

Program Instructions



This Program Instruction applies to the following:

- ✓ HSA Part VII Housing Providers (Provincial Reform)
- ✓ Rent Supplement – Social Housing Rent Supplement Program
- ✓ Rent Supplement – Commercial and Strong Communities
- ✓ Former Federal Program Housing Providers (s.15. 1/27, s.56. 1/95)
- ✓ Housing York
 - ✓ Public Housing
 - ✓ HSA Part VII

MINIMUM RENT PAYABLE FOR TENANTS AND CO-OPERATIVE MEMBERS RECEIVING RENT-GEARED-TO-INCOME

Effective Date: July 1, 2020

Summary

The *Housing Services Act, 2011* and associated regulations establish the minimum rent-geared-to-income (RGI) payable by tenants and co-operative members. On July 1, 2020, new minimum rent rules outlined in *Ontario Regulation (O. Reg.) 316/19* take effect.

The new minimum rent is \$129 and will be increased each year on July 1st by the province's annual rent increase guideline. The increase will be phased in for tenants and members already paying minimum rent. The new minimum rents outlined in this Program Instruction are applied to RGI reviews taking effect between July 1, 2020 and June 30, 2021.

Each year York Region will issue a program instruction outlining the updated minimum rents for RGI reviews completed for the next period of July 1st and June 30th.

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Background

The Government of Ontario has released [amendments to the calculation of RGI](#) under the *Housing Services Act, 2011*. [O. Reg. 298/01](#) will be revoked and replaced with [O. Reg. 316/19](#). Service Managers may choose when the RGI changes outlined in *O. Reg. 316/19* are implemented, either on July 1, 2020 or July 1, 2021. York Region will implement the changes on July 1, 2021. Additional resources and training will be provided.

Regardless of a Service Manager's chosen implementation date, all Service Managers must implement new minimum rent rules on July 1, 2020. Minimum rent is the lowest monthly amount of RGI payable by a tenant or member. Under *O. Reg. 298/01* minimum rent has remained at \$85 per month for a number of years. The new regulation increases and indexes the minimum rent payable, subject to phase-in for tenants and members already paying less than the indexed minimum rent.

Action Required

The process for applying minimum rent has not changed from the previous regulation. When reviewing RGI, Housing Providers must compare the calculated RGI to the minimum rent for the unit. The calculated RGI is the base amount plus or minus standard utility charges and allowances. If the calculated RGI is less than the minimum rent, the tenant or member is charged the minimum rent. The minimum rent is applied to the entire household and not to individual family units or benefit units within the household. Additional charges, including parking and sector support, are added after the calculated RGI is compared to the minimum rent.

What has changed from the previous regulation is the amount used as minimum rent. The minimum rent amount applied during an RGI review varies depending on a tenant's or member's current RGI.

Ontario Works (OW) and Ontario Disability Support Program (ODSP) rent scales remain the same, as provided in [Tables 3, 4 and 5](#) of *O. Reg. 298/01*. The rent scales are also provided as [Tables 1, 2, and 3](#) of *O. Reg. 316/19*.

Table 1 provides a summary of minimum rent scenarios. Examples are provided below.

Table 1: Minimum Rent Scenarios

Scenario	Minimum Rent between July 1, 2020 and June 30, 2021	Minimum Rent between July 1, 2021 and June 30, 2022
Tenant/member is paying a calculated RGI of \$129 or more before July 1, 2020	The new minimum rent amount payable at the next RGI review is \$129, if the calculated RGI decreases below \$129	Minimum rent of \$129 increases by provincial rent increase guideline
Tenant/member is paying less than \$93 before July 1, 2020, including those currently paying minimum rent of \$85	Subject to phased-in amount; the minimum rent is increased by \$8, from \$85 to \$93 at the next RGI review	Minimum rent increases at the next annual RGI review by another \$8, to \$101

Scenario	Minimum Rent between July 1, 2020 and June 30, 2021	Minimum Rent between July 1, 2021 and June 30, 2022
Tenant/member is paying a calculated RGI between \$93 and \$129 before July 1, 2020	Continues to pay calculated RGI at the next review unless calculated RGI decreases below phased-in amount of \$93	Continues to pay the calculated RGI at the next RGI review until the phased-in amount (\$101) exceeds calculated RGI
Tenant/member is receiving OW or ODSP benefits	Rent attributable to the benefit unit continues to be based on OW and ODSP rent scales in O. <i>Reg. 298/01</i> and O. <i>Reg. 316/19</i> New minimum rent rules apply if non-benefit income exceeds OW and ODSP non-benefit income limit	Minimum rent of \$129 increases at the next annual RGI review by provincial rent increase guideline and continues to apply if non-benefit income exceeds OW and ODSP non-benefit income limit

TENANTS AND MEMBERS PAYING A CALCULATED RGI OF \$129 OR MORE BEFORE JULY 1, 2020

For tenants and members paying a calculated RGI of \$129 or more before July 2020 and who experience an income decrease at their next review, the new minimum rent payable for the period of July 1, 2020 to June 30, 2021, is \$129 per month.

The minimum rent for these tenants and members will increase at the next annual RGI review taking place between July 1, 2021 and June 30, 2022 by the province's annual rent increase guideline.

Example 1

- A tenant is currently paying a calculated RGI of \$250 per month based on their employment income, plus any additional charges such as parking.
- In September 2020, the tenant reports a decrease in income.
- The Housing Provider determines the calculated RGI based on the tenant's new income is \$100 per month, including any utility charges or allowances.
- The tenant is charged the minimum rent of \$129 per month, plus any additional charges such as parking.
- The minimum rent applied at the tenant's next RGI review taking place between July 1, 2021 and June 30, 2022 is increased by the province's rent increase guideline for 2021.

TENANTS AND MEMBERS PAYING LESS THAN \$93 BEFORE JULY 1, 2020

Tenants and members paying less than \$93 per month before July 2020, including those currently paying the minimum rent of \$85, are subject to a phased-in increase of minimum rent. Housing Providers must increase the minimum rent by \$8 to \$93 at the time of the next RGI review taking place between July 1, 2020 and June 30, 2021. Minimum rent will increase each year by an additional \$8 at

the annual RGI review, until it reaches the new minimum rent amount of \$129 plus rent increase guideline.

Example 2

- A co-operative member is currently paying the minimum housing charge of \$85 per month, plus any additional charges such as parking or sector support.
- At their next RGI review taking place between July 1, 2020 and June 30, 2021, the Housing Provider finds the member's calculated RGI is \$70 per month, including any utility charges or allowances.
- The member's housing charge is increased to the phased-in minimum rent rate of \$93 (\$85 + \$8) per month, plus any additional charges such as parking.
- The phased-in minimum rent of \$93 remains in effect until the member's next annual RGI review in October 2021, at which time the applicable minimum rent will increase by another \$8 to \$101 if the member continues to have low or no income.

Example 3

- A tenant currently pays a calculated RGI of \$89 per month, plus any additional charges such as parking.
- At their next RGI review taking place between July 1, 2020 and June 30, 2022, the Housing Provider determines that the tenant's calculated RGI remains \$89 per month.
- The tenant's rent is increased to the phased-in minimum rent of \$93, plus any additional charges such as parking.
- The phased-in minimum rent stays in effect until the tenant's next annual rent review, at which time the applicable minimum rent will increase by another \$8 to \$101 if the tenant continues to have low or no income.

TENANTS AND MEMBERS PAYING BETWEEN \$93 AND \$129 BEFORE JULY 1, 2020

Tenant and members paying between \$93 and \$129 per month before July 2020 continue to pay the calculated RGI amount, until their income increases or the phased-in minimum rent amount exceeds their calculated RGI at a future RGI review.

Example 4

- A co-operative member's housing charge is \$100 based on calculated RGI at the time of their annual RGI review in November 2020, plus any additional charges such as parking.
- The member is not impacted by the first phased-in minimum rent increase to \$93, as the phased-in increase falls below their current calculated RGI of \$100.
- At the next RGI review in November 2021, the member's calculated RGI remains at \$100; the member is now subject to the phased-in minimum rent of \$101 as it exceeds the calculated RGI, plus any additional charges such as parking.

TENANTS AND MEMBERS RECEIVING ONTARIO WORKS AND ONTARIO DISABILITY SUPPORT PROGRAM BENEFITS

For tenants and members receiving RGI in addition to OW or ODSP benefits, the rent attributable to the benefit unit continues to be set out in the OW and ODSP rent scales in *O. Reg. 298/01* and *O. Reg. 316/19*. The tables have not changed and take precedence over minimum rent levels.

The OW minimum rent for a household that consists of only one benefit unit with one person remains at \$85. Tenants and members receiving OW or ODSP benefits are subject to the new minimum rent rules if they receive non-benefit income that exceeds the applicable non-benefit income thresholds set out in *O. Reg. 298/01* and *O. Reg. 316/19*.

Example 5

- An RGI household is comprised of a single person receiving OW with no employment income and a utility charge of \$30
- Based on the OW rent scale for a benefit unit consisting of a recipient with no spouse or dependents (*O. Reg. 298/01*, Table 4; *O. Reg. 316/19*, Table 2), which remains \$85, their rent is \$115 (\$85 + \$30 utility charge) and is not to be lowered to the phased-in amount of \$93

TRANSITION TO NEW MINIMUM RENT ON JULY 1, 2020

O. Reg. 298/01 remains in effect in York Region until July 1, 2021, at which time it will be replaced by *O. Reg. 316/19*. Housing Providers are directed to continue to use the RGI calculation methods already in place, with the exception of the changes to minimum rent which take effect beginning July 1, 2020.

The new minimum rent rules become effective for most tenants and members at the time of their next interim or annual RGI review; however, some tenants and members may have already received notice to begin paying the current minimum rent of \$85 beginning July 1, 2020. Please issue a new notice to these households increasing their minimum rent to \$93. The new notice should follow the notice period requirements under *O. Reg. 298/01*.

Authority:

Housing Services Act, 2011 – section 50

O. Reg. 298/01 – sections 48, 52 and 53

O. Reg. 316/19 – sections 2 and 12

Please contact your Program Coordinator with any questions.

June 2020

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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