



Notice No: 20-14

APPLICABLE TO:

| | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Municipal & Private Non Profit |
| <input checked="" type="checkbox"/> | Co-operative |
| <input checked="" type="checkbox"/> | Federal Non Profit |
| <input checked="" type="checkbox"/> | OCHAP/CSHP |
| <input checked="" type="checkbox"/> | Rent Supplement |

DATE: November 4, 2020 **Mandatory** **For Information**

SUBJECT: Bill 204, Helping Tenants and Small Businesses Act, 2020. (2021 Rent Freeze)

BACKGROUND

On October 1, 2020, the Helping Tenants and Small Businesses Act, 2020 was passed in the Ontario legislature. This Act amends the Residential Tenancies Act, 2006 (RTA), to freeze residential rent increases in 2021 for the vast majority of Ontario tenants.

The amendments set the 2021 rent increase guideline to zero percent and freeze annual rent increases starting January 1, 2021 and lasting until December 31, 2021. The rent freeze applies to the majority of rental units that are covered by the RTA, including households that receive rent-geared-to-income (RGI) assistance and those paying low end of market in community housing in federally and/or provincially funded housing programs (but does NOT include MARKET rate paying members in co-operative housing).

The rent freeze is expected to have a significant impact on housing provider operations. Questions and answers are attached to assist providers in guiding their operations for the remainder of 2020 and for the year 2021.

IMPLEMENTATION

Housing Providers will be required to ensure business practices and communications to households reflect the rent freeze legislation.

Housing providers are required to comply with existing HSA legislation regarding annual and in-year reviews, therefore reviews must continue to be processed as scheduled. Notices of decision must continue to be sent to households following the completion of reviews, however, no rent increases will take effect until January 1, 2022 or after. Notices of decision must still allow for a review of the decision and the opportunity to appeal must continue to be included in your communications. Appeals must continue to

be submitted within 10 days of the “Notice of Decision” letter and be heard by a committee within your already established time frame.

Rent decreases are allowed if household income permits. As of July 1st 2021, the new Rent Geared to Income rules/ legislation will be applied to rent decreases.

In any situation, if the household becomes ineligible for RGI assistance for any reason, the loss of RGI will not take effect until January 1, 2022 or after.

If rent increase letters have already been sent to households for 2021, revised letters must be sent to reflect the rent freeze at Dec 31, 2020 rates.

The following phrase must be included in all communication regarding rent increases, decreases, or cessation of eligibility:

“Changes to your rent are based on provincial rules and legislation. Due to the rent freeze beginning January 1, 2021, changes to your rent will not be applied until January 1, 2022 or after, with the exception of rent decreases.

While changes will not take effect until January 2022 or after, you may appeal the change within 10 days of your “Notice of Decision” letter. Any decisions made at the appeal will be effective January 1, 2022, or after.”

Housing Provider’s Role

Housing providers must ensure that staff, Boards and tenants/members are provided with the information regarding the rent freeze. Housing providers must ensure the rent freeze is fully implemented.

Service Manager’s Role

NRH will monitor compliance of this Notice through operational reviews.

If you have questions or concerns about this notice please contact your Housing Administrator at 905-682-9201.

Donna Woiceshyn, Chief Executive Officer

Bill 204 – Rent Freeze QUESTIONS AND ANSWERS

When does the rent freeze end?

Bill 204 freezes rent increases that would have happened in 2021. The rent freeze ends on December 31, 2021. Proper notice of rent increase must be provided for any increases which take effect in 2022.

What households are subject to the rent freeze?

The rent freeze applies to households paying rent-geared-to-income (RGI) and low-end of market rent in community housing, as well as households living in affordable rental housing units created through federally and/or provincially funded housing programs

Are co-operative housing members paying market rates excluded from the rent freeze?

Yes, co-operative housing members paying market rates are exempt from the rent freeze as they are not subject to the rent increase guideline under the Residential Tenancies Act (RTA). Members and their boards should continue to collectively determine whether a housing charge increase is in the best interest of their community. Housing charges continue to be set by a resolution of the members for co-operative housing communities.

Can RGI rent increase during 2021 if the household income increases?

No, even if the household income increases, the rent can not increase.

Can RGI rent decrease during 2021 if the household has a reduction in income?

Yes, if the household experiences a reduction in income, their rent may be decreased.

What if a tenant who pays rent scales (OW/ODSP) has an increase to the number of people on their benefit or if someone in the household receives additional income?

For RGI households that pay rent based on the OW/ODSP scale, rent will not increase in 2021 and will be capped at the rent scale payable as of December 31, 2020. Even if additional income is earned, if an additional income earner joins the household or the number of people on the benefit increases, rent will remain the same as of December 31, 2020. If there is a decrease in the number of people on the benefit, the rent may be reduced to reflect the reduced number of beneficiaries.

Will annual and in-year reviews need to be completed in 2021?

Yes, housing providers continue to be obligated to comply with the RGI rules as set out in Ontario Regulation 316/19 under the HSA. This means annual and in-year reviews must continue to be completed in 2021. During the rent freeze period, any rent increases resulting from an annual or in-year review would take effect on January 1, 2022. If a household experiences a decrease in income, their rent may decrease as required under the provincial regulations.

Can an RGI household lose their RGI subsidy (cease to qualify) and have to pay market rent if they fail to meet any of the eligibility requirements under the HSA (i.e. failure to submit annual renewal, failure to report changes, failure to submit requested information)?

If a household fails to meet any of the RGI eligibility requirements under the HSA and is found ineligible to receive RGI assistance, the rent can not increase to full market value until January 1, 2022. The household must receive proper notice of the rent increase.

If an overhoused household refuses an offer of an appropriate sized unit while on the centralized wait list, do they lose RGI assistance?

A household who refuses an offer while on the centralized waitlist will have their overhoused application cancelled. The housing provider will be required to advise the household that a market rent charge will apply effective January 1, 2022 or after.

Will the Ministry release an update on the Market Rent Index for 2021?

Yes, the Ministry will release an update on the Market Rent Index for 2021 and NRH will distribute an update to housing providers.