



Niagara Regional Housing

Notice

No: 20-05

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

DATE:	April 15, 2020
<input checked="" type="checkbox"/>	Mandatory
<input type="checkbox"/>	For Information

SUBJECT: Minimum Rent and RGI Calculation Simplification

Effective: July 1, 2020 – Minimum Rent

Effective: July 1, 2021 – RGI Calculation Simplification

PURPOSE

The purpose of this notice is to inform Housing Providers about the recent changes in regulations relating to minimum rent and the simplification of the rent-geared-to-income (RGI) subsidy calculation.

BACKGROUND

The province has implemented a suite of changes to the RGI calculation to make calculating rent less difficult for Service Managers and housing providers and easier for tenants to predict and understand. To do this, Ontario Regulation 298/01 is being revoked and replaced with Ontario Regulation 316/19.

In addition, Ontario Regulation 367/11 is being amended to change some of the eligibility rules for RGI assistance, and make consequential changes to align, where practical, the portable housing benefit framework with the changes to the RGI calculation.

Policy Change

The new simplified regulation (Ontario Regulation 316/19) will be in-force on July 1, 2020. Service Managers, however, can chose an implementation date of either July 1, 2020 or July 1, 2021. NRH has chosen the implementation date of July 1, 2021, and therefore RGI assistance must continue to be determined under the revoked Ontario Regulation 298/01 for the period between July 1, 2020 and June 30, 2021.

The one aspect of Ontario Regulation 316/19 that **must apply** when the regulation takes effect **July 1, 2020** is in relation to the **new minimum rent provisions**.

Minimum Rent Provisions

Minimum rent will be increased and indexed with the province’s annual rent increase guideline, subject to phase-in for existing tenants paying less than indexed minimum rent.

For households **new** to receiving RGI subsidy, the **minimum rent amount is \$129** for the calculation done between the period of July 1, 2020 to June 30, 2021. Each subsequent period of July 1 to June 30, the rent amount for the prior period is increased by the prescribed rent increase guideline. Housing Providers are to maintain their current annual renewal dates and therefore each household will have an annual review completed under this new method by June 30, 2021.

For households with a **current rent of less than \$129**, the **minimum rent amount is \$93** for the calculation done within the period of July 1, 2020 to June 30, 2021. Each subsequent period of July 1 to June 30, the rent amount for the prior period is increased by \$8 until it reaches \$129.

Example:

Current Rent	Annual Renewal Date	New Rent Calculation	New Rent Charged
\$100	September 1, 2020	\$ 90	\$ 93
\$ 90	September 1, 2020	\$100	\$100

The Ontario Works (OW) minimum rent for a household that consists of only one benefit unit with one person remains at \$85. If the household consists of more than one benefit unit, the social assistance rent scales will continue to apply. Note that Tables 3-9 under Ontario Regulation 298/01 are now Tables 1-7 under Ontario Regulation 316/19.

Simplification of Rent-Geared-to-Income Subsidy Calculation

Several changes have been made to the RGI calculation and related processes. The simplified RGI calculation will be implemented in Niagara on July 1, 2021. **More specific details and training will be organized closer to the implementation date.**

- RGI calculation will be a simplified, annual process based on 30 per cent of adjusted family net income determined, where possible, by the household members' net income amounts in their notices of assessment for the relevant taxation year, subject to certain adjustments.
- A household member's net income may be calculated differently depending on when rent is being reviewed. In some instances, net income may be based on a projection of net income for the next 12 months in situations where income tax return information is not available or where it does not accurately reflect the current financial position of a household member.
- A review of a household's RGI rent must be conducted every 12 months.
- In-year reviews may only be completed under specific circumstances (e.g., permanent change in household composition, a decrease in income of 20% or a change in full-time student status), and households will no longer be required to report an increase in income before their next annual review.
- All household members in full-time studies will now have their income exempt from the rent calculation, removing the existing conditions attached to this exemption.
- Household members whose income is to be included in the rent calculation will be required to file their income tax returns annually as a condition of continued eligibility, subject to Service Manager discretion in extenuating circumstances.

- The length of time that RGI households can pay market rent before losing eligibility for assistance will be extended from 12 to 24 consecutive months.

Housing Provider Role

Effective July 1, 2020, Housing Providers are to ensure the minimum rent rules within Ontario Regulation 316/19 are implemented for all subsequent rent calculations.

Service Manager's Role

NRH will monitor compliance with this Notice through Operational Reviews.

If you have any questions or concerns regarding this notice, please contact your Housing Administrator at (905) 682-9201

Donna Woiceshyn, Chief Executive Officer