
Housing Services

Program Instructions



This Program Instruction applies to the following:

- ✓ **AHP Strong Start Program**
 - Tom Taylor Place
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Achieving Affordable Rents for AHP Strong Start Communities

Summary

The Canada-Ontario Affordable Housing Program (AHP) is designed to increase the supply of affordable housing. There are specific rules that must be followed for the duration of the program.

Rent rules for the year 1 – 10

To achieve affordability, rents must remain at or below the Canada Mortgage and Housing Corporation (CMHC) Average Market Rent (AMR) while also maintaining an average rent at or below 80% of AMR for the entire building. CMHC has published new AMR rates for Fall 2017.

During the first 10 years of the program, Housing Providers can raise tenant rents by the *Residential Tenancies Act, 2006* (RTA) Rent Increase Guideline provided that:

- the RTA 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

Rent rules for year 11-14

During year 11-14 of the program, Housing Providers must continue to follow program rules outlined for year 1 to 10 for existing tenants. The Housing Provider may make a business case to the service manager for an above RTA increase for a unit when there is a capital repair requirement or the energy cost increases.

For new tenants, the starting rent can be at or below CMHC AMR. However, the overall building rent at 80% of AMR must be maintained. Housing Provider can make a business case for above 80% AMR building rent when the AMR decreases or project's financial viability is compromised.



Rent rules for year 15 -20

Housing Providers must continue to follow program rules set between year 1 and 10 for existing tenants.

New tenants are no longer subject to any program limitations and there is no max rent threshold for the building.

AHP rules require the building to achieve an average rent at or below 80% of AMR during year 1-14 of the program

CMHC publishes updated AMR rates for various housing market areas in the Fall. Housing funded through the AHP Strong Start Program must achieve an average project rent which is at or below 80% of AMR.

Table 1 provides a summary of Fall 2017 CMHC AMR for Zone 26 which includes Newmarket. Housing Providers must refer to Table 1 to ensure that the overall rent for the building remains at or below 80% of AMR for the applicable zone.

Table 1 – Fall 2017 CMHC AMR for Newmarket

Zone	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
Zone 26 Aurora, Newmarket, Whitchurch-Stouffville, East Gwillimbury, Georgina	\$754	\$1,115	\$1,246	\$1,415

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 Residential Tenancies Act (RTA) Rent Increase Guideline for 2018 is 1.8%

The Rent Increase Guideline for 2018 is **1.8%** and applies to rent increases effective between January 1 and December 31, 2018.

Applying the Rent Increase Guideline to increase tenant rents during Years 1-10 of the AHP Strong Start program

1. Identify the current rent for the unit
2. Calculate the rent increase by multiplying the current rent by the Guideline
3. Determine the new rent by adding the rent increase calculated in step 2 to current rent

Example of using the 2018 Guideline:

- Current tenant's rent charge is \$1,000



- Multiply the current rent by 1.8% (2018 Rent Increase Guideline)
 - $\$1,000 \times 1.8\% = \18.00
 - $\$1,000 + \$18.00 = \$1,018$
 - 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 RTA 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 Newmarket currently charging \$1,000 for a one bedroom unit may raise the current tenant's rent by the 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 Newmarket (\$1,115 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 \$1,110 for a one bedroom unit in Newmarket cannot increase the current tenant's rent by the Guideline of 1.8%, as the total resulting rent of \$1,130 exceeds the AMR of \$1,115 for a one bedroom unit in Newmarket. The Housing Provider may increase the rent to the AMR of \$1,115 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 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.

Average rent for the building must be maintained at 80% of CMHC AMR for the applicable zone.

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 ext. 72119

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