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Housing Division Notice

Date: September 21, 2012

HDN# 2012 – 174

This applicable legislation/policy is to be implemented by the housing provider(s) under the following programs:

Please note, if your program is **not checked**, this change is **not applicable** to your project.

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Federal Non-Profit Housing Program (Section 26 and 27 Housing Providers Only)

Private Non-Profit Housing Program

Co-operative Non-Profit Housing Program

Municipal Non-Profit Housing Program (Pre-1986)

Local Housing Corporation

Subject: 2012 Ingoing Tenant Income Limits Sections 26 and 27 Housing Providers

Background:

Section 26/27 Non-Profit projects received no direct ongoing subsidy from Canada Mortgage and Housing Corporation (CMHC) and are therefore considered under the Social Housing Agreement as 'non-targeted'. The 'assistance' came in the form of a low interest rate amortized over a long period of time.

Non-targeted households are eligible for occupancy if their household income is within the Ingoing Income Limit. The province will identify what this limit is annually. It is the responsibility of the Service Manager to advise housing providers of this threshold.

Housing Income Limits (HILs) are financial tests for the purpose of determining 'targeted' households (i.e., those in receipt of Rent-Geared-to-Income or RGI assistance). HILs are set by CMHC according to the following criteria:

- HILs reflect the minimum income for a household to afford appropriate accommodation without spending more than 30% of its income for shelter
- HILs must be set using a nationally consistent methodology
- HILs must be sensitive to shelter cost variations within Ontario
- HILs must be brought up to date at least every five years

Federal housing assistance is divided into two categories: targeted and non-targeted. A 'targeted' household at the time of its entry into the program either a) qualified as per the Housing Income Limits (HILs) in effect after the SHA, or b) met income requirements for housing assistance in force prior to the SHA. Non-targeted households are the remainder.

Non-targeted households are eligible for occupancy if their household income is within the upper limit, 2nd quintile family income, which is determined by Statistics Canada. The province will identify what this limit is annually. Ingoing income limits apply only for Section 26 Limited Dividend and Section 26/27 Non-Profit programs.

Action:

In accordance with CMHC Guidelines and Procedures the following ingoing (family) tenant income limits is effective immediately for the province of Ontario. The amount for 2012 is \$64,817 per year. These new limits which reflect the Upper Limit, 2nd Quintile Family Income, for Ontario are to be implemented immediately for income testing purposes.



Louise Stevens
Director, Municipal Housing

Attachments: SH Notification Release 12-05 – 2012 Ingoing Tenant Income Limits Section 26 and 27 Housing Providers

SH *notification*

social housing

Subject: 2012 Ingoing Tenant Income Limits Sections 26 and 27 Housing Providers

- Legislation/Regulation
 Operational

Release 12-05

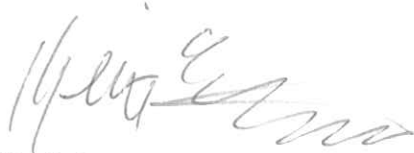
In accordance with CMHC Guidelines and Procedures 7.16.2.1./2, (copy attached) the following ingoing (family) tenant income limit is effective immediately for the province of Ontario. The amount for 2012 is \$64,817 per year.

These new limits reflect the Upper Limit, 2nd Quintile Family Income, for Ontario.

Service Manager's Responsibility

Please ensure all Sections 26 and 27 housing providers within your service area are advised of this new tenant income limit.

Should you have any questions, please contact Alison Coke, Manager, Risk Management and Compliance Unit, by telephone 416-585-6472, or by facsimile 416-585-7610 or e-mail alison.coke@ontario.ca.



Keith Extance
Director, Housing Funding & Risk Management
MMAH

Attachment: Memorandum 06 March 2012 (8865-1)