

Housing Division Notice

Date: February 18, 2004

HDN# 2004 - 69

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

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

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Federal Non-Profit Housing Program

Private Non-Profit Housing Program

Co-operative Non-Profit Housing Program

Municipal Non-Profit Housing Program (Pre-1986)

Local Housing Corporation

Subject: CLASSIFYING AND REPORTING MAXIMUM RENT HOUSEHOLDS DURING THE 12 MONTH ELIGIBILITY PERIOD

Background:

The Social Housing Operational Advisory Committee has requested clarification on how Housing Providers are to report and classify Rent-Geared-To-Income (RGI) households that pay market rent during a 12 month RGI eligibility period.

O. Reg. 298/01, s. 12 (4) states that "A household receiving rent-geared-to-income assistance ceases to be eligible for such assistance if, for a period of 12 consecutive months, the geared-to-income rent payable by it for the unit it occupies, as determined under section 47, is equivalent to the rent that would be payable for the unit by a household not receiving rent-geared-to-income assistance."

Section 12 of O. Reg. 298/01 spells out the grounds under which a household that has previously been found to be eligible for RGI, ceases to be eligible. Under Subsection 4, a household ceases to be eligible for RGI assistance after paying the maximum rent for any 12 month consecutive period. Even though the household is paying the maximum rent during the 12 month period, the household is still eligible for RGI assistance and would immediately receive a subsidy if it is required.

Procedure:

In terms of financial reporting, a household paying the maximum rent must be classified and reported as a Market unit in all corporate records, even though the household still remains eligible to receive RGI assistance. The income received from the household should be classified as Market revenue and recorded as a Market unit for access/target purposes.

Market revenue is to be included in Line 205 (Market) on page 5 of the Annual Information Return for both Co-operative Non-Profit and Private Non-Profit Housing programs. The household must also be identified as a "Market Unit" on the Unit Information page of the Annual Information Return for the duration in which market rent is charged and/or paid.

If you have any questions or concerns regarding this Housing Division Notice, please contact the Financial Officer assigned to your portfolio.

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Action Required:

Housing Providers shall follow the reporting and classification requirements when a rent-geared-to-income household is at the maximum rent for twelve months as outlined in this Housing Division Notice and O.Reg. 298/01,s12(4) retroactive to the beginning of their current fiscal year.

Louise Stevens
Director of Municipal Housing