



Affordable Housing Program Information

This Program Information applies to AHP Strong Start, AHP Extension, and AHP Wave 1 Projects.

- Tom Taylor Place
- Kingview Court Expansion
- Maplegen Residences
- Mackenzie Green
- Tony Wong Place
- Hesperus Fellowship Village
- Mount Albert United Church Senior Citizen Foundation
- Reena
- Voice of Vedas Cultural Sabha Inc.
- DeafBlind Ontario Services (Hertick)
- DeafBlind Ontario Services (Treffry)

Date April 28, 2014

Subject Rent Levels and Annual Rent Increases for 2014

Authority Contribution Agreement

Background The Canada-Ontario Affordable Housing Program requires that average rent for the entire building must be at or below 80 percent of the Canada Mortgage and Housing Corporation Average Market Rent (AMR).

Housing Providers can set rent levels for **new tenants** at or below AMR.

Housing Providers can raise rents for **current tenants** by the Residential Tenancies Act (RTA) Rent Increase Guideline provided that the RTA rent increase does not exceed the AMR. The resulting average rent for the entire building must be at or below 80% of the AMR.

If tenants are receiving Rent Assistance, the 80% average rent calculation for the entire building is based on the tenants' contribution to the rent rather than market rents.

Ontario's Rent Increase Guideline is the maximum amount that most landlords can increase a tenant's rent during the year without making an application to the Landlord and Tenant Board. The rent for a unit can be increased if at least 12 months have passed since the tenant first moved in, or since the tenant's last rent increase. The tenant must be given written notice of the rent increase at least 90 days before the increase takes effect.

The Rent Increase Guideline for 2014 is **0.8 percent**, and applies to rent increases effective between January 1 and December 31, 2014.

Process To set the rent for **new tenants**

Refer to the chart below with the most current AMR for Richmond Hill, Vaughan, King, Aurora, Newmarket, Whitchurch-Stouffville, East Gwillimbury, Georgina, and Markham. Rent for new tenants cannot exceed the AMR for the applicable zone and bedroom size, unless an exception has been given by the Region.

Note: To maintain an average rent for the entire building at or below 80 percent of AMR, some rent levels may have to be set below the AMR level.

CMHC Average Market Rent (AMR)

Zone	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
Zone 25 Richmond Hill, Vaughan King	\$870	\$1,046	\$1,235	\$1,463
Zone 26 Aurora, Newmarket Whitchurch-Stouffville East Gwillimbury Georgina	\$741	\$958	\$1,075	\$1,206
Zone 27 Markham	\$773	\$1,029	\$1,183	\$1,333

To calculate the rent increase for **current tenants**:

1. Identify the current rent charge for the unit
2. Multiply the current rent charge by the 0.8 percent Rent Increase Guideline for 2014 and add to current rent charge.

Example:

Current tenant's rent charge is \$800

Multiply by 2014 Rent Increase Guideline (0.8%) to determine the dollar amount by which rent may be increased.

$$\$800 \times 0.8\% = \$6.40$$

$$\text{Maximum rent increase amount is } \$800 + \$6.40 = \$806.40$$

4. 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.
5. If the most recent AMR for the bedroom type is less than the calculated RTA rent increase amount, then the AMR amount is the maximum rent for the unit.

For example, a Housing Provider in Richmond Hill currently charging \$800 for a bachelor unit may raise the current tenant's rent by the RTA Guideline of 0.8%, an increase of \$6.40. As the total resulting rent of \$806.40 less than the AMR for bachelor units in Richmond Hill, the tenant's rent may be increased provided that the Housing Provider maintains an average overall rent for the building of 80% of AMR.

A Housing Provider charging \$1,040 for a 1 Bedroom unit in Richmond Hill cannot increase the current tenant's rent by the RTA Guideline of 0.8%, as the total resulting rent of \$1,048.32 exceeds the AMR of \$1,046 for 1 bedroom units in Richmond Hill. The Housing Provider may instead increase the rent to the AMR of \$1,046, provided that an average overall rent for the building of 80% of AMR is maintained.

**Action
Required**

Housing Providers may raise rents for current tenants by the Residential Tenancies Act (RTA) Rent Increase Guideline of 0.8% as long as the rent is at or below the CMHC Average Market Rent. Rents for new tenants may be set at or below the CMHC Average Market Rent. The resulting average rent for the entire building must remain at or below 80 percent of AMR.

Housing Providers must submit a business case to the Service Manager if the annual rent increase puts the average rent of the building above 80 percent of AMR (i.e. AMR decreases or financial viability is compromised).

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