



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.

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

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 (HSA)* (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. Minimum rent will increase annually on July 1st of each year at the same rate as the Rent Increase Guideline under the Residential Tenancies Act, 2006 (annually adjusted minimum rent).**

For new households, their minimum rent for the purposes of their rent-geared-to-income (RGI) determination will be the annually adjusted minimum rent and adjusted annually at the same rate as the Rent Increase Guideline under the Residential Tenancies Act, 2006.

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

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 annual adjusted minimum rent.
3. If the final calculation is less than annual adjusted minimum rent, adjust the rent to the annual adjusted minimum rent amount.
4. If the final calculation is equal to the annual adjusted minimum rent, then the calculated amount becomes the household rent.
5. If the final calculation is greater than the annual adjusted minimum rent, then the calculated amount 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 annual adjusted minimum rent.
3. If the final calculation is less than the annual adjusted minimum rent, increase the rent by \$8.
4. If the final calculation is equal to the annual adjust minimum rent, then the calculated amount becomes the household rent.
5. If the final calculation is greater than the annual adjusted minimum rent, then the calculated amount 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.

Original signed by

Dave Purdy,
Manager, Municipal Housing

Date: July 1st, 2020