

The sponsor can opt to provide a direct payment for the special funding project, use ministry funds held at BC Housing, or be billed at year end. If additional operating funds are needed from a sponsor, BC Housing completes a special funding request for approval to increase the funding.

Year End Reconciliation

At the end of each fiscal year, BC Housing reconciles the funding required for each group home to cover total operating costs. If total actual operating costs will exceed the agreement amount in the *PRHC Group Home Operating Agreement*, we prepare an *Amending Agreement* to include additional approved costs. We also prepare *Group Home Operating Statements* and a *Contract Reconciliation* showing the total amount payable for the fiscal year for each sponsor's portfolio.

During the year, sponsors provide monthly funding toward their share of group home operating costs. If the sponsors' share of operating costs turns out to be less than the funds we receive, BC Housing refunds any surplus amount. If the funds we receive are less than the sponsors' share of operating costs, BC Housing sends an invoice for the difference.

A sample *Group Home Operating Statement* and *Contract Reconciliation* are included on pages 50 and 51 of the appendix.



CHAPTER 7 PORTFOLIO ADMINISTRATION

Each sponsor's portfolio includes group homes listed in the *PRHC Group Home Operating Agreement* at the beginning of the fiscal year. This chapter explains when sponsors can add or remove group homes from their portfolio and other portfolio changes that affect group home operating costs.

CHANGES TO PRHC GROUP HOME CLIENTS

Sponsors are responsible for placing clients in their group homes in partnership with operators. BC Housing does not refer clients to group homes or track the move-in and move-out of individual clients. However, permanent increases or decreases in the number of clients must be reported to BC Housing, because they affect the sponsor's contribution to operating costs. For example, a permanent decrease in the number of clients housed can:

- Decrease the amount of operator assistance the operator receives, because the maintenance fee is based on the number of clients in the group home.
- Reduce the amount of subsidy payable by CMHC or BC Housing, because the subsidy is based on full occupancy of the original number of eligible units.

To report permanent changes in the number of PRHC group home clients, contact our Group Home Assistants or Portfolio Administrator at 604-433-1711.

REPLACING PRHC GROUP HOME OPERATORS

In some situations, a sponsor may decide to replace a group home operator, but continue to use the home for special needs clients. When this type of change occurs, BC Housing terminates the POA with the existing operator and signs a new agreement with the incoming operator.

To facilitate a smooth transition, sponsors should advise BC Housing at least two months before the contract with the operator ends.

When a sponsor notifies BC Housing of a change in operator, we:

- Discontinue operator assistance payments when the termination takes effect.
- Send a letter to the operator requesting a final reconciliation of the operator assistance and repayment of any surplus maintenance funds.
- Arrange for a move-out inspection and identify any damages or maintenance required before the group home is re-occupied.



If the home will be vacant for a period of time during the transition, BC Housing also:

- Picks up the keys on the vacancy date and changes locks, if necessary.
- Ensures appliances are clean and left in storage mode.
- Ensures the lawn is properly maintained during the vacancy period.
- Arranges security for the vacant home if required.
- Arranges for fuel delivery to continue to operate heating systems at minimum levels during winter months, if necessary.

When the sponsor has identified a new operator, BC Housing:

- Attends site visits with sponsor field staff and operators as required.
- Contracts for work to be completed before move-in, if necessary, to accommodate the incoming operator or clients.
- Confirms move-in date with the sponsor and operator.
- Prepares and signs a *PRHC Operator Agreement* with the new operator.
- Provides orientation for the new operator and reviews maintenance responsibilities in the POA.
- Arranges for keys to be delivered to the operator before move-in.
- Follows up with the operator 30 to 60 days after move-in to answer any questions or provide additional information.

VACANT PRHC GROUP HOMES

If a sponsor does not have an immediate use for a vacant group home but intends to use the home in the near future, the status of the home is considered *Vacant and on Hold*.

A vacant group home is not eligible for federal/provincial housing subsidies. The sponsor is responsible for all operating costs for vacant group homes until they are re-occupied.

CHANGING A GROUP HOME PORTFOLIO

During the term of the *PRHC Group Home Operating Agreement*, a sponsor can request to have:

- New group homes added to their portfolio.
- Group homes removed from their portfolio, when a home is no longer required.



GROUP HOME PORTFOLIO ADDITIONS

Additions to a sponsor's group home portfolio can occur when:

- BC Housing constructs a new PRHC group home requested by a sponsor.
- A sponsor arranges to use an existing PRHC group home vacated by another sponsor.
- A sponsor asks PRHC to assume ownership of group homes that are being sold or vacated by a non-profit or for-profit owner.
- One or more homes in a sponsor's group home portfolio are reassigned to another sponsor when provincial ministry responsibilities are restructured.

When a group home is added to a sponsor portfolio, we prepare an operating budget and calculate the sponsor's contribution. We amend the *PRHC Group Home Operating Agreement* to add the new group home to the sponsor's portfolio, and adjust the contract amount to include the sponsor's contribution toward operating costs of the new group home. The amendment is effective the date the group home is available for occupancy.

a) Acquiring New Group Homes

BC Housing can help sponsors plan the development of new group home properties. BC Housing usually leads the development and renovation of new properties for group home use, as the agent for PRHC, with input and approval from the sponsor. For information on developing new group homes, contact the Director of Development Services at BC Housing, at 604-433-1711.

b) Acquiring Existing Group Homes

Group Homes Owned by PRHC

We distribute a monthly listing of vacant group homes available for use by other sponsors, and respond to inquiries from potential group home sponsors to:

- Provide specific information about the properties.
- Supply financial information about each group home, including an annual operating budget and an estimate of the sponsor's contribution toward operating costs.
- Arrange for a viewing of the property with BC Housing staff.

For a copy of the *Vacant Group Home Listing*, or information about group homes on the list, call BC Housing's Portfolio Administrator at 604-433-1711.

When sponsors confirm their intent to use a vacant PRHC group home in writing, BC Housing:



- Coordinates requirements for occupancy of the home, including contracts for work that needs to be completed before move-in.
- Amends the *PRHC Group Home Operating Agreement* to add the new group home to the sponsor's portfolio, and adjusts the contract amount to include the sponsor's contribution toward operating costs.

Group Homes Owned by a Non-Profit Society or For-Profit Operator

PRHC assumes ownership of existing group homes that are being sold or vacated by an original operator, when requested by a sponsor.

BC Housing facilitates the property transfer from the owner to PRHC and coordinates arrangements required for re-occupancy, if necessary. The sponsor is responsible for covering all costs of acquiring, renovating, repairing and maintaining the group home, as well as any licensing requirements.

When the group home is ready for use, we amend the *PRHC Group Home Operating Agreement* to add the new home to the portfolio, and adjust the contract amount to include the sponsor's contribution toward operating costs.

REMOVING GROUP HOMES FROM A PORTFOLIO

Deletions to a sponsor's group home portfolio occur when:

- One or more homes are reassigned to another sponsor when provincial ministry responsibilities are restructured.
- The sponsor no longer has funding to sustain a group home program.
- The group home is no longer appropriate for clients due to its location, age, size, or physical layout.

BC Housing requires a minimum of 60 days notice from the sponsor that a group home is no longer required. When the sponsor's financial obligation for the group home ends, we amend the *PRHC Group Home Operating Agreement* to remove the home from the sponsor's portfolio, and adjust the contract amount to exclude the sponsor's contribution toward operating costs for that home.

a) Federal /Provincial Housing Programs

If a group home was developed under a federal or federal / provincial housing program, the sponsor's financial obligations for operating costs are terminated on the last day of the second month after we receive notice of termination. BC Housing then assumes the financial obligations for operating and M&I costs, on behalf of PRHC. A sample 60-day notice letter is included on page 52 of the appendix.



b) Wholly Provincial Housing Programs

The sponsor's financial obligation for wholly provincial PRHC group homes is terminated on the date a new sponsor assumes responsibility for the home or the home is sold.

For details on the sponsor's financial obligations when disposing of wholly provincial group homes, please contact BC Housing's Manager of Program Operations or Portfolio Administrator at 604-433-1711.

PROPERTY DISPOSITION

Property Sales and Transfer (PST) Committee

The Property Sales and Transfer Committee at BC Housing oversees the sale and transfer of social housing properties. Committee members review potential uses for vacant group homes, and recommend disposing of or retaining homes in PRHC's group home portfolio. The PST committee makes recommendations to:

- Enter into agreements with a non-profit society or for-profit operator to use a vacant group home.
- Offer a home to a family or disabled person in need of subsidized housing, if no sponsor is available to take over a home.
- Hold the group home for future use, and rent it on the private market to cover holding costs.
- Sell group homes deemed unsafe or no longer appropriate for group home use.

Group Home Sales

Depending on the housing program, when a PRHC group home is sold:

- All net losses are recovered from the sponsor or cost shared by CMHC and BC Housing.
- All net proceeds are restricted for acquiring new group homes and social housing projects, or reducing the mortgage principal for existing group homes.



GLOSSARY

Administrative Charges: BC Housing's overhead charges for property management, financial and administrative services.

BC Housing: BC Housing is the provincial government agency that develops, manages and administers subsidized housing across the province, in partnership with non-profit housing providers, the private sector, other levels of government, health authorities and community agencies. BC Housing provides financial, administrative and property management services for group homes owned by PRHC.

Canada Mortgage and Housing Corporation (CMHC): CMHC is the national housing agency of the federal government and provides subsidies for group homes and other housing developed under federal and federal/provincial housing programs.

Clients: People living in PRHC group homes selected by the sponsor. Clients can include adults and children with physical and/or mental challenges, people with mental illness, and youth, infants, men and women in transition.

CMHC Contribution: Funds received from CMHC on behalf of the federal government toward shelter costs of PRHC group homes. CMHC contributions are based on the funding formula for each federal or federal/provincial housing program.

Eligible Units: Eligible units refer to the number of bedrooms and/or beds originally allocated for client use. Eligible units do not always mean number of bedrooms. In some older programs, clients were expected to share bedrooms.

Grants in Lieu of Taxes: Grants in Lieu of Taxes are the amounts BC Housing pays to municipalities for property taxes.

Group Home: A residence, generally a house, for persons who share a need for supportive care. Residents are selected according to disability or special need.

Group Home Inspections: The Property Portfolio Manager inspects group homes annually to assess the home's condition, level of maintenance, and the operator's compliance with the terms of the *PRHC Operator Agreement*.

Group Home Ministry-Commission Agreement: The *Group Home Ministry Commission Agreement* has been renamed the *PRHC Group Home Operating Agreement* (see page 12).



Ineligible Care Maintenance: Maintenance costs for client needs are ineligible for housing subsidy, and are paid by the sponsor. Ineligible care maintenance costs include:

- Repairing damage caused by group home residents in excess of normal wear and tear.
- Installing and repairing specialized equipment.
- Modifications to accommodate clients' specific needs.

Ineligible Operating Costs: Expenses for client services and programs that are not shelter-related and are therefore not eligible for federal/provincial subsidy. These ineligible operating costs include:

- Space that is not being used for client accommodation, such as staff office space, meeting rooms, and locked medication rooms.
- Mortgage costs for construction or renovations required for programs and services, such as adding an elevator or an extra room for client programs or staff requirements.

Licensing Requirements: Some PRHC operators require a license to operate their group homes as community care facilities under the *Community Care Facility Act*. BC Housing does not provide funds for licensing costs; these costs are paid by the sponsor.

Modernization and Improvement Projects (M&I): Modernization and Improvement projects include replacing and repairing major structural components of a building.

Operator Assistance: Monthly fee paid to PRHC operators to perform minor maintenance and administrative tasks set out in the *PRHC Operator Agreement*. An additional amount may be paid for grounds maintenance. The amount can be amended by BC Housing when the agreement is renewed annually, or by mutual agreement of both parties. The operator assistance is paid to the operator monthly in advance, and commences when the home is occupied.

Property Portfolio Manager (PPM): BC Housing's Property Portfolio Managers provide group home operators with budgeting and operations assistance, conduct building inspections, and use this information to plan for upgrading and maintenance.

Provincial Ministry Responsible for Housing: The provincial ministry that funds BC Housing and PRHC for the provincial portion of group home shelter costs.



Provincial Rental Housing Corporation (PRHC): PRHC is a holding company for provincially owned social housing projects, including group homes. BC Housing acts as the operating agent for PRHC.

PRHC Group Home: A group home owned by PRHC.

PRHC Group Home Operating Agreement: The *PRHC Group Home Operating Agreement* (previously called the *Group Home Ministry-Commission Agreement*) is the contract that defines the roles and responsibilities of the sponsor and BC Housing and the financial and administrative requirements for a portfolio of PRHC group homes.

PRHC Operator: A non-profit society or private entrepreneur who provides services for group home residents, under contract with a sponsor. Operators also maintain group homes, under the *PRHC Operator Agreement* with BC Housing and the sponsor. Operators are sometimes also referred to as service providers or caregivers.

PRHC Operator Agreement (POA): The contract between PRHC and the group home operator, which outlines the operator's daily management responsibilities for the group home. The sponsor's agreement with the operator for client services also forms part of the POA.

PRHC Operator Responsibilities: A description of the maintenance and repair work the PRHC operator is expected to carry out under the terms of the POA.

Replacement Reserve: Replacement reserves are established for each group home to replace major items over the life of the home. BC Housing funds the reserves through an annual provision in the operating budget.

Service Provider: See PRHC operator.

Shelter Costs: Shelter-related expenses include costs incurred for the land and for shared or private space in the group home used for living, sleeping, eating, food preparation and sanitation, as well as parking, laundry and amenities space shared with other residents in the building.

Special Funding Request: A request for additional funding for urgent maintenance or a major repair that was not included in the operating budget. The request may be related to a health and safety issue, licensing requirements or client care.



Sponsor: A sponsor is a provincial ministry or health authority that signs contracts with BC Housing and the group home operator to fund and run PRHC group homes. Provincial government sponsors include ministries responsible for social services and the health and welfare of individuals and families. Sponsors contract with the operator to define care and support services for group home clients, and with BC Housing to define the funding arrangements.

Sponsor Contribution: Funds the sponsor contributes to BC Housing for a portion of the group home shelter costs. The sponsor covers all costs not funded through federal or federal/provincial housing programs.

Tenant Rent Contribution (TRC): Group homes developed under some housing programs require a Tenant Rent Contribution (TRC), the amount payable for each client as a contribution towards the monthly economic rent (the amount it costs to operate the home at a break even level). The TRC is based on the BC Rent Scale for a person receiving income assistance.



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PRHC GROUP HOME RESPONSIBILITIES

	<i>BC Housing Program Operations</i>	<i>BC Housing Regional Operations</i>	<i>PRHC Operator (Service Provider)</i>	<i>Sponsor</i>
Agreements Administration				
PRHC Group Home Operating Agreements	<ul style="list-style-type: none"> • Prepares <i>PRHC Group Home Operating Agreements</i> between BC Housing and Sponsors • Executes <i>PRHC Group Home Operating Agreements</i> 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Executes <i>PRHC Group Home Operating Agreements</i>
PRHC Operator Agreements	<ul style="list-style-type: none"> • Prepares <i>PRHC Operator Agreements</i> between BC Housing and service providers • Executes <i>PRHC Operator Agreements</i> 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Provides copy of sponsor contract to BC Housing • Executes <i>PRHC Operator Agreement</i> 	<ul style="list-style-type: none"> • Contracts with service provider to provide client care and programs
Financial Administration				
Budgets	<ul style="list-style-type: none"> • Prepares and updates annual operating budgets for each group home • Forwards operating budgets for review to Property Portfolio Managers and sponsors 	<ul style="list-style-type: none"> • Reviews group home operating budgets and makes recommendations for changes based on current operating costs 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Reviews group home operating budgets for funding requirements
Funding	<ul style="list-style-type: none"> • Monitors receipt of funding from all sources, including sponsors and federal/provincial partners 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Provides funding as defined in the <i>PRHC Group Home Operating Agreement</i>
Operating Costs	<ul style="list-style-type: none"> • Pays monthly operator assistance • Forwards funding to pay for utilities, taxes and mortgages • Monitors ongoing operating costs • Reconciles annual operating costs 	<ul style="list-style-type: none"> • Authorizes payment of maintenance expenses and contracts • PPM monitors ongoing operating costs 	<ul style="list-style-type: none"> • Pays for minor expenses related to maintenance, grounds and equipment • Provides annual statement of revenue and expenses at annual group home inspection 	<ul style="list-style-type: none"> • Reimburses BC Housing for total sponsor share of operating costs as outlined in the <i>PRHC Group Home Operating Agreement</i>



PRHC GROUP HOME RESPONSIBILITIES – Continued

	<i>BC Housing Program Operations</i>	<i>BC Housing Regional Operations</i>	<i>PRHC Operator (Service Provider)</i>	<i>Sponsor</i>
Financial Administration - Continued				
Group Home Inspections	<ul style="list-style-type: none"> Records group home inspections and notes any corrective action to be taken 	<ul style="list-style-type: none"> Inspects group homes annually to assess condition of homes, level of maintenance and operators' compliance with health and safety standards 	<ul style="list-style-type: none"> Participates in group home inspections Notifies Property Portfolio Manager of any ongoing maintenance problems 	<ul style="list-style-type: none"> Requests additional inspections of group homes if concerns or issues are identified
Repairs and Maintenance	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Coordinates appliance repairs, larger maintenance items and services beyond the scope of the <i>PRHC Operator Agreement</i> 	<ul style="list-style-type: none"> Provides routine maintenance and grounds upkeep as outlined in the <i>PRHC Operator Agreement</i> 	<ul style="list-style-type: none"> Notifies BC Housing of maintenance concerns identified by field staff
Care Maintenance and Licensing Requirements	<ul style="list-style-type: none"> Contacts sponsor to arrange for additional funding, if not approved as part of annual operating budget 	<ul style="list-style-type: none"> Identifies maintenance requirements to rectify licensing deficiencies Forwards funding requests to Program Operations 	<ul style="list-style-type: none"> Ensures all Community Care Licensing requirements are met Notifies BC Housing of licensing deficiencies Notifies sponsor of licensing issues 	<ul style="list-style-type: none"> Reviews funding requests for licensing requirements. Approves additional funding as required
Property Management				
Maintenance - M&I	<ul style="list-style-type: none"> Prepares M&I budget for PRHC group homes Monitors M&I projects and reports to sponsor as required 	<ul style="list-style-type: none"> Identifies M&I requirements Prepares three-year capital plan for each group home Proceeds with approved projects as required 	<ul style="list-style-type: none"> Notifies Property Portfolio Manager when structural deficiencies are noted 	<ul style="list-style-type: none"> Reviews and approves annual M&I plan Approves funding for unbudgeted M&I as required
Major Replacements	<ul style="list-style-type: none"> Monitors replacement reserve funding and tracks reserve expenditures Reports to sponsor as required 	<ul style="list-style-type: none"> Identifies anticipated replacements as part of a three-year capital plan Proceeds with approved projects as required 	<ul style="list-style-type: none"> Notifies Property Portfolio Manager when structural deficiencies or failing appliances are noted 	<ul style="list-style-type: none"> Provides annual funding for replacement reserves, if applicable



PRHC GROUP HOME RESPONSIBILITIES – Continued

	<i>BC Housing Program Operations</i>	<i>BC Housing Regional Operations</i>	<i>PRHC Operator (Service Provider)</i>	<i>Sponsor</i>
Portfolio Administration				
Client Changes	<ul style="list-style-type: none"> Revises <i>PRHC Operator Agreement</i> to reflect permanent changes in number of contracted clients 	<ul style="list-style-type: none"> Advises Program Operations when group home is not fully occupied 	<ul style="list-style-type: none"> Advises BC Housing if contract is amended to permanently reduce or increase the number of clients 	<ul style="list-style-type: none"> Refers clients for group home programs Advises BC Housing if contract is amended to permanently reduce or increase the number of clients
Operator Changes	<ul style="list-style-type: none"> Cancels <i>PRHC Operator Agreement</i> with service provider Cancels monthly operator assistance Requests reconciliation of maintenance funds and return of unused funds Prepares new <i>PRHC Operator Agreements</i> for new service providers 	<ul style="list-style-type: none"> Conducts move-out inspection prior to change in service provider Meets with new service provider to explain PRHC group home model and responsibilities 	<ul style="list-style-type: none"> Advises BC Housing when contract is terminated Returns unused operator assistance to BC Housing 	<ul style="list-style-type: none"> Advises BC Housing when service provider and clients are relocated to new facility or service provider contract is terminated
Vacant Group Homes	<ul style="list-style-type: none"> Amends <i>PRHC Group Home Operating Agreement</i> Reconciles group home account Cancels <i>PRHC Operator Agreement</i> Cancels operator assistance, requests reconciliation of maintenance funds and return of unused funds Finds new group home sponsor 	<ul style="list-style-type: none"> Participates in move-out inspections Identifies maintenance and repairs required to return group home to occupancy standards, if applicable Proceeds with repair projects as required 	<ul style="list-style-type: none"> Advises BC Housing Property Portfolio Manager when group home will be vacated Prepares reconciliation of operator assistance and returns unused portion to BC Housing 	<ul style="list-style-type: none"> Provides 60 days notice to BC Housing when a group home is no longer required for sponsor programs



PRHC GROUP HOME

	Section 26 and 27	Pre 1986 Section 95	PRAP Disabled	82 (1) A Disabled and 82 (1) B	Special Purpose
Section of NHA	26 and 27	95	95	82(1) AD and 82(1) B	95
Year Developed	Pre 1986 ¹	Pre 1986 ¹	Pre 1986 ¹	Pre 1986 ¹	1986 and later
Program Description	Provides rental housing for families and individuals with low or moderate need	Provides temporary housing for people with disabilities with no steady income, children under age 19 and people needing crisis or transitional housing	Provides permanent housing for adults with disabilities	Provides permanent housing for adults with disabilities	Provides temporary and permanent housing for people with disabilities with no steady income, children under age 19 and people needing crisis or transitional housing
Tenants Pay Rent	No	No	Yes – a fixed rate based on the BC Rent Scale	Yes – a fixed rate based on the BC Rent Scale	No
Federal Costs	N/A	100% of mortgage subsidy, based on an eligible capital cost write-down to a 2% interest rate	100% of mortgage subsidy, based on an eligible capital cost write-down to a 2% interest rate	50% of operating costs, ² minus tenant rent and ineligible costs	67% of mortgage subsidy, based on an eligible capital cost write-down to a 2% interest rate
Provincial Costs	N/A	N/A	100% of operating costs, ² minus the 2% mortgage write-down, ineligible operating costs, and tenant rent	50% of operating costs, ² minus tenant rent and ineligible costs	33% of mortgage subsidy, based on an eligible capital cost write-down to a 2% interest rate
Sponsor Costs	100% of all operating costs	100% of operating costs, minus the 2% mortgage write-down	100% of operating costs not eligible for cost sharing, plus tenant rent (ineligible operating costs may be different for each project)	100% of operating costs not eligible for cost sharing, plus tenant rent (ineligible operating costs may be different for each project)	100% of operating costs, minus the 2% mortgage write-down

¹ Projects transferred ownership to PRHC from non-profit societies. Please note that some Special Facilities and Special Purpose projects can also be transferred from non-profit societies to PRHC.

² Operating costs relate to shelter only and include mortgage and related administrative costs. Note that excessive damage to shelter, due to client behaviour, is considered the responsibility of the sponsor.



PROGRAM SUMMARY

	Special Facilities	Wholly Provincial	Homeless at Risk	Homeless at Risk – Fixed Contribution
Section of NHA	95	N/A	N/A	N/A
Year Developed	1986 and later	1986 and later	1992 and later	1992 and later
Program Description	Provides permanent housing for adults with physical, mental, or psychiatric disabilities who cannot live independently	Provides temporary and permanent housing for adults and children (same as Special Facilities and Special Purpose)	Provides affordable housing for vulnerable individuals who may require limited support services to live independently	Provides affordable housing for vulnerable individuals who may require limited support services to live independently
Tenants Pay Rent	Yes – a fixed rate based on the BC Rent Scale	No	Yes – 30% of income or maximum income assistance allowance, with allowance for utilities	Yes – 30% of income or maximum income assistance allowance, with allowance for utilities
Federal Costs	67% of operating costs, ² minus tenant rent and ineligible costs	N/A	N/A	N/A
Provincial Costs	33% of operating costs, ² minus tenant rent and ineligible costs	N/A	N/A	Group home operating costs, less the sponsor portion
Sponsor Costs	100% of operating costs not eligible for cost sharing, plus tenant rent (ineligible operating costs may be different for each project)	All capital and operating costs	100% of operating costs	A portion of operating costs based on a fixed amount determined at the date of construction



BC HOUSING FLAT RENT TABLE

BC residents are entitled to a guaranteed minimum income through the provincial ministry responsible for income assistance payments.

Group homes designated as rent-gear-to-income (RGI) require a rent contribution based on the rent charge for a single person receiving income assistance. The sponsor pays BC Housing the tenant rent contribution for eligible units in each group home.


Income Assistance Flat Rent Table*

Family Size	Rent Charge
1	200
2	255
3	290
4	335
5	375
6	425
7	475
8	520
9	545
10	575

* Flat rent amounts may be amended from time to time by BC Housing.



SAMPLE GROUP HOME INSPECTION FORM

 BC Housing	GROUP HOME INSPECTION	PRHC Annual <input type="checkbox"/> PRHC Move-in <input type="checkbox"/> PRHC Move-out <input type="checkbox"/> PRHC (Other) <input type="checkbox"/>	
Date:	Estate No.: -24	Block No.:	
Building Name:			
Building Address:			
Operator:		Phone Number:	
Home Supervisor:		Phone Number:	
Program:	Client Type: Children with Physical Handicaps	# of Eligible Beds:	
Estimated Age of Building: 0 - 10 years	# Clients:	Licensed: Yes <input type="checkbox"/> No <input type="checkbox"/>	
Lot Size: Corner Lot	Construction Type:		
SPONSORING MINISTRY: MCFD <input type="checkbox"/> MHR <input type="checkbox"/> MCAWS <input type="checkbox"/> OTHER: <input type="checkbox"/>			
ATTENDEES: BC Housing: <input type="checkbox"/> Other: <input type="checkbox"/>	Operator:		
Operator Assistance: Operator has provided the most current statement of revenue and expenses for operating assistance? Yes: <input type="checkbox"/> No: <input type="checkbox"/> Balance in Maintenance Account as at: _____ \$ BC Housing Manual: <input type="checkbox"/> Service Contractor List: <input type="checkbox"/>	Insurance: Operator has the required coverage as per the terms of the operating agreement: Contents Insurance: Yes: <input type="checkbox"/> No: <input type="checkbox"/> Minimum \$1,000,000 Liability Insurance: Yes: <input type="checkbox"/> No: <input type="checkbox"/> BC Housing as additional insured: Yes: <input type="checkbox"/> No: <input type="checkbox"/>		
Security: Master Key: <input type="checkbox"/> Service Master Key: <input type="checkbox"/> Individual Door Keys: <input type="checkbox"/> Keys are kept in a secure area: <input type="checkbox"/>			
BUILDING SERVICES/MECHANICAL			
Description	Comments / Date Inspected	Responsibility	
		BC Housing	Operator
<input type="checkbox"/> Fire Alarm System		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Fire Sprinkler		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Extinguishers		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Smoke Alarms Battery		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Generator		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Emergency Lights		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Backflow Preventer		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Anti-Scald Device on HWT (tampered)		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Seismic Restraints on Water Heater		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Intercom/Security Alarm		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Electrical		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Plumbing		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Heating Type: Boiler		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Fuel Type: Oil		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> HVAC/Air Conditioning/HV		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Fire/Emergency Plans		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Gas/Wood Fireplace		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Water Supply Hoses (Laundry & Equip.)		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Exterior Hose Bibs		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Irrigation Systems		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Specialized Equipment (arjo, lifts, etc.)		<input type="checkbox"/>	<input type="checkbox"/>



SAMPLE GROUP HOME INSPECTION FORM – Continued

Block #:					
INVENTORY	MAKE	MODEL	SERIAL #	Comments	Condition
<input type="checkbox"/> Fridge					Good
<input type="checkbox"/> Stove					Good
<input type="checkbox"/> Dishwasher					Good
<input type="checkbox"/> Washer					Good
<input type="checkbox"/> Dryer					Good
<input type="checkbox"/> Window Coverings					Good
<input type="checkbox"/> Hot Water Tank: Gas					Good
<input type="checkbox"/> Built in Vacuum					Good
<input type="checkbox"/> Other					Good
<input type="checkbox"/> Other					Fair
BUILDING EXTERIOR					
Description	Comments	Responsibility			
		BC Housing	Operator		
<input type="checkbox"/> Roof		<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Exterior Finish		<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Windows/Doors		<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Gutters		<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Septic/Sewer		<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Landscaping		<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Fencing		<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Walkways		<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Driveways		<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Drainage		<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Stairs		<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Porches		<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/> Decks		<input type="checkbox"/>	<input type="checkbox"/>		
BUILDING INTERIOR					
Room	Comments/	Responsibility			
		BC Housing	Operator		
		<input type="checkbox"/>	<input type="checkbox"/>		
		<input type="checkbox"/>	<input type="checkbox"/>		
		<input type="checkbox"/>	<input type="checkbox"/>		
		<input type="checkbox"/>	<input type="checkbox"/>		
		<input type="checkbox"/>	<input type="checkbox"/>		
		<input type="checkbox"/>	<input type="checkbox"/>		
		<input type="checkbox"/>	<input type="checkbox"/>		
		<input type="checkbox"/>	<input type="checkbox"/>		

Note: Ensure that information is recorded on the third page.

GENERAL COMMENTS/CONDITION/WORK IDENTIFIED TO BE DONE:



SAMPLE GROUP HOME INSPECTION FORM – Continued

Block #:

PLANNING FOR REPAIRS AND MAJOR REPLACEMENT ITEMS

FOR BC HOUSING PLANNING USE ONLY

PROPOSED ADDITIONAL OPERATING ITEMS FOR NEXT FISCAL BUDGET YEAR	
Item	Amount

PROPOSED REPLACEMENT RESERVE THREE YEAR PLAN			
Item	Year / Amount	Year / Amount	Year / Amount

PROPOSED M & I THREE YEAR PLAN (\$1,500 minimum)			
Item	Year / Amount	Year / Amount	Year / Amount

Property Portfolio Manager: _____ Date: _____

BF Date: _____

To: _____

Reason: _____



SAMPLE BUDGET AND ASSUMPTIONS

PROVINCIAL RENTAL HOUSING CORPORATION				
SAMPLE BUDGET				
APRIL 1, 2004 TO MARCH 31, 2005				
				DRAFT
Program:	Wholly Provincial			BCHMC # 1234 -04
Coat Ctr:	_____	Address:	_____	# Oper Months: 12
Sponsor:	_____	Operator:	_____	Approved: _____
Off Code:	_____	PPM:	_____	Date: _____
# of Units:	4			
# of Clients:	4	Ln Amnt: \$	Annual 2% Write-Down:	0.00

BUDGET					
G/L	NAME	ANNUAL	MONTHLY	INEL%	INEL \$
REVENUE:					
	3710 Sponsor Oper Revenue	36,462.00	3,038.50	1.48%	540.00
TOTAL REVENUE:		36,462.00	3,038.50		

EXPENSES:					
	4500 Administration	1,200.00	100.00	0.00%	0.00
	5160 Operator Fees	1,800.00	150.00	0.00%	0.00
	5610 Gas	2,400.00	200.00	0.00%	0.00
	5620 Electricity	1,800.00	150.00	0.00%	0.00
	5630 Water & Sewer	1,500.00	125.00	0.00%	0.00
	5700 Security	180.00	15.00	0.00%	0.00
	5800 Garbage	120.00	10.00	0.00%	0.00
	5860 Insurance	480.00	40.00	0.00%	0.00
	6510 Int Building Maintenance	1,440.00	120.00	0.00%	0.00
	6550 Ext Building Maintenance	540.00	45.00	0.00%	0.00
	6600 Grounds	960.00	80.00	0.00%	0.00
	6610 Heating & Ventilation	300.00	25.00	0.00%	0.00
	6700 Appliance Repair	180.00	15.00	0.00%	0.00
	6950 Ineligible	540.00	45.00	100.00%	540.00
	7500 M & I Interior	0.00	0.00	0.00%	0.00
	7550 M & I Exterior	0.00	0.00	0.00%	0.00
	7600 M & I Grounds	0.00	0.00	0.00%	0.00
	8130 Reserve Provision	2,022.00	168.50	0.00%	0.00
	8200 Property Taxes	3,000.00	250.00	0.00%	0.00
	8310 Mortgage	18,000.00	1,500.00	0.00%	0.00
TOTAL EXPENSES:		36,462.00	3,038.50	1.48%	540.00



SAMPLE BUDGET AND ASSUMPTIONS – Continued

PROVINCIAL RENTAL HOUSING CORPORATION ASSUMPTIONS APRIL 1, 2004 TO MARCH 31, 2005			
			DRAFT
Program:	Wholly Provincial		BCHMC # 1234 -04
Cost Ctr:	_____	Address: _____	# Oper Mths: 12
Sponsor:	_____	Operator: _____	Approved: _____
Off Code:	_____	PPM: _____	Date: _____
# of Units:	4		
# of Clients:	4	Loan Amount: \$ _____	Annual 2% Write-Down: 0.00
G/L	NAME	ASSUMPTIONS	CODES
REVENUE:			
	3710 Operating Revenue	All Operating Costs	
TOTAL REVENUE:			
EXPENSES:			
	4500 Administration	BCHMC overhead charge \$25 per unit per month	
	5160 Operator Fees	\$25 per unit/month + \$50 Admin fee	
	5610 Gas	Based on Prior Year Actual + Projected Increase/Decrease	
	5620 Electricity	Based on Prior Year Actual + Projected Increase/Decrease	
	5630 Water & Sewer	Based on Prior Year Actual + Projected Increase/Decrease	
	5700 Security	Based on Prior Year Actual + Projected Increase/Decrease	
	5800 Garbage	Based on Prior Year Actual + Projected Increase/Decrease	
	5860 Insurance	BCHMC direct cost of \$10 per unit per month	
	6510 Int Building Mtc	Estimated at \$120 per month	
	6550 Ext Building Mtc	Estimated at \$45 per month	
	6600 Grounds	Based on Prior Year Actual + Projected Increase/Decrease	
	6610 Heating & Ventilation	Based on Prior Year Actual + Projected Increase/Decrease	
	6700 Appliance Repair	Estimated at \$180 per Annum	
	6950 Ineligible	Estimated at \$45 per month	
	7500 M & I Interior	No capital work projected	
	7550 M & I Exterior	No capital work projected	
	7600 M & I Grounds	No capital work projected	
	8130 Reserve Provision	Annual Provision of \$2,022 per building	
	8200 Property Taxes	Based on Prior Year Actual + Projected Increase/Decrease	
	8310 Mortgage	Based on Loan Amount	
TOTAL EXPENSES:			



SAMPLE GROUP HOME OPERATING STATEMENT

PROVINCIAL RENTAL HOUSING CORPORATION Sample Group Home Operating Statement APRIL 1, 2004 TO MARCH 31, 2005		
--	--	--

Program: WP - Group Homes		BCHMC #: 1234-04
Cost Ctr: _____	Address: _____	Oper Mths: 12
Sponsor: _____		Approved: _____
Region: _____	Operator: _____	Date: _____
# of Units: 4		
Clients: 4	PPM: _____	
Ineligible Operating Exp	0.00%	
Ineligible Mortgage Exp	0.00%	

GL Code		Description	Year to Date
Revenue	3710	SPONSORING MIN CONTR	35,678.19
Total Revenue			
Expenses	4500	ADMIN CHARGE	1,200.00
	5160	SITE REP FEES	1,800.00
	5610	HEATING FUEL-GAS/OIL	2,379.93
	5620	ELECTRICITY	1,946.66
	5630	WATER & SEWER	1,565.23
	5700	SECURITY	224.56
	5800	GARBAGE	135.00
	5860	INSURANCE PREMIUMS	480.00
	6510	INTERIOR BLDG MAINT	954.05
	6550	EXTERIOR BLDG MAINT	255.65
	6600	GROUNDS MAINTENANCE	960.00
	6610	HEATING VENTILATION	139.10
	6950	INELIGIBLE 263.52	
	8130	MAINT REPL RESERVE	2,022.00
	8200	GRANTS FOR TAXES	3,366.49
	8310	MORTGAGE PAYMENTS	17,986.00
Total Expenses			35,678.19
Provincial and/or Federal Funding Contributions			0.00



SAMPLE CONTRACT RECONCILIATION

Sponsor's Share of Operating Costs of April 1, 2004 to March 31, 2005

Sponsor:

Sponsor Region:

Estate Ref	Cost Centre	Address	City, Province	Funding Program	Annual Agreement Amount	Year to Date Share of Operating Costs	Funds Received	Due to (from) BC Housing
123456	1234	Address 1	City 1, BC	WP-Group Homes	49,721	48,600	45,578	3,022
123457	1235	Address 2	City 2, BC	NP-Public Special Facilities	10,140	9,600	9,295	305
123458	1236	Address 3	City 3, BC	PRAP Disabled	15,940	14,400	14,612	(212)
Totals					75,801	72,600	69,485	3,115



SAMPLE 60-DAY NOTICE LETTER
Federal/Provincial Programs

September 29, 2004

File:

BC Housing Management Commission
601-4555 Kingsway
Burnaby, B.C. V5H 4V8

Attention: Manager, Program Operations

Dear _____,

Re: Group Home located at _____

We are writing to give you 60 days notice that we will no longer require the group home located at _____, effective November 30, 2004, so you can begin the process of finding another sponsor for this home.

Under the terms of the *PRHC Group Home Operating Agreement* (previously called the *Group Home Ministry-Commission Agreement*), our obligation to provide a portion of the operating expenses to BC Housing will end on November 30, 2004.

Please reconcile and finalize all accounts to the termination date, including the cost of cleaning and repairs required to return the group home to a satisfactory state of repair.

Sincerely,

Authorized Signatory



Contact your Property Portfolio Manager at your local BC Housing office:

Lower Mainland West Regional Office

1296 Station Street
Vancouver, B.C. V6A 2X3
604-609-7024
Email: lmwmail@bchousing.org

Lower Mainland East Regional Office

7337 Edmonds Street
Burnaby, B.C. V3N 1A7
604-525-3033
Email: lmemail@bchousing.org

Southern Interior Office

290 Nanaimo Avenue West
Penticton, B.C. V2A 1N5
250-493-0301
Email: penmail@bchousing.org

Northern Interior Office

1539-11 Avenue
Prince George, B.C. V2L 3S6
250-562-9251
Email: pgmail@bchousing.org

Coastal Regional Office

Suite 301-3440 Douglas Street
Victoria, B.C. V8Z 3L5
250-475-7550
Email: vicmail@bchousing.org

Coastal Region: North Coast Office

1400 Kootenay Avenue
Prince Rupert B.C. V8J 3X5
250-627-7501
Email: prmail@bchousing.org

Contact Group Home staff about the PRHC Operating Agreement or maintenance fees at:

BC Housing Home Office

Suite 601-4555 Kingsway
Burnaby, B.C. V5H 4V8
604-433-1711

For more information on BC Housing visit www.bchousing.org