

Program Instructions



This Program Instruction applies to the following:

- ✓ **AHP Strong Start Program**
 - ✓ Tom Taylor Place (constructed in 2008)

ACHIEVING AFFORDABLE RENTS FOR AHP STRONG START COMMUNITIES

Note: This Program Instruction replaces Program Instruction N°2022-01

Effective Date: January 1, 2023

Summary

This Program Instruction provides direction for setting market rents to housing providers operating Affordable Housing Program (AHP) Strong Start communities.

Background

The Canada-Ontario AHP is designed to increase the supply of affordable housing. Contribution agreements outline the specific rent rules that must be followed during the 20-year affordability period.

Action Required

RENT RULES FOR BUILDINGS IN CONTRIBUTION AGREEMENT YEARS 1 TO 15

Tom Taylor Place is currently in year 15 of its contribution agreement. To achieve affordability, the following requirements apply:

- Buildings must achieve an overall average rent at or below 80% of Canada Mortgage and Housing Corporation (CMHC) average market rent (AMR). Individual unit rents cannot exceed AMR.

Community and Health Services

Housing Services

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- When calculating the building’s overall average rent, housing providers must only use the tenant contribution to rent (the portion paid by the tenant) for tenants receiving a rent subsidy.
- **Rents for new tenants** in 2023 must be at or below the amounts shown in Table 1. The overall building rent of 80% AMR must be maintained.

Table 1
Fall 2022 CMHC Average Market Rents for Zone 26
(Aurora, Newmarket, Whitchurch-Stouffville, East Gwillimbury, Georgina)

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
\$815	\$1,376	\$1,450	\$1,793

- **Rents for current tenants:** The Rent Increase Guideline for 2023 is 2.5% and applies to rent increases effective between January 1, 2023 and December 31, 2023. The rent may not exceed the CMHC AMR for the unit size shown in Table 1.

Applying the Rent Increase Guideline

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 2023 Rent Increase Guideline:

- Current rent is \$1,000
 - Multiply the current rent by 2.5%
 - $\$1,000 \times 2.5\% = \25
 - $\$1,000 + \$25 = \$1,025$
 - Guideline rent increase amount is \$1,025
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% is maintained

Example #1

A housing provider in Newmarket currently charging \$1,000 for a one-bedroom unit may raise the current tenant’s rent by the Rent Increase Guideline of 2.5%, an increase of \$25. As the total resulting rent of \$1,025 is less than the AMR for one-bedroom units in Newmarket (\$1,376 as indicated in Table 1), the tenant’s rent may be increased to a maximum of \$1,025 provided the housing provider maintains an average overall rent for the building of 80% of AMR.

Example #2

A housing provider charging \$1,350 for a one-bedroom unit in Newmarket cannot increase the current tenant's rent by the Rent Increase Guideline of 2.5%, as the total resulting rent of \$1,383 (rounded) exceeds the AMR of \$1,376 for a one-bedroom unit in Newmarket. The housing provider may increase the rent to the AMR of \$1,376 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.

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This notice will be available in an accessible format or with communication supports upon request from 1-877-464-9675 or 905-830-4444 ext. 72119

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