



E No. - F04

City Manager's Office

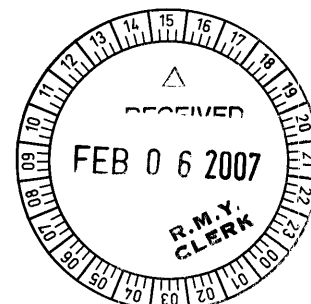
100 Queen Street West
City Hall, 11th Floor East Tower
Toronto, ON M5H 2N2

Shirley Hoy
City Manager

Tel: 416-392-3551
Fax: 416-392-1827

January 26, 2007

Michael R. Garrett
Chief Administrative Officer
Regional Municipality of York
P.O. Box 147, 17250 Yonge Street
Newmarket, ON. L3Y 6Z1



Dear Mr. Garrett:

Re: GTA Equalization

In accordance with procedures as set out in the attached letter dated June 29, 2005 from the Assistant Deputy Minister of Municipal Affairs and Housing, the City of Toronto is formally notifying the Region of York that, should the outstanding amount of \$2,442,085 due as equalization payments for 2005 and \$3,752,216 due as equalization payments for fiscal 2006 under the *Social Housing Reform Act, 2000* not be received by February 22, 2007 the City will request the Minister to invoke Section 136 (13) of the *Social Housing Reform Act, 2000* to offset any overdue payments using federal funds allocated to York Region.

The City may also invoke section 136 (9) of the SHRA to seek interest and penalties in accordance with the regulations; and may invoke any other remedy or procedure available by law to it to recover the debt together with any interest or penalty that is charged on the debt under the SHRA.

Sincerely,

Shirley Hoy
City Manager

c.c. Doug Barnes, Assistant Deputy Minister, Ministry of Municipal Affairs
Joseph P. Pennachetti, Deputy City Manager and Chief Financial Officer

**Ministry of
Municipal Affairs
and Housing**

Housing Division
777 Bay St 16th Flr
Toronto ON M5G 2E5
Telephone: (416) 585-6277
Fax: (416) 585-6800

**Ministère des
Affaires municipales
et du logement**

Division du Logement
777, rue Bay 16^e étage
Toronto ON M5G 2E5
Téléphone: (416) 585-6277
Télécopieur: (416) 585-6800



June 29, 2005

Ms. Shirley Hoy
City Manager
City of Toronto
11th Floor East Tower
100 Queen Street West
Toronto, ON M4W 2N1

Re: GTA Equalization – Ministry Payment Processing

Dear Ms. Hoy:

In accordance with the *Social Housing Reform Act 2000* (SHRA), GTA service managers are required to make payments to other service managers in accordance with the notice, provided by the Minister.

At the request of GTA service managers, the Ministry of Municipal Affairs and Housing has been acting as a conduit by receiving payments from sharing GTA service managers and flowing the payments to supported GTA service managers. The Ministry will continue in this role until such time as an alternative process is in place or the Ministry provides notice that it will be discontinuing this role.

I would like to take this opportunity to confirm the role of the Ministry in this regard:

- The Ministry provides notice to the sharing GTA member of the monthly amounts due and notice they are to be received by the Ministry three days before the month end.
- The Ministry provides monthly statements to each GTA service manager providing a reconciliation of the payments received and the balances outstanding.
- The Ministry on receipt of a payment from a sharing GTA member processes a payment to the supported GTA member within seven business days.
- The Ministry is not liable for delays in payment flow between GTA service managers as a result of its role as a conduit for payments or for processing time required to receive and disburse payments on their behalf.

Amounts outstanding:

- If the sharing GTA service manager does not pay the supported GTA service manager, the supported GTA service manager may charge interest and penalties.
- Interest and penalties that a supported GTA member may charge another GTA member are the responsibility of the supported GTA service manager to recover directly from the sharing GTA service manager.

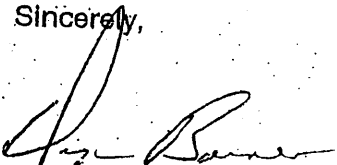
Ms. Shirley Hoy
City Manager
June 29, 2005

Federal funds:

- Under Section 136 (13), the Minister may use some or all of the amount of federal funding allocated to a sharing GTA service manager to pay all or part of an amount payable by that sharing GTA service manager to another supported GTA service manager.
- The Minister will invoke Section 136 (13):
 - Upon receipt of written notification from the sharing GTA service manager to redirect funds to the supported GTA service manager to offset in full or in part payments due a supported GTA service manager.
 - Upon receipt of written notification and documentation from the supported GTA service manager that the supported GTA service manager has provided sufficient notification to the sharing GTA service manager that it will request the Minister to invoke Section 136 (13) to offset overdue payments in whole or in part using federal funds.

If you have any questions, please contact Toni Farley, Director, Social Housing Branch, at 416-585-6375.

Sincerely,


Doug Barnes
Assistant Deputy Minister
Housing Division

CC

John Burke, Deputy Minister, Ministry of Municipal Affairs and Housing
✓ Joseph Pennachetti, Deputy City Manager and Chief Financial Officer, City of Toronto