



Program Instructions

This Program Instruction applies to the following:

- ✓ **AHP Wave 1** – Mapleglen Residences, Tony Wong Place, Mount Albert United Church Senior Citizen Foundation, Hesperus Fellowship Village, Reena
- ✓ **AHP 2009 Extension** - Kingview Court Expansion, Mackenzie Green, Voice of Vedas Cultural Sabha Inc., DeafBlind Ontario Services (Hertick and Treffry)
- ✓ **IAH** - DeafBlind Ontario Services (St. George), Lakeside Residences, Crescent Village
- ✓ **IAH Extension** – Richmond Hill Hub, Woodbridge Lane

Achieving Affordable Rents for AHP/IAH Communities

Note: This Program Instruction replaces Program Instruction N°2019-01 [AHP/IAH]

SUMMARY

This Program Instruction provides direction for setting rents to Housing Providers operating buildings under the Canada-Ontario Affordable Housing Program (AHP), the Investment in Affordable Housing Program (IAH) and the IAH Extension Program. These programs were designed to increase the supply of affordable housing. To achieve affordability, rent levels for tenants must remain at or below the Canada Mortgage and Housing Corporation (CMHC) Average Market Rent (AMR) while also maintaining an average rent for the entire building at or below 80% of AMR. CMHC has released AMRs for Fall 2019.

During the first 15 years of AHP and IAH, Housing Providers may raise rents by the annual Rent Increase Guideline provided that:

- The increase does not result in rent exceeding 100% of AMR for a unit
- Average rent for the entire building is maintained at or below 80% of AMR

During the last five years of the program (years 16 to 20) rent increase restrictions apply only to existing tenants.

HOUSING PROVIDERS MUST USE THE CURRENT CMHC AMRs TO ENSURE HOUSING AFFORDABILITY

Table 1 provides Fall 2019 CMHC AMRs for York Region. Refer to Table 1 to ensure overall average rents for the building do not exceed 80% of AMR for the applicable zone.

Table 1
Fall 2019 CMHC Average Market Rents for York Region

Zone	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
Zone 25 Richmond Hill, Vaughan, King	\$1,011	\$1,211	\$1,439	\$1,617
Zone 26 Aurora, Newmarket, Whitchurch-Stouffville, East Gwillimbury, Georgina	\$795	\$1,245	\$1,338	\$1,552
Zone 27 Markham	\$1,029	\$1,373	\$1,544	\$1,639

For tenants receiving a rent subsidy, Housing Providers should include only the tenants' contributions to rent when calculating the building's overall average rent.

ACTION REQUIRED

The Rent Increase Guideline for 2020 is **2.2%** and applies to rent increases effective between January 1 and December 31, 2020.

Applying the rent increase guideline to increase tenant rents during years 1 to 15 of the AHP / IAH Program

1. Identify the current rent for the unit
2. Calculate the guideline rent increase by multiplying the current rent by the Rent Increase Guideline
3. Determine the new rent by adding the rent increase calculated in step 2 to current rent

Example of using the 2020 Rent Increase Guideline:

- Current rent is \$1,000
 - Multiply the current rent by 2.2%
 - $\$1,000 \times 2.2\% = \22
 - $\$1,000 + \$22 = \$1,022$
 - Guideline rent increase amount is \$1,022
4. If the calculated guideline rent increase amount is less than the most recent AMR for the unit size, then the calculated guideline rent increase amount is the maximum rent for the unit

5. If the calculated guideline rent increase amount is more than the most recent AMR for the unit size, then the AMR amount is the maximum rent for the unit
6. After applying the rent increases, ensure that an average overall rent for the building of 80% of AMR is maintained

Example #1

A Housing Provider in Richmond Hill currently charging \$1,000 for a one bedroom unit may raise the current tenant's rent by the Rent Increase Guideline of 2.2%, an increase of \$22.00. As the total resulting rent of \$1,022 is less than the AMR for one bedroom units in Richmond Hill (\$1,211 as indicated in Table 1), the tenant's rent may be increased to a maximum of \$1,022 provided the Housing Provider maintains an average overall rent for the building of 80% of AMR.

Example #2

A Housing Provider charging \$1,190 for a one bedroom unit in Richmond Hill cannot increase the current tenant's rent by the Rent Increase Guideline of 2.2%, as the total resulting rent of \$1,216 exceeds the AMR of \$1,211 for a one bedroom unit in Richmond Hill. The Housing Provider may increase the rent to the AMR of \$1,211 provided that an average overall rent for the building of 80% of AMR is maintained.

Authority: Contribution Agreement

Please contact your Program Coordinator with any questions.

- ORIGINAL SIGNED -

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<p>This notice will be available in an accessible format or with communication supports upon request from 1-877-464-9675 ext. 72119</p>
