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**London**  
 CANADA

# Housing Division Notice

**Date: November 25, 2014**

**HDN#: 2014-206**

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
<input type="checkbox"/>	Rent Supplement (including former OCHAP/CSHP)
<input checked="" type="checkbox"/>	Private Non-Profit Housing Program
<input checked="" type="checkbox"/>	Co-operative Non-Profit Housing Program
<input type="checkbox"/>	Municipal Non-Profit Housing Program (Pre-1986)
<input type="checkbox"/>	Local Housing Corporation (London & Middlesex Housing Corporation)
<input type="checkbox"/>	Housing Access Centre (HAC)

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**SUBJECT: VACANCY LOSS (Replaces HDN 2009-141 MARKET REVENUE AND VACANCY LOSS RECOGNITION – PROVINCIAL)**

**1. PURPOSE:**

To inform all housing stakeholders of the local background and compliance standard under the *Housing Services Act, 2011 (HSA)* and associated regulations related to the funding of vacant units of Part VII housing projects, including the reporting and claiming of vacancy loss on both rent-geared-to-income (RGI) and market units.

**2. BACKGROUND AND COMPLIANCE STANDARD:**

The *Housing Services Act, 2011 (HSA)* and regulations requires Housing Providers to select households to occupy vacant units or to receive RGI assistance in a housing project in a manner consistent with the target plan and the mandate for the housing project.

For that reason, the City of London provides RGI subsidy to Housing Providers in accordance with their target plans including the cost associated with vacant RGI units. Under this model, there are no incentives for Housing Providers to report or fill RGI vacancies in a timely manner as units are subsidized regardless of whether they are occupied or not. This has led to higher than average unit turnover rates from prolonged unit vacancies and additional subsidy costs.

To mitigate against the issue of prolonged unit vacancies, the City of London is adopting a local standardized vacancy loss policy and procedures for reporting. This will ensure that Housing Providers receive the correct RGI subsidy in accordance with their target plans while assisting the Housing Division with its requirement to ensure Housing Providers' processes are in accordance with provincial legislation and best practices. It will also help create a proactive relationship with Housing Providers where challenges are identified at onset and addressed with appropriate supports, thus helping projects maintain their viability while controlling costs.

### 3. POLICY

- i. Housing Providers shall proceed with filling all vacant units without any undue delay(s) and take all reasonable efforts, after having received a notice to vacate or information that a unit has become vacant, to limit any potential vacancy loss and ensure that vacant units are fit for occupancy.
- ii. Housing Providers shall select households to occupy vacant units or to receive rent-geared-to-income (RGI) assistance in a housing project in a manner consistent with the target plan and the mandate for the housing project.
- iii. The City of London will cover the vacancy loss for any targeted RGI unit for up to **two (2) months** provided the Housing Provider is meeting its target plan and mandate and is in compliance with the *Housing Services Act (HSA)*, applicable Regulations and Local Rules.
- iv. Subject to the submission of a suitable business case and discretion of the Service Manager, the City of London may fund RGI vacancies extending beyond **two (2) months** should extenuating circumstances arise (e.g. extensive damages caused by fire, building improvement/regeneration plans, force majeure, etc.)
- v. Housing Providers shall track and report vacancies and move-outs within their housing project(s) for both RGI and market units by unit size, household type and income level. This information is required as part of the annual subsidy estimation and reported on Page A7 (Unit Activity Data Report), Page C1 (Statistical Information) and Page C2 (Targeting Plans) of the Annual Information Return (AIR) as part of the annual reporting requirement to the Service Manager.
- vi. Housing Providers shall report the gross market unit revenue on Line 502 of the Annual Information Return (AIR). The gross market unit revenue is the revenue that would be generated by all market units, if all market units were rented. The market unit vacancy loss must be reported on Line 505. A market unit vacancy loss is incurred when a market unit is not occupied. Vacant units are deemed RGI or market based on a Housing Provider's target rather than the status of the resident who vacated the unit.

- vii. Within **five (5) business days** Housing Providers are required to report all changes in unit activity and resident information to the Housing Access Centre using the Housing Resident Update form.

**4. ACTION:**

The policies, procedures and Service Manager Requirements in this Housing Division Notice are to be implemented for the 2014 reporting period by all Housing Providers in the City of London and County of Middlesex included under the provisions of the *Housing Services Act, 2011* and its associated Regulations.

The Housing Division will review the Housing Provider’s implementation of this policy during the annual Subsidy Estimation and AIR Reconciliation process along with the Operational Review to ensure compliance with legislation and this HDN.

**5. AUTHORIZATION:**

*Original signed by*



Louise Stevens  
Director, Municipal Housing

Date: Nov-25, 2014

