Housing Services

Program Instructions 2



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°2020-01

Effective Date: April 1, 2021

Summary

This Program Instruction provides direction for setting market rents for incoming tenants to housing providers operating Affordable Housing Program (AHP) Strong Start communities. For current tenants, rent increases are prohibited in 2021 due to the provincial rent freeze.

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 13 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.

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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 2021 must be at or below the amounts shown in Table 1. The overall building rent of 80% AMR must be maintained.

Table 1
Fall 2020 CMHC Average Market Rents for Zone 26
(Aurora, Newmarket, Whitchurch-Stouffville, East Gwillimbury, Georgina)

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
\$764	\$1,312	\$1,420	\$1,716

- If AMRs have decreased from the previous year, housing providers may submit a business case to the Region to exceed the 80% AMR building average rent requirement. Please <u>see</u> <u>Program Instruction: 2020-01: Achieving Affordable Rents for AHP Strong Start Communities</u> for AMRs used in 2020.
- Rents for current tenants who started rental agreements prior to 2021 cannot be increased in 2021, as the Government of Ontario has frozen most residential rents for the period of January 1, 2021 and December 31, 2021. For more information refer to Program Instruction 2020-08: Setting Market Rents for Current Tenants in AHP/IAH-Funded Communities During the 2021 Provincial Rent Freeze.

Authority: Contribution Agreement

Please contact your Program Coordinator with any questions.

April 2021

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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