



Housing Services Notice

Date: December 4, 2020

HSN#: 2020-07 REVISION #2

(replaces HSN#2020-07 originally issued June 1, 2020 and revised June 5, 2020)

This applicable legislation/policy is to be implemented effective this date by the housing provider(s) under the following programs:

Please note, if your program is **not checked**, this change does not apply to your project.

- Federal Non-Profit Housing Program
- Federal Section 26/27 Housing Program
- Federal Urban Native Non-Profit Housing Program
- Private Non-Profit Housing Program
- Municipal Non-Profit Housing Program (Pre-1986)
- Local Housing Corporation
- Local Housing Corporation—Rent Supplement Programs
- Affordable Housing Programs (AHP, IAH, SIF, OPHI)
- Housing Access (Centralized Waiting List Services)

Subject: COVID-19 Emergency Benefits and RTI/RGI Calculations under Federal Operating Agreements

Reference:

- *Federal Operating Agreements*
- *Federal Urban Native Rent-to-Income (RTI) guide*

Background:

This notification provides information for calculating rent-geared-to-income (RGI) and rent-to-income (RTI) rent/housing charge for tenants receiving the Canada Emergency Response Benefit (CERB), **the Canada Recovery Benefit (CRB)**, the Employment Insurance Emergency Response Benefit, the Canada Emergency Student Benefit (except where exempted for full-time students) and the temporary doubling of the Guaranteed Annual Income System.

Under the operating agreements, a housing provider is required to conduct an in-year review if it is notified of a change in income by a household, including the above mentioned emergency benefits. The DNSSAB as the Service Manager has the ability to defer or forgive all or part of

the rent/housing charge payable by a household.

Local Rule:

Temporary RGI/RTI Calculations for Households Receiving COVID-19 Emergency Benefits:

In accordance with the DNSSAB’s local rule, all RGI/RTI household members are required to report any changes in circumstances and provide documentation verifying the change within thirty (30) days from the date the change occurred. This includes the Canada Emergency Response Benefit (CERB), the Canada Recovery Benefit (CRB), the Employment Insurance Emergency Response Benefit (EI-ERB), the Canada Emergency Student Benefit (CESB) and the temporary doubling of the Guaranteed Annual Income System (GAINS).

The procedure will be:

1. Housing providers are to treat the emergency benefits as income;
2. If the new RGI/RTI calculation results in a decrease of the rent/housing charge, this decrease in rent/housing charge will be effective the month following the change, starting with the month of April 2020 (resulting in a potential new rent/housing charge beginning May 2020);
3. If the new RGI/RTI calculation results in an increase of the rent/housing charge, there will be no increase implemented for the rent/housing charge of the household;
4. If a household in receipt of the CERB/CRB ceases to receive CERB/CRB and begins receiving Employment Insurance (EI), then the housing provider is to calculate the rent/housing charge as regular income with applicable employment deductions.
5. **NOTE:** The rent increase forgiveness described in Step 3 does not include the Employment Insurance Emergency Response Benefit (EI-ERB). This benefit will be treated the same as regular EI benefits and will be taken into consideration for the purposes of RGI calculation.

Example:

A single member household was paying a monthly base rent of \$270.81 calculated as follows:

Average monthly employment earnings	<u>\$1,083.25</u>
At 25%	<u>\$ 270.81</u>

This person works for a non-essential employer and was sent home mid-March due to COVID-19. This person qualifies for CERB. The new base rent effective May 1st is calculated as follows:

Monthly CERB benefits	<u>\$2,000.00</u>
At 25%	<u>\$ 500.00</u>

As this is an increase, the rent remains at \$270.81 and the amount of the forgivable rent is \$229.19.

The Notice of Decision would indicate the following:

RGI/RTI Charge	\$500.00
Less: COVID Forgivable Rent	<u>\$229.19</u>
Total Monthly Rent	<u>\$270.81</u>

Please remember that due to the province-wide rent freeze for 2021, any increases in rent as calculated will NOT BE APPLIED from January 1, 2021 to December 31, 2021. Any decreases in rent in will be applied. See HSN 2020-19 for more details on the rent freeze for 2021.

Action:

Federal Housing providers (including Urban Native providers) are required to apply the rent/housing charge calculation method related to COVID-19 emergency benefits effective immediately and only for the duration that the household is in receipt of a COVID-19 emergency benefits.

As a reminder, reviews do not need to be conducted in-person and that income verification can be sent in by the tenant rather than through an in-person appointment. Also, there is flexibility to conduct annual reviews any time within the 12-month period. In-year reviews due to changes in income do not have to occur by a certain date. However, a decision to increase rent may be retroactive.

If you have any questions or concerns regarding this or any other Housing Services Notice, please contact the Housing Programs Administrator assigned to your portfolio:

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