Housing Division Notice

Date: July 1, 2020
HDN# 2020 - 246

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.

- 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: **CALCULATING MINIMUM RENTS** *(Replaces HDN # 2003 - 58)*

Background:

The *Housing Services Act, 2011* (O. Reg. 316/19: Determination Of Geared-To-Income Rent Under Section 50 Of The Act, Section 2.(2)) introduced a new minimum geared-to-income rent of $129 per household effective July 1, 2020.

For new households, their minimum rent for the purposes of their rent-geared-to-income (RGI) determination will start at $129.

For existing households currently paying less than $129 in rent as determined by their most recent RGI calculation, their rent will be increased gradually by $8 a year until the household reaches $129.

Minimum rent change within existing households will occur during the Annual Review process.
The process for new households should be as follows:

1. Continue to calculate the household rent under O. Reg. 316/19: Determination Of Geared-To-Income Rent Under Section 50 of the Housing Services Act, 2011.
2. Compare the resulting calculated rent to the minimum rent of $129.
3. If the final calculation is less than $129 (e.g. $70) adjust the rent $129.
4. If the final calculation is equal to $129, then the calculated amount becomes the household rent.
5. If the final calculation is greater than $129 (e.g. $150) then the calculated amount (or the $150) becomes the household rent.

The process for existing households should be as follows:

1. Continue to calculate the household rent under O. Reg. 316/19: Determination Of Geared-To-Income Rent Under Section 50 of the Housing Services Act, 2011.
2. Compare the resulting calculated rent to the minimum rent of $129.
3. If the final calculation is less than $129, (e.g. $85), adjust the rent by $8 (e.g., $94).
4. If the final calculation is equal to $129, then the calculated amount becomes the household rent.
5. If the final calculation is greater than $129, (e.g. $150) then the calculated amount (or the $150) becomes the household rent.

In addition, the minimum rent is charged to the whole household as part of the rent calculation, not to each individual.

**Action:**

Effective immediately, housing providers are required under O. Reg. 316/19 of the Housing Services Act, 2011 to ensure that the minimum rent is being applied to each rent-geared-to-income subsidized unit under their management.

Yours truly,

*Original signed by*

Dave Purdy,
Manager, Housing Services