

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, Larry Todd Place

ACHIEVING AFFORDABLE RENTS FOR AHP/IAH COMMUNITIES

Note: This Program Instruction replaces Program Instruction N°2022-03 [AHP/IAH]

Effective Date: January 1, 2023

Summary

This Program Instruction provides direction to housing providers for setting rents in 2023. It applies to buildings constructed under the Canada-Ontario Affordable Housing Program (AHP) Wave 1 and 2009 Extension, the Investment in Affordable Housing Program (IAH), and the IAH Extension (IAH-E). Canada Mortgage and Housing Corporation (CMHC) has released average market rents (AMR) for Fall 2022. This data is used to set rents for buildings subject to AHP, IAH and IAH-E program rules.

Background

The AHP, IAH and IAH-E programs were 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.

To achieve affordability, rents must remain at or below the applicable CMHC AMRs while also maintaining an average rent for the entire building at or below 80% of AMR.

Community and Health Services

Housing Services

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Action Required

Housing providers must follow the applicable rent rules based on their contribution agreements.

- Buildings must achieve an overall average rent at or below 80% of CMHC AMR. Individual unit rents cannot exceed the applicable AMR.
- When calculating the building's overall average rent, housing providers must use the tenant contribution to rent (the portion paid by the tenant) for subsidized tenants.
- **Rents for new tenants:** Rents for new tenants in 2023 must be at or below the most recent CMHC AMR, provided in Table 1.

Table 1
Fall 2022 CMHC Average Market Rents for York Region

Zone	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
Zone 25 Richmond Hill, Vaughan, King	\$1,315	\$1,348	\$1,580	\$2,031
Zone 26 Aurora, Newmarket, Whitchurch-Stouffville, East Gwillimbury, Georgina	\$815	\$1,376	\$1,450	\$1,793
Zone 27 Markham	\$1,029*	\$1,431	\$1,593	\$1,770
York Region (Zones 25-27)	\$1,048	\$1,383	\$1,539	\$1,883

*Note: The Zone 27 bachelor rent continues to be suppressed by CMHC. The Fall 2019 bachelor rate has been provided for use in 2023.

- **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 increase 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 applying 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 applicable AMR in Table 1, 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 applicable AMR in Table 1, 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 Richmond Hill currently charging \$1,000 for a one-bedroom unit may raise the current tenant's rent by the Rent Increase Guideline of 2.5%, an increase of \$25.00. As the total resulting rent of \$1,025 is less than the AMR for one-bedroom units in Richmond Hill (\$1,348 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 \$1,340 for a one-bedroom unit in Richmond Hill cannot increase the current tenant's rent by the Rent Increase Guideline of 2.5%, as the total resulting rent of \$1,373 (rounded) exceeds the AMR of \$1,348 for a one-bedroom unit in Richmond Hill. The housing provider may increase the rent to the AMR of \$1,348 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.

February 2023

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

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