Durham Housing Directives
Housing Services Division
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Subject:	**Repayable Subsidy Advance**
Directive Number:	**FIN 04-03**
Effective Date:	**May 2026**

Purpose

Establish a standardized framework for the issuance of repayable subsidy advances to community housing providers governed by the Housing Services Act, 2011 (HSA). These advances may be issued in exceptional circumstances where a provider is experiencing serious, urgent, and time-limited financial difficulty that poses an immediate risk to housing operations, tenant health and safety, or continued availability of affordable housing units. The framework sets out criteria for the assessment, approval, and issuance of subsidy advances, intended for use where other reasonable financial options have been explored and exhausted, including repayment terms, accountability, monitoring, and reporting.

Subsidy advances are discretionary, are not an entitlement, and are subject to Regional approval and reporting requirements and funding availability.

Background

As Service Manager under the Housing Services Act, 2011 (HSA), the Region is responsible for administering and funding community housing programs, as well as general oversight and policy direction of community housing providers. Service Managers are required to use reasonable efforts to assist housing providers in addressing situations that may lead to a triggering event under the HSA.

Providers may face unexpected and significant financial pressures that can put the following at immediate risk:

- Ongoing operations (e.g., mortgage payment, utilities, property taxes)
- Completion of required urgent and critical capital repairs directly impacting the health and safety of tenants or members, and where COCHI or other Regionally funded capital repair programs are not available.

- Unexpected, exceptional circumstances that lead to high-cost turnover of vacant units and continued occupancy, and where required repairs are critical to the health and safety of a tenant or member.

When not addressed, these challenges can lead to the loss of affordable housing units and potential tenant displacement.

Principles and Approach

Repayable subsidy advances will only be issued in exceptional circumstances and be administered in accordance with the following principles:

- Minimum Necessary Support: Advances are limited to the amount required to address the immediate issue and only when a provider has exhausted all other available financial resources.

- Recoverable: All advances are fully repayable to the Region based on subsidy advance agreement terms and conditions. Repayment will typically occur through deductions from future subsidy payments, although the Region may approve another repayment method where appropriate.

- Accountability: Advances require formal agreements and enhanced monitoring.

- Time-Limited: Advances are short-term and must be repaid within the timeframe set out in the agreement.

- Limited Circumstances: Advances are provided only in exceptional, urgent, and time-sensitive situations.

Eligibility Criteria

A community housing provider may be considered eligible for a subsidy advance where to the satisfaction of the Region, and based on any information or documentation required to assess the request, all of the following conditions are met:

1. The provider must be experiencing serious financial difficulty that creates an immediate risk to housing operations, tenant health and safety, or the continued availability of affordable housing units. Serious financial difficulty means the provider is unable, or is at imminent risk of being unable, to meet essential operational obligations necessary to keep the housing operating safely and effectively.

2. The financial issue must be urgent and time-sensitive and cannot be resolved through existing subsidy allocations or reasonable and feasible operational adjustments. Reasonable and feasible operational

adjustments may include measures such as reducing or deferring non-essential expenditures, implementing cost controls, and other actions that a provider can reasonably take without compromising tenant health and safety or the continued operation of the housing.

3. The provider must be compliant with required program submissions, or must demonstrate that any outstanding submissions are limited, being actively addressed, and have a clear plan and timeline for completion that is acceptable to the Region. The provider must also have explored reasonable mitigation options to address the financial situation, including internal financial measures such as the use of available reserves where appropriate, and operational or governance actions intended to stabilize the provider's financial position.

4. The provider must agree to the repayment terms established by the Region and to any other terms and conditions associated with the advance, including enhanced monitoring and reporting requirements and any additional conditions imposed by the Region.

Request and Assessment Process

A request for a subsidy advance may be initiated by either the community housing provider or a Receiver on behalf of the community housing provider.

The Region may require information or documentation it considers necessary to assess the request, including financial statements, cash flow information, details of the urgent funding need, mitigation steps already taken, and a proposed repayment approach.

In assessing a request, the Region may consider the severity and immediacy of the issue, the amount requested, the provider's financial position and recovery capacity, the risk to tenants or operations, whether other options have been exhausted, and the provider's compliance history.

Roles and Responsibilities

Commissioner of Social Services

The Commissioner of Social Services, in concurrence with Finance and Legal Services and subject to any applicable Regional delegated authority or other approval requirements, is authorized to:

- Approve eligibility and advance amounts for subsidy advances in accordance with this Directive and any applicable Regional approval requirements

- Execute subsidy advance agreements on behalf of the Region

Housing Services Division

Housing Services shall:

- Monitor the ongoing operational viability of community housing providers
- Identify housing providers at risk of serious financial difficulty
- Assess requests for subsidy advances
- Coordinate administration of agreements and monitoring requirements

Finance/Business Services Division

Finance and Business Services shall carry out the responsibilities set out below in relation to the community housing providers assigned to their respective areas.

- Confirm availability of funding
- Establish terms for repayment
- Support financial assessment and viability of assigned providers
- Impose conditions and monitoring requirements related to financials
- Administer disbursement and repayment tracking

Community Housing Providers

Housing providers receiving subsidy advances shall:

- Comply with all terms and conditions of the agreement
- Participate in enhanced monitoring and reporting
- Repay advances in accordance with agreed terms

Terms and Conditions

Subsidy advances are provided as repayable financial assistance. Repayment terms will be determined by the Region at its sole discretion. Repayment will typically occur through deductions from future subsidy payments, although the Region may approve another repayment method where appropriate. Repayment will begin within the timeframe set out in the subsidy advance agreement, which may allow for a delayed start where immediate repayment would create further financial hardship. The Region may approve amendments to a repayment schedule where warranted by the housing provider’s

circumstances. A housing provider will not normally have more than one outstanding subsidy advance at a time unless otherwise approved by the Region.

Agreements

Each subsidy advance shall be formalized through a written agreement that includes:

- Amount and purpose
- Repayment schedule
- Conditions and restrictions
- Monitoring and reporting requirements

Subsidy advances must be used only for the approved purpose, and the Region may require documentation confirming the use of funds. Where a housing provider does not comply with the subsidy advance agreement the Region will take corrective action, recover amounts through future payments, or take other action consistent with applicable legislation, agreements, or Regional authority. The Region may provide periodic reporting to Council for information purposes.

Housing providers receiving subsidy advances will be subject to enhanced financial monitoring. Enhanced monitoring may include interim financial reporting, cash flow updates, confirmation that funds have been used for the approved purpose, full operational or financial reviews as deemed necessary by the Region, and any other information the Region reasonably requires. The frequency and duration of monitoring will be determined by the Region based on the amount of the advance, the level of financial risk, and the housing provider’s progress in meeting the terms of the subsidy advance agreement. Monitoring will continue until the Region is satisfied that the housing provider has complied with the agreement and the subsidy advance has been fully repaid or otherwise resolved.

Effective Date

This Directive is effective as of May 2026.

Repealed Rules and Related Documents

This Directive supersedes the 2002 Emergency Loan Framework. The 2020 Receivership Funding Policy remains a related document where applicable.

Legislative Authority

This Directive is issued under the authority of the Housing Services Act, 2011, under which the Region, as Service Manager, is responsible for administering and funding community housing programs and using reasonable efforts to assist housing providers in addressing circumstances that may lead to a triggering event.