

Changes to Minimum Rent for Tenants and Members Receiving Rent-Geared-to-Income

Program Instruction N° 2020-06 [HSA]

June 2020



OVERVIEW OF CHANGES TO MINIMUM RENT

- New minimum rent rules take effect across Ontario beginning July 1, 2020
- Changes to minimum rent are implemented at the time of a tenant's or member's RGI review
- To support Housing Providers, each year York Region will issue a program instruction outlining the updated minimum rents for that year

WHAT'S CHANGING

Minimum rent amounts

- Beginning July 1, 2020, minimum rent is \$129
- This amount will be increased annually by the provincial rent increase guideline
- Tenants and members who are currently paying less than the new minimum rent are eligible for phase-in

WHAT'S NOT CHANGING

Steps for applying minimum rent during an RGI calculation

1. Calculate current RGI using the tenant or member's income
2. Add/subtract any utility charges or deductions to determine calculated RGI
3. Compare calculated RGI to applicable minimum rent
 - If calculated RGI is more than minimum rent, tenant or member pays calculated RGI
 - If calculated RGI is less than minimum rent, tenant or member pays minimum rent
4. Add any additional charges such as parking or sector support

Ontario Works (OW) and Ontario Disability Support Program (ODSP) rent scales

- Currently provided in O. Reg. 298/01, Tables 3, 4 and 5
- Also provided in the new RGI regulation, O. Reg. 316/19, as Tables 1, 2 and 3

MINIMUM RENT SCENARIOS

TENANTS AND MEMBERS PAYING RGI OF \$129 OR MORE BEFORE JULY 1, 2020

- **RGI reviews completed between July 1, 2020 and June 30, 2021:**
Minimum rent is \$129 for tenants and members currently paying a calculated RGI higher than \$129
- **RGI reviews completed between July 1, 2021 and June 30, 2022:**
Minimum rent will increase by the provincial rent increase guideline

TENANTS AND MEMBERS PAYING RGI OF \$129 OR MORE BEFORE JULY 1, 2020

Example

- Richard's current calculated RGI is \$250/month
- In September 2020, Richard reports a decrease in income
- Richard's new calculated RGI is \$100 per month, including any utility charges or allowances
- Because his calculated RGI falls below the new minimum rent of \$129, Richard is charged the minimum rent, plus any additional charges such as parking
- If Richard's income hasn't changed, at his next annual RGI review between July 1, 2021 and June 30, 2022, his minimum rent will increase by the province's rent increase guideline for 2021

TENANTS AND MEMBERS PAYING LESS THAN \$93 BEFORE JULY 1, 2020

- **RGI reviews completed between July 1, 2020 and June 30, 2021:**
Tenants and members paying between \$85 and \$93/month will have their minimum rent phased-in by \$8 at their next RGI review
- **RGI reviews completed between July 1, 2021 and June 30, 2022:**
Minimum rent will increase an additional \$8 at the next annual RGI review
- Tenants/members no longer qualify for the phased-in amount once their calculated RGI increases to the new minimum rent (\$129 plus indexing) or higher

TENANTS AND MEMBERS PAYING LESS THAN \$93 BEFORE JULY 1, 2020

Example

- Lisa currently pays a minimum housing charge of \$85/month
- At her next RGI review in October 2020 her calculated RGI is \$70/month
- Lisa is eligible for the phased-in amount, so her housing charge is increased to \$93 per month, plus any additional charges such as parking
- The phased-in minimum housing charge of \$93 remains in effect until Lisa's next annual RGI review in October 2021 or until her income increases
- In October 2021, if her income has not increased, Lisa's minimum housing charge will increase by another \$8 to \$101

TENANTS AND MEMBERS PAYING BETWEEN \$93 AND \$129 BEFORE JULY 1, 2020

- **RGI reviews completed between July 1, 2020 and June 30, 2021:**
Tenants and members continue to pay their calculated RGI, until their income increases or the phased-in minimum rent amount is greater than their calculated RGI at a future RGI review
- **RGI reviews completed between July 1, 2021 and June 30, 2022:**
Tenants and members continue to pay their calculated at the next RGI review until the phased-in amount (\$101) exceeds calculated RGI
- Tenants/members no longer qualify for the phased-in amount once their calculated RGI increases to the new minimum rent (\$129 plus indexing) or higher

TENANTS AND MEMBERS PAYING BETWEEN \$93 AND \$129 BEFORE JULY 1, 2020

Example

- Jordan's housing charge is \$100/month at her annual RGI review in November 2020
- Jordan is not impacted by the first phased-in minimum rent increase to \$93, as the phased-in amount is less than her current RGI of \$100
- At her next RGI review in November 2021, Jordan's calculated RGI is still \$100
- Jordan now has to pay the phased-in housing charge of \$101 as it is more than the calculated RGI

TENANTS AND MEMBERS RECEIVING OW AND ODSP

- Rent attributable to the benefit unit continues to be based on OW and ODSP rent scales
- New minimum rent rules apply to tenants and members receiving OW and ODSP where non-benefit income exceeds the applicable non-benefit income thresholds set out in the rent scales
- Minimum rent for OW and ODSP benefit units of one remains \$85 until July 1, 2021

TENANTS AND MEMBERS RECEIVING OW AND ODSP

Example

- An RGI household is comprised of a single person receiving OW
- This household has no employment income and has a utility charge of \$30
- Based on the OW rent scale for a benefit unit consisting of a recipient with no spouse or dependents, their rent is \$115 (\$85 + \$30 utility charge)
- The rent is not to be lowered to the phased-in amount of \$93

TENANTS AND MEMBERS RECEIVING OW AND ODSP

Example

- An RGI household is comprised of a single person receiving ODSP with an utility allowance of \$84
- The rent attributable to the benefit unit based on the ODSP rent scale for a benefit unit of one is \$109, before the utility allowance is applied
- RGI rent for this household is \$85 (\$109 ODSP rent scale - \$84 utility allowance), as minimum rent remains at \$85 for OW and ODSP benefit units of one until July 1, 2021

TRANSITIONING TO NEW MINIMUM RENT

TRANSITION TO NEW MINIMUM RENT ON JULY 1, 2020

- Some tenants and members may have already received notice to begin paying the current minimum rent of \$85 beginning July 1, 2020
- Notice should be issued to these tenants/members increasing their rent to the phased-in amount of \$93
- The notice should follow the notice period requirements under O. Reg. 298/01

IMPLEMENTATION OF RGI SIMPLIFICATION

- RGI changes will be implemented July 1, 2021 in York Region
- Until then, continue to use the current RGI calculation methods under O. Reg. 298/01
- RGI training will be offered to Housing Providers in late 2020/early 2021

The background consists of several overlapping, semi-transparent shapes in various shades of orange and yellow. These shapes are roughly circular or triangular in form, creating a layered, geometric effect. The colors range from a bright, sunny yellow to a deep, warm orange. The overall composition is abstract and modern.

QUESTIONS

THANK YOU

Please contact your Program Coordinator with questions about application of the new minimum rent rules

