
Housing Services Notice **No: 21-12**

APPLICABLE TO:

DATE: September 17, 2021

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

<input checked="" type="checkbox"/>	Mandatory
<input type="checkbox"/>	For Information

SUBJECT: Rent-Geared-to-Income Calculations – Treatment of Temporary Benefits

PURPOSE

The purpose of this notification is to provide information to Housing Providers regarding the treatment of temporary COVID-19 emergency and recovery benefits for rent-geared-to-income (RGI) calculations beginning July 1, 2021.

BACKGROUND

Prior to the simplified regulations under Ontario Regulation 316/19 coming into force, the following COVID-19 emergency payments were to be considered as income and included for the purposes of RGI calculations if received by a household member whose income was included in the calculation: Canada Emergency Response Benefit (CERB), Canada Emergency Student Benefit, and the temporary doubling of the Guaranteed Annual Income System (GAINS) payments. Subsequent COVID-19 recovery benefits (e.g., Canada Recovery Benefit) are to be treated in a similar fashion.

Several flexibilities within the *Housing Services Act, 2011* and associated regulations were highlighted that could be leveraged to support vulnerable tenants, including:

- Timing of annual rent reviews;
- Timing of in-year rent recalculations;
- Extensions to the period of time that a household has to notify of income changes; and
- Service Manager authority to defer or forgive all or part of the rent payable by a household.

DIRECTION

Rent-Geared-to-Income Calculations Beginning July 1, 2021

Beginning July 1, 2021, annual RGI reviews conducted under Ontario Regulation 316/19 would normally utilize the net income amount found under a household member's 2020 income tax return. This net income amount would include any taxable COVID-19 emergency and/or recovery benefits received by the household in the 2020 tax year.

As the COVID-19 situation evolves, the impact on the economy continues, and emergency and recovery benefits expire, Niagara Region Housing Services (NRHS) expects that Housing Providers continue to support vulnerable households in this unprecedented time.

Section 6(4) of Ontario Regulation 316/19 allows to project income and deductions for the 12-month period following an annual RGI review if the net income amount on the most recent income tax return is not reflective of a household member's current financial position. This may occur in a situation where a household member received taxable COVID-19 emergency and/or recovery benefits in the past that exceeded their pre-pandemic income, but whose ongoing income in 2021 has since decreased.

Niagara Region Housing Services (NRHS) expects Housing Providers to exclude income from temporary COVID-19 benefits provided in the 2020 tax year, such as the six-month doubling of GAINS payments or CERB, from RGI calculations beginning July 1, 2021.

Under Section 11 of Ontario Regulation 316/19, households may also request that the Housing Provider conduct an in-year RGI recalculation if their household income has decreased by 20 per cent or more since their last review. RGI households are limited to one in-year recalculation for loss of income between annual reviews.

Note that in the situation where an RGI household continues to receive a COVID-19-related emergency benefit beyond July 1, 2021, the Housing Provider should remind the household of their ability to request an in-year recalculation once the benefit is exhausted, should their household income drop by 20 per cent or more since their last review.

2021 Residential Rent Freeze

As a reminder, on September 30, 2020, the Ontario government passed Bill 204, *Helping Tenants and Small Businesses Act, 2020*, which freezes rents at 2020 levels for the 2021 calendar year. The Ministry subsequently made regulatory amendments to Ontario Regulation 316/19 to ensure consistency with the 2021 residential rent freeze.

Ontario's 2021 rent freeze applies to the majority of tenancies that are covered by the *Residential Tenancies Act, 2006*, including households living in community housing that receive RGI assistance or pay low end of market rent. The amendments to Ontario Regulation 316/19 also apply the rent freeze to RGI units in non-profit housing co-operatives governed by the *Housing Services Act, 2011*.

As a result, in the 2021 calendar year, no tenant living in RGI housing will experience a rent increase when their household income increases. Any calculated rent increase resulting from an annual or in-year review that would otherwise take effect in 2021 will be effective January 1, 2022. As mentioned above, it is expected that, where short-term emergency benefits

received in the 2020 tax year are not reflective of a household's current financial position, Housing Providers will project income for the 12-month period following the annual review in order to protect vulnerable households in 2022.

Housing Provider's Role

Housing Providers are required to implement this Notice effective July 1, 2021.

Service Manager's Role

NRHS will monitor compliance with this Notice through the Operational Review process.

If you have any questions or concerns regarding this notice, please contact your Housing Administrator at (905) 980-6000.

Donna Woiceshyn, Director Housing Services