

# Program Instructions

**This Program Instruction applies to the following:**

- ✓ Tony Wong Place, Mount Albert United Church Senior Citizen Foundation, Hesperus Fellowship Village, Reena, Housing York Inc.

## Implementing Local Income and Asset Limits Phase 1: New Tenants Receiving Regional Rent Assistance

**EFFECTIVE DATE:** October 1, 2018

### Background

The Region has established new local eligibility rules that will restrict households with high incomes and/or assets from qualifying for subsidized housing in York Region. The income and asset limits will help to ensure that available housing subsidies are targeted to those with the greatest need.

- As of October 1, 2018, the Region will no longer accept new applications for the subsidized housing wait list from applicants with assets over \$75,000 and/or incomes over \$80,000.
- Starting October 1, 2018, existing wait list applicants with assets over \$75,000 will no longer be eligible for Rent Assistance.
- Tenants who are offered Rent Assistance with a move-in date on or after October 1, 2018 will be required to pay market rent for their unit if their assets increase above \$75,000 at any subsequent annual subsidy review, beginning in 2019.
- Tenants who were receiving Rent Assistance before October 1, 2018 will be required to pay market rent for their unit if their assets are above \$150,000 at their next annual subsidy review in 2019.
- Applicants with household incomes over \$80,000 do not qualify for Rent Assistance under the existing rules. Housing Providers will continue to follow the current process and not offer if the applicant does not qualify for Rent Assistance because their income is too high.

Community and Health Services  
Housing Services

1-877-464-9675  
TTY 1-866-512-6228  
york.ca

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## WHAT ASSETS ARE INCLUDED OR EXCLUDED IN THE ASSET LIMITS?

Assets that **count toward** York Region's local asset limits are "included assets". Some examples of included assets are:

- Bank accounts such as a chequing or savings accounts
- Investments such as Guaranteed Investment Certificates (GICs), stocks or bonds
- Equity in any form of real estate (including properties not suitable for year-round occupancy)

Assets that **do not count** toward the local asset limits are "excluded assets". Some examples of excluded assets are:

- Registered Education Savings Plans, Registered Disability Savings Plans, and Registered Retirement Savings Plans
- Personal belongings (e.g. furniture, clothing or jewelry)
- A personal vehicle
- Tools of a trade

Additional examples of assets and verification documents can be found in Appendix 1.

## Actions Required:

### CONFIRM ASSET VALUE OF APPLICANTS AND TENANTS

- Starting immediately, verify that an applicant's included assets are under the applicable limit when filling a vacant Rent Assistance unit, following the process described below.
- Starting January 1, 2019, confirm and verify that a tenant's included assets are under the applicable limit when completing annual Rent Assistance reviews. Further information about how to verify assets during annual reviews will be provided prior to January 1, 2019.

## Process to Confirm Assets When Filling a Vacancy

1. When filling a Rent Assistance vacancy, the Housing Provider will review the applicant's information in YARDI and contact the Housing Access Unit to confirm if the income and asset information is current and request any available documentation.
2. As part of the eligibility determination process, the Housing Provider will obtain a list of all household assets from the applicant if not on file with the Housing Access Unit, and a verification document for each asset that shows the asset value and ownership. Applicants must be given a minimum of three business days to submit their documents. Detailed information about how to verify assets is provided in Appendix 1.

3. The Housing Provider will confirm that the value of the applicant's included assets is below \$75,000 when determining eligibility.
4. If the applicant is not eligible because their included assets are over \$75,000, the Housing Provider will not offer the unit and will submit an Applicant Activity Report to the Housing Access Unit as soon as possible indicating that the applicant is not eligible because their assets are too high.
5. Use the following key messages to explain the decision to applicants and what will happen next:
  - The Region administers subsidized housing in our community and can establish local eligibility rules. The Region approved an asset limit of \$75,000 for subsidized housing that took effect on October 1, 2018. It applies to all existing and new applicants.
  - Based on the information that you provided, your assets are over the limit and I cannot offer you a rent subsidy at this time.
  - There is a process for you to request a review of this decision, through the Region's Housing Access Unit. The Housing Access Unit will contact you in writing to explain this decision and the steps for you to request a review.
  - If you want more information immediately, you can reach the Housing Access Unit or Access York by calling 1-800-464-9675.
6. Document this discussion with the applicant in YARDI notes. Add the date of the discussion and the phrase "*explained that household is over asset limit and provided contact information for HAU*"
7. The Housing Access Unit will be responsible to advise the applicant that they are not eligible and complete a decision review if requested.

**Authority:** Rent Assistance Agreement

[CoW 2018:4\(14\): Modernization of the Subsidized Housing Wait List](#)

Please contact your Program Co-ordinator with any questions.

- ORIGINAL SIGNED -

Rick Farrell

General Manager

Housing Services Branch

September 2018

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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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# APPENDIX 1: DETERMINING ASSET VALUE

## Asset Types

The lists of included and excluded assets are not exhaustive. If an applicant or tenant declares an asset that isn't on the list, contact your Program Coordinator for assistance.

### INCLUDED ASSETS

The following asset types **count toward** York Region's asset limit:

- Bank account balances
- Market value of non-registered investments including term deposits, GICs, stocks and bonds
- Real estate equity (The total value of a property minus any mortgage(s) and any loans/lines of credit secured against the property)
  - Tenants are still required to divest themselves of any interest in a property that is suitable for year-round occupancy within six months of beginning to receive Rent Assistance. The proceeds from the divestment do not count as income but may be counted toward the asset limit.
  - Tenants do not need to divest properties that are not suited for year-round occupancy (e.g. non-winterized cottage), but their equity in the property will count toward the asset limit.

### EXCLUDED ASSETS

The asset types listed below **do not count** toward York Region's local asset limit.

- Personal motor vehicles
- The value of funds held in:
  - Registered Retirement Savings Plan (RRSP)
  - Registered Retirement Income Fund (RRIF)
  - Locked-in Retirement Account (LIRA)
  - Locked-in Income Fund (LIF)
  - NOTE: although these funds are not counted toward the asset limit, withdrawals from RRSPs and payments from annuities, RRIFs, and LIFs must be declared as income for the purpose of calculating rent subsidies.
- Funds held in a Registered Disability Savings Plan (RDSP), as defined in section 146.4 of the *Income Tax Act* (Canada), if the beneficiary of the plan is a member of the household.
- The value of funds held in a Registered Education Savings Plan, as defined in section 146.1 of the *Income Tax Act* (Canada), for a child of a member of the household.

- The value of tools of a trade that are essential to the work of a member of the household as an employee.
- The value of assets of a member of the household that are necessary to the operation of a business that the member operates or has an interest in, up to \$20,000 in assets for the member of the household and \$20,000 for the business. This could include a business bank account.
- The value of a prepaid funeral.
- The cash surrender value of a life insurance policy, up to \$100,000 for the household.
- The proceeds of a loan taken against a life insurance policy that will be used for disability-related items or services.
- The value of the clothing, jewelry and other personal effects of a member of the household.
- The value of the furnishings in the accommodation used by the household, including decorative or artistic items, but not including anything used primarily for the operation of a business.
- The value of the beneficial interest in a trust of a member of the household who has a disability if the capital of the trust was derived from an inheritance or from the proceeds of a life insurance policy, up to \$100,000 for that member.
- Funds held in an account of a member of the household in conjunction with an initiative under which the Region or an entity approved by the Region commits to contribute funds towards the member's savings goals.
- If a member of the household has received a payment under the *Ministry of Community and Social Services Act* for the successful participation in a program of activities described in paragraph 9 of section 26 of Ontario Regulation 134/98 (General) made under the *Ontario Works Act, 1997*, the value of any portion of that payment that, within a time that is reasonable in the opinion of the Region, will be used for the member's post-secondary education.

## Asset Verification

Asset verification is required at the following times:

- When verifying an applicant's eligibility for Rent Assistance
- During the annual Rent Assistance review (further information about asset verification during annual subsidy reviews will be provided prior to January 2019)

The information provided must be:

- **Complete:** all included and excluded assets owned by all members of the household over the age of 16 must be identified, and documentation must show both the ownership of the asset and the value of the asset
- **Current:** e.g., a bank statement for the current month, a letter obtained from the bank within the same month, or the most recently received mortgage statement for a property.

## VERIFICATION DOCUMENTS

Applicants are responsible to declare any assets they own that are identified in the table below and provide appropriate verification documents for each asset. The Housing Provider is responsible to identify which assets are included and which are excluded when determining eligibility.

The following documents are also required when determining eligibility for Rent Assistance and when completing an annual review:

- Most recent Notice of Assessment
- Most recent T1 General

NOTE: The Housing Access Unit requests some verification documents during the Move-in Ready process. When determining eligibility, please contact the Housing Access Unit to obtain any current documentation for the applicant.

### Included and Excluded Assets that Require Documentation

| <b>Assets</b>  | <b>Document(s)</b>  |
|--|---|
| <p>Bank accounts</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Savings accounts and chequing accounts</li> <li>• Tax-Free Savings Accounts (cash)</li> <li>• Overseas or foreign accounts</li> </ul>   | <p>Current bank statement showing the account balance for all accounts</p> <p>Current passbook entry showing the account balance for all accounts</p>   |
| <p>Investments</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Stocks and bonds</li> <li>• Term Deposits</li> <li>• Guaranteed Investment Certificates</li> <li>• Mutual funds</li> <li>• Includes overseas or foreign investments</li> <li>• Tax-Free Savings Accounts (investments)</li> </ul>   | <p>Current statement from bank/financial institution showing the amount of the investment</p> <p>Copy of a stock certificate</p> <p>NOTE: T5 and T3 tax slips document the income received from investments. They are not sufficient to determine if a household's assets are over the limit but can help validate the household's declared asset value (e.g., if the household declares 0 assets but has significant income from investments, further information is required)</p> |
| <p>Real estate equity (The value of the property as determined by the current MPAC assessment, minus the amount of any mortgage(s) owing and any loans/lines of credit secured against the property)</p> <ul style="list-style-type: none"> <li>• Includes residential and non-residential properties</li> <li>• Includes property in Canada and in other countries</li> </ul> | <p>Current MPAC assessment (property value for current year) or appraisal</p> <p>Current mortgage statement</p> <p>Home Equity Line of Credit (HELOC) statement</p>   |
| <p>Registered accounts/investments</p> <ul style="list-style-type: none"> <li>• Registered Disability Savings Plan (RDSP)</li> <li>• Registered Retirement Savings Plan (RRSP)</li> <li>• Registered Retirement Income Fund (RRIF)</li> <li>• Locked-in Retirement Account (LIRA)</li> </ul>   | <p>Current bank statement showing value of the account, ownership and beneficiary</p>   |

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|---|--|
| <ul style="list-style-type: none"> <li>• Locked-in Income Fund (LIF)</li> <li>• Registered Education Savings Plan (RESP)</li> </ul>   |  |
| Life insurance (up to \$100,000 for the household)  | Insurance policy that states the cash surrender value  |
| Prepaid funeral   | Contract with insurance company or service provider  |
| Business assets (up to \$20,000 for individual and \$20,000 for the business) <ul style="list-style-type: none"> <li>• Business bank accounts</li> <li>• Business property</li> <li>• Business vehicle</li> <li>• Taxi license</li> </ul> | Documentation depends on type of asset   |
| Trust fund for a person with a disability, up to \$100,000 <ul style="list-style-type: none"> <li>• The capital in the trust fund must come from an inheritance or a life insurance payment</li> </ul>                                    | Will<br>Insurance documents<br>Trust fund documents<br>Trust account bank statement showing the amount and beneficiary |

Documentation is not required for personal belongings (e.g. clothing, jewelry and furniture), personal motor vehicles, and tools of a trade (e.g. electrician’s tools, hairstylists’ tools).

## CALCULATING THE VALUE OF JOINT ASSETS

“Joint assets” are assets where two or more people have ownership rights. In the case of joint bank accounts, all account holders can deposit, withdraw or deal with the funds in the account no matter who puts the money in the account, and all account holders are responsible for the money in the account. Joint owners are often married or common-law spouses or an older person and their adult child(ren).

For the purpose of determining whether an applicant’s assets are within the asset limit, if an asset is jointly owned with someone outside of the household, half of the value of the asset will be counted toward the asset limit.

- Some applicants may have joint ownership of an asset such as a bank account to allow them to manage another person’s finances. In this situation, applicants must provide documentation, such as a Power of Attorney or trust account documents, to confirm that the asset legally does not belong to them. A letter or informal agreement provided by the joint account holder is not sufficient.

### Exception for Special Priority Applicants

The only exception to this rule is for Special Priority applicants in certain circumstances:

- When assets to which the Special Priority applicant may have rights are solely in the name of the abuser (e.g. a matrimonial home). The Special Priority applicant must verify the ownership of the asset, within reason.
- When assets that are jointly owned with the abuser are being divided through the separation and divorce process and the amount that will be awarded to the Special Priority applicant is unknown. The Special Priority applicant must provide verification that a court proceeding is underway.

In these circumstances, the value of the asset(s) will not be included in the Special Priority applicant's assets until the sale of property and/or division of matrimonial assets is completed. The Special Priority applicant must be advised that they could lose their eligibility for subsidy and be required to pay market rent if the division of matrimonial assets results in being over the limit.

Assets that are solely in the name of the Special Priority applicant or that are joint with someone other than the abuser will count toward the asset limit.