



Corporation of the City of London
Housing, Social Services & Deerness Home
Citi Plaza, 355 Wellington Street, Suite 248
London, ON N6A 3N7

London
CANADA

Housing Division Notice

Date: July 1, 2020

HDN# 2020 - 246

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.

<input type="checkbox"/>

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: CALCULATING MINIMUM RENTS (Replaces HDN # 2003 - 58)

Background:

The *Housing Services Act, 2011* (O. Reg. 316/19: Determination Of Geared-To-Income Rent Under Section 50 Of The Act, Section 2.(2). introduced a new minimum geared-to-income rent of \$129 per household effective July 1, 2020.

For new households, their minimum rent for the purposes of their rent-geared-to-income (RGI) determination will start at \$129.

For existing households currently paying less than \$129 in rent as determined by their most recent RGI calculation, their rent will be increased gradually by \$8 a year until the household reaches \$129.

Minimum rent change within existing households will occur during the Annual Review process.

The process for new households should be as follows:

1. Continue to calculate the household rent under O. Reg. 316/19: Determination Of Geared-To-Income Rent Under Section 50 Of the Housing Services Act, 2011.
2. Compare the resulting calculated rent to the minimum rent of \$129.
3. If the final calculation is less than \$129 (e.g. \$70) adjust the rent \$129.
4. If the final calculation is equal to \$129, then the calculated amount becomes the household rent.
5. If the final calculation is greater than \$129 (e.g. \$150) then the calculated amount (or the \$150) becomes the household rent.

The process for existing households should be as follows:

1. Continue to calculate the household rent under O. Reg. 316/19: Determination Of Geared-To-Income Rent Under Section 50 of the Housing Services Act, 2011.
2. Compare the resulting calculated rent to the minimum rent of \$129.
3. If the final calculation is less than \$129, (e.g. \$85), adjust the rent by \$8 (e.g., \$94).
4. If the final calculation is equal to \$129, then the calculated amount becomes the household rent.
5. If the final calculation is greater than \$129, (e.g. \$150) then the calculated amount (or the \$150) becomes the household rent.

In addition, the minimum rent is charged to the whole household as part of the rent calculation, not to each individual.

Action:

Effective immediately, housing providers are required under O. Reg. 316/19 of the Housing Services Act, 2011 to ensure that the minimum rent is being applied to each rent-geared-to-income subsidized unit under their management.

Yours truly,

Dave Purdy, CPA, CGA
Manager, Housing Services