



Housing Division Notice

Date: July 1, 2023

HDN# 2023 - 263

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 (Rent Supplement Units Only)
✓	Program Private Non-Profit Housing Program
✓	Co-operative Non-Profit Housing Program
✓	Municipal Non-Profit Housing Program (Pre-986)
✓	Local Housing Corporation

Subject: CALCULATING MINIMUM RENTS (Replaces HDN # 2020 - 246)

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 'Phased-in' 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 'Phased-in' minimum rent which also increases by \$8 annually until the 'Phased-in' minimum rent equals 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 'Phased-in' minimum rent, continue to increase the rent by \$8 until the rent equals the 'Phased-in' minimum rent. (Refer to the 'Phase-in Amount' table below).

Note: RGI for an OW or ODSP single benefit unit will continue to be based on the rent scale amount as long as the non-benefit income does not exceed the Non-Benefit Income Limit as set out in the Social Assistance Rent Scales.

- Minimum rent for an OW single benefit unit is \$85
 - Minimum rent for an ODSP single benefit unit is \$109
4. If the final calculation is equal to the 'Phased-in' minimum rent, then the calculated amount becomes the household rent.
 5. If the final calculation is greater than the 'Phased-in' minimum rent, then the calculated amount becomes the household rent until the calculated amount is equal to or greater than the annually adjusted minimum rent.

The table below shows the 'Phased-in' Minimum Rent for current households with RGI rent calculated less than the annually Adjusted Minimal Rent of \$136 as of July 1, 2023.

Review Period	Phased-in Minimum Rent
July 1, 2022 – June 30, 2023	\$109
July 1, 2023 – June 30, 2024	\$117
July 1, 2024 – June 30, 2025	\$125
July 1, 2025 – June 30, 2026	\$133

Note: the 'Phased-in' Minimum Rent would continue until it equals the annually adjusted minimum rent amount after annual increases are applied (based on annual Ontario Rent Increase Guidelines)

At each RGI review, the household's RGI calculation will be compared to the 'Phased-in' Minimum Rent amount. If their RGI calculation is below the 'Phased-in' Minimum Rent amount applicable for the review period, then their RGI will be increased to the 'Phased-in' Minimum rent amount.

In addition, the minimum rent is charged to the whole household as part of the rent calculation, not to each individual **family and/or benefit unit**.

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 **appropriately** to each rent-gear-to-income subsidized unit under their management.

Original signed by

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