



Housing Services
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London
CANADA

Housing Division Notice

Date: January 21, 2021

HDN# 2021 – 252

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

Private Non-Profit Housing Program

Co-operative Non-Profit Housing Program

Municipal Non-Profit Housing Program (Pre-1986)

Local Housing Corporation

Subject: ARREARS' POLICY REGARDING ELIGIBILITY FOR RENT-GEARED-TO-INCOME (RGI) SUBSIDY - (Replaces HDN# 2003-50 Basic Eligibility Requirements for RGI – Rent Arrears)

1. PURPOSE:

To inform all housing stakeholders of the local background and compliance standard subject to O. Reg. 367/11, under Housing Services Act, 2011, S.O. 2011, c. 6, Sched. 1, which identifies conditions that must be met in order for a tenant with arrears owed to a Housing Provider as a result of unpaid rent and/or damage caused by an individual or member of the household to be eligible for Rent-Geared-to-Income (RGI) assistance.

2. BACKGROUND AND COMPLIANCE STANDARD:

The Service Manager has delegated the duty of monitoring the eligibility for RGI to Housing Providers. As included with the delegation is the duty to enforce legislated and regulatory eligibility requirements for those tenants/members who owe rental arrears.

Under Section 26. (1), (2), (3), of O.Reg. 367/11: General under Housing Services Act, 2011, eligibility for RGI assistance is contingent on various factors, including:

- No member of the household owes arrears either of past rent or of money owed as a result of damage caused by a member of the household with respect to any housing project under any housing program; and,

- the Service Manager is satisfied that extenuating circumstances exist, or any member of the household has **entered into a repayment agreement** with the housing provider for the repayment of the arrears and the Service Manager is satisfied that the member is making or intends to make all reasonable efforts to repay the arrears.

The following are current local housing rules in affect which relate to the administration of tenant arrears”:

- HDN# 2004-80 outlined the process to manage and maintain an arrears database and for Housing Providers to provide the information to the Housing Access Centre (HAC).
- HDN# 2006-106 provided Housing Providers with the ‘Arrears Reporting Form for Housing Access Centre” in which to submit their monthly former tenant/member arrears to HAC.
- HDN#2007-126 announced that the City of London was participating in a province-wide arrears database to track all social housing past/former tenant arrears. This information is to determine for households applying for social housing.

3. DEFINITIONS

To ensure a common understanding of the direction outlined in the Housing Division Notice 2020-252, please note the following definitions:

“Damages” – Debt proven through thorough documentation provided by the Housing Provider or Co-operative. Examples of documentation to include: photos, paid invoices, move-out inspection reports and/or a Signed Agreement with the tenant/member to pay for damages.

“Arrears” – Debt proven through the Ontario Housing Rental Tribunal; or, Small Claims; or from the Housing Provider

“Action” – Judgement Debt; or, Signed Agreement with the tenant/member to pay housing arrears or an Arrears Report provided by the housing provider documenting rental arrears.

“Repayment Agreement” – An agreement that is reasonable and accepted by both parties or ruled on by the Landlord Tenant Board. Tenant must show proof of on-going payment within 30 days of receiving the latest repayment receipt.

4. POLICY

- I. To be eligible for RGI assistance, an applicant/tenant has an obligation to repay owed rental arrears or arrears owed as a result of damage caused by an individual or member of the household with respect to unit leased in their name.

- II. If a tenant incurs arrears through cumulative missed rent payments, the total amount owing is subject to recovery and disclosure on the provincial wide arrears database.
- III. If a tenant incurs arrears through damage of a rental unit, then the Housing Provider must disclose all appropriate documentation verifying the cost of repairing the unit as long as the repair costs exceeds \$10,000.
 - a. Any arrears as a result of damages equal to or less than \$10,000 will not need to be reviewed by the Service Managers and may be assigned to the provincial wide rental database through submission of the Arrears Reporting Form.
- IV. If an applicant/tenant has an obligation to repay owed rental arrears or arrears owed as a result of damage, a Housing Provider or applicant/tenant may enter into a voluntary repayment schedule to repay the amount owed.
- V. If the Service Manager is satisfied that the applicant/tenant is making all reasonable efforts to repay the arrears, the individual will be eligible for RGI assistance and will be placed back on the centralized waiting list.
 - VI. If the arrears were incurred by nonpayment of rent, proceed to step VIII. If the arrears were incurred by damages sustained to the unit by either a tenant or member of the householder, proceed to step VII.
 - VII. The Housing Provider is responsible for documenting all arrears as a result of damages sustained to the unit. Prior to initiating repair and restoration of the unit, the Housing Provider must document the damages.
 - a. If the cost to repair and restore the unit back into good standing is likely to exceed \$10,000, the Housing Provider must inform the Service Manager as soon as the tenant vacates the unit. The Housing Provider must disclose the cost of the repair and restoration. Upon verification of the arrears caused by the tenant or member of the household, the Housing Access Centre will assign the arrears to the tenant in the provincial wide arrears database. The Service Manager may also grant a vacancy extension on a RGI for greater than two months.
 - b. If the cost to repair and restore the unit back into good standing is not likely to exceed \$10,000, the Housing Provider may proceed with repair and restoration of the unit without Service Manager involvement. Upon notification of the arrears caused by the tenant or member of the household, the Housing Access Centre will assign the arrears to the tenant in the provincial wide arrears database.
 - i. Please note Housing Providers may also assign arrears to a tenant through debt proven by the Ontario Rental Housing Tribunal; or, Small Claims Action – Judgement Debt; damage assessment from the Housing Provider’s insurance company; or a signed agreement with the tenant/member acknowledging the debt and/or agreement to pay the arrears;

- VIII. Arrears as a result of nonpayment of rent will not require the involvement of the Service Manager as long as the Housing Provider can attest to being in a position to produce supporting documentation to verify the arrears, if requested.
- IX. Housing Providers and their respective Boards will be responsible for creating policies and procedures to collect arrears with current and former tenants. They may enter into voluntary repayment agreements with former tenants for the amount owed. The Service Manager must be satisfied that the Housing Provider has entered into a reasonable and fair repayment agreement with their current or former applicant / tenant.
 - a. The degree of reasonableness will be evaluated in accordance with the applicants/tenants ability to repay in good faith.
- X. Once a voluntary repayment agreement has been signed by both the Housing Provider and the tenant, a digital copy must be sent to the Housing Access Centre for administrative purposes.
- XI. Upon successful repayment plan, Housing Access Centre must update the province-wide arrears database, notify the individual that they are eligible for RGI assistance and ensure they are marked as eligibility in the social housing database.
- XII. In the event of voluntary repayment agreements between Housing Providers and former tenant/members breakdown, Housing Provider must notify the Housing Access Centre immediately. Non-compliance of a repayment agreement does not preclude the applicant / tenant from future RGI assistance if the individual re-enters into a repayment agreement. The Service Manager, and its partners, will provide supports to the tenant if the Housing Provider begins the eviction process after the voluntary repayment agreement breaks down.

5. ACTION:

Effective immediately, the policies and procedures in this Housing Division Notice are to be implemented by all Housing Providers in the City of London and County of Middlesex included under the provisions of O. Reg. 367/11, under the Housing Services Act, 2011, S.O. 2011, c. 6, Sched. 1,

6. AUTHORIZATION:

Original signed by

Dave Purdy
Manager, Housing Services

Date: January 21, 2021