

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

Achieving Affordable Rents for AHP/IAH Communities

Summary

The Canada-Ontario Affordable Housing Program (AHP) and the Investment in Affordable Housing Program (IAH) have been 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 AMR levels for Fall 2015.

During the first 15 years of AHP and IAH, Housing Providers can raise tenant rents by the *Residential Tenancies Act, 2006* (RTA) Rent Increase Guideline provided that:

- the RTA rent increase does not exceed 100% of AMR for a unit
- average rent for the entire building is maintained at or below 80% of AMR.

During the last 5 years of the program (years 16-20), rent increase restrictions apply only to sitting tenants.

Process

Housing Providers must use the most current CMHC AMR to ensure housing affordability

Table 1 provides a summary of the Fall 2015 CMHC AMR for York Region. A Housing Provider must refer to the table to ensure that the building's overall average rents do not exceed 80% of AMR for the applicable zone.



Table 1 – Fall 2015 CMHC Average Market Rent for York Region

Zone	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
Zone 25 Richmond Hill, Vaughan, King	\$900	\$1,148	\$1,343	\$1,538
Zone 26 Aurora, Newmarket, Whitchurch-Stouffville, East Gwillimbury, Georgina	\$701	\$1,043	\$1,174	\$1,333
Zone 27 Markham	n/a	\$1,092	\$1,257	\$1,401

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

The 2016 Ontario Rent Increase Guideline is 2.0%

The rent increase guideline for 2016 is **2.0%** and applies to rent increases effective between January 1 and December 31, 2016

Applying the rent increase guideline to increase tenant rents during Years 1-15 of the AHP/IAH program

1. Identify the current rent charge for the unit.
2. The current rent charge is multiplied by the applicable guideline and added to the current rent charge.

Example using the 2016 guideline:

- Current tenants rent charge is \$1,000
 - Multiply the current rent by 2.0% (2016 rent increase guideline)
 - $\$1,000 \times 2.0\% = \20.00
 - $\$1,000 + 20.00 = \$1,020$
 - Maximum rent increase amount is \$1,020
3. If the calculated rent increase amount is less than the most recent AMR amount, then the calculated RTA rent increase amount is the maximum rent for the unit.
 4. If the most recent AMR for the unit size (bedroom type) is less than the calculated RTA rent increase amount, then the AMR amount is the maximum rent for the unit.
 5. After applying the rent increases, ensure that an average overall rent for the building of 80% AMR continues to be 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 RTA Guideline of 2.0%, an increase of \$20.00. As the total resulting rent of \$1,020 is less than the AMR for one bedroom units in Richmond Hill (\$1,081 as indicated in Table 1), the tenant's rent may be increased to a maximum of \$1,020 provided the housing provider maintains an average overall rent for the building of 80% of AMR.



Example #2

A housing provider charging \$1,070 for 1 bedroom unit in Richmond Hill cannot increase the current tenant’s rent by the RTA Guideline of 2.0% as the total resulting rent of \$1,091 exceeds the AMR of \$1,081 for a 1 bedroom unit in Richmond Hill. The housing provider may increase the rent to the AMR of \$1,081 provided that an average overall rent for the building of 80% AMR is maintained.

In summary, housing providers may increase rents as long as they follow the program rules

Housing providers may raise rents for current tenants by the most current guideline as long as the rent is at or below the CMHC AMR. Rent for new tenants is at or below 100% of the CMHC AMR. The resulting average rent for the entire building must remain at or below 80% of AMR.

Authority: Contribution Agreement

Please contact your Program Coordinator with any questions.

- ORIGINAL SIGNED -

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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

