



Housing Services Notice

Date: June 30, 2021

HSN#: 2021-11

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: RGI minimum rent – July 1, 2021 – June 30, 2022

References:

- *Housing Services Notice HSN 2020-03 Ontario Regulation 367/11 Amendment Implementation Dates*
- *Housing Services Notice HSN 2020-09 - New Minimum Rent for RGI Calculations (Provincial Providers)*
- *Housing Services Notice HSN 2020-23 - RGI Changes regarding the 2021 Rent Freeze*

Background:

The purpose of this notification is to provide information to housing providers regarding the minimum rent for Rent-Geared-to-Income (RGI) tenants in projects subject to Part V of the Housing Services Act, 2011 as it is to be adjusted from July 1, 2021 to June 30, 2022.

As announced in HSN #2020-03, the province implemented a suite of changes to the rent-geared-to-income calculation to make calculating rent simpler for Service Managers and housing providers and easier for tenants to predict and understand. To that end, Ontario

Regulation 298/01 was revoked and replaced with Ontario Regulation 316/19 as of July 1, 2020. The new minimum rent provisions of the new regulation were to be implemented as of July 1, 2020. HSN 2020-09 explained the new minimum rent provisions and their implementation.

As part of that implementation, the minimum rent that had been stable at \$85/month for many years will now increase annually by the provincial rent increase guideline. That minimum rent will be applied to new tenant RGI calculations.

The following minimum rent amounts have already been established:

Prior to July 1, 2020:	\$85/month
From July 1, 2020 to June 30, 2021:	\$129/month
From July 1, 2021 to June 30, 2022:	\$131/month

Tenants who were already paying less than the new minimum rent, and whose calculation keeps them under the current minimum rent, will have their rent increase phased in, rising by \$8/month when their annual update is conducted. This will continue annually until their RGI calculation reaches the new minimum rent amounts. This may very well require increased tracking by housing providers for those tenants who are moving through the phase-in process, which may last for several years.

As a further complication in 2021, and as explained in HSN 2020-23, please remember that the province has enacted a rent increase freeze for the period of January 1, 2021 to December 31, 2021. This rent freeze also applies to RGI rent. As a result, if a tenant's RGI review results in an increase, even due to minimum rent changes, that increase cannot be applied until January 1, 2022.

Action:

For all RGI calculations (including new tenants, annual reviews, and in-year reviews) for rent payable from July 1, 2021 to June 30, 2022, the new minimum rent is to be calculated at the time of review as follows:

New Minimum Rent:

The minimum rent for RGI tenants (who were not already paying minimum rent) will increase from the current \$129/month to \$131/month for the period of July 1, 2021 to June 30, 2022.

Phase-In Period:

For tenants who were already paying less than \$131 before July 1, 2021, and their calculated RGI continues to be under \$131, their increase to minimum rent will be phased-in at \$8/year.

If their rent is calculated to be below the phase-in amount, their rent shall be set at the phase-in amount. If their rent is calculated to be between the phase-in amount and the minimum rent amount, their rent shall be set at the calculated amount.

If ever a tenant's RGI rent increases above the minimum rent in a given year, and subsequently their rent decreases due to a loss of income, they will be assessed the new minimum rent from that point forward, not the phase-in amount.

The DNSSAB understands that if tenants have fluctuating income, there may be several different scenarios as those tenants move through the phase-in period. We will work with housing providers to determine the appropriate minimum rent on a case-by-case basis.

Please also note that new minimum rent provisions as described in this notice do not effect RGI rent calculations for OW and ODSP recipients. Housing providers are expected to continue to use the OW and ODSP rent scales in the regulations for determining RGI rent for those tenants.

Please ensure that the current provincial rent freeze legislation is adhered to and that any increases to rent are not applied until January 1, 2022.

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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