



# 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

**Note: This Program Instruction replaces Program Instruction N°2017-04 [AHP/IAH]**

### Summary

The Canada-Ontario Affordable Housing Program (AHP), the Investment in Affordable Housing Program (IAH) and the IAH Extension Program were 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 AMRs for Fall 2018.

During the first 15 years of AHP and IAH, Housing Providers can raise tenant rents by the annual Rent Increase Guideline provided that:

- The increase **does not result in rent exceeding** 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.

## HOUSING PROVIDERS MUST USE THE CURRENT CMHC AMRs TO ENSURE HOUSING AFFORDABILITY

Table 1 provides a summary of Fall 2018 CMHC AMRs for York Region. Refer to Table 1 to ensure that overall average rents for the building do not exceed 80% of AMR for the applicable zone.

<b>Zone</b>	<b>Bachelor</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>
<b>Zone 25</b> Richmond Hill, Vaughan, King	\$1,020	\$1,145	\$1,373	\$1,591
<b>Zone 26</b> Aurora, Newmarket, Whitchurch-Stouffville, East Gwillimbury, Georgina	\$769	\$1,110	\$1,258	\$1,449
<b>Zone 27</b> Markham	n/a	\$1,213	\$1,408	\$1,538

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 2019 RENT INCREASE GUIDELINE IS 1.8%

The Rent Increase Guideline for 2019 is **1.8%** and applies to rent increases effective between January 1 and December 31, 2019.

### APPLYING THE RENT INCREASE GUIDELINE TO INCREASE TENANT RENTS DURING YEARS 1-15 OF THE AHP/IAH PROGRAM

1. Identify the current rent for the unit
2. Calculate the 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 of using the 2019 Rent Increase Guideline:

- Current tenant's rent charge is \$1,000
  - Multiply the current rent by 1.8% (2019 Rent Increase Guideline)
    - $\$1,000 \times 1.8\% = \$18$
    - $\$1,000 + \$18 = \$1,018$
  - Guideline rent increase amount is \$1,018
4. If the calculated rent increase amount is less than the most recent AMR amount, then the calculated Guideline rent increase amount is the maximum rent for the unit
  5. If the calculated rent increase amount is more than the most recent AMR for the unit size, 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% of AMR 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 1.8%, an increase of \$18.00. As the total resulting rent of \$1,018 is less than the AMR for one bedroom units in Richmond Hill (\$1,145 as indicated in Table 1), the tenant's rent may be increased to a maximum of \$1,018 provided the Housing Provider maintains an average overall rent for the building of 80% of AMR.

### Example #2

A Housing Provider charging \$1,140 for a one bedroom unit in Richmond Hill cannot increase the current tenant's rent by the Rent Increase Guideline of 1.8%, as the total resulting rent of \$1,161 exceeds the AMR of \$1,145 for a one bedroom unit in Richmond Hill. The Housing Provider may increase the rent to the AMR of \$1,145 provided that an average overall rent for the building of 80% of AMR is maintained.

## ACTION REQUIRED

Housing Providers may raise rents for tenants by the most current Rent Increase Guideline as long as the rent is at or below the CMHC AMR for the applicable zone. Rent for new tenants is at or below 100% of the CMHC AMR.

After applying any rent increases, ensure that the overall rent for the building remains at or below 80% of AMR for the applicable CMHC zone.

**Authority:** Contribution Agreement

Please contact your Program Coordinator with any questions.

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