



# County of Wellington Social Services Department – Housing Services DIRECTIVE

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**Directive Number: 2020-07**

**Effective Date: July 1, 2020**

This directive has been developed by the County of Wellington in its role as Consolidated Municipal Service Manager (CMSM) and applies to housing providers funded under the following social housing programmes:

√	<b>Provincially Reformed Non-Profit Housing Programmes</b>
√	<b>Provincially Reformed Co-operative Housing Programmes (Co-ops)</b>
√	<b>Local Housing Corporation (LHC)</b>
√	<b>Service Manager Funding Agreement (Post EOA)</b>

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<b>Subject</b>	Housing Services Act 2011 – Minimum Rent
<b>Legislative Reference</b>	Housing Services Act 2011 <i>O. Reg. 316/19, s. 2</i>
<b>Directive Reference</b>	This directive replaces Directive 2002-01 Increase in Minimum Rent/Occupancy Charge

## Background

On April 17, 2019, the Province of Ontario released the Community Housing Renewal Strategy. On September 23, 2019, in support of the Community Housing Renewal Strategy, regulatory amendments were introduced that will impact rent-geared-to-income (RGI) programme administration. On July 1, 2020 Ontario Regulation (O. Reg) 298/01 is being revoked and replaced with O. Reg 316/19 that will make changes to how RGI is calculated. The new simplified regulation will be in-force on July 1, 2020. However, Service Managers may choose an implementation date of either July 1, 2020 or July 1, 2021, at their discretion. The County of Wellington has chosen July 1, 2021 as the implementation date. The new minimum rent provisions will be in-effect for all tenants on July 1, 2020, irrespective of the Service Manager's chosen implementation date.

In accordance with O. Reg 316/19, minimum rents will be increased and indexed annually in accordance with the provincial annual rent increase guideline amount, subject to phase-in for existing households paying less than indexed minimum rent. For the purposes of this directive, the term rent will also apply to Co-operative housing charges and excludes sector support charges.

**Direction**

For the period from July 1, 2020 to June 30, 2021, the minimum RGI amount payable by a household that is eligible for RGI assistance is increased from \$85 to \$129 per month and will be adjusted annually thereafter in accordance with subsection 2(4) of Ontario Regulation 316/19 under the Housing Services Act, 2011. The minimum rent is applicable to the total rent attributable to the unit and not a household or benefit unit.

**Application**

All new households who begin to receive RGI assistance after July 1, 2020 will be subject to the indexed minimum rent applicable at the time of review, unless the household is a recipient of Ontario Works (OW) or Ontario Disability Support Programme (ODSP). Please see below for additional details pertaining to OW and ODSP recipients.

For households currently receiving RGI assistance, the full \$129 minimum monthly rent will be effective for all annual or interim reviews beginning July 1, 2020, so long as one of the following is applicable:

- the household's monthly rent prior to July 1, 2020 is more than the minimum charge of \$129; or
- the household is a not an Ontario Works (OW) or Ontario Disability Support Programme (ODSP) unit whose rent is set based on the rent scales, as outlined in Column 2 of Tables 1, 2, or 3 of O. Reg 316/19.

**Example 1**

A household was paying \$150 in RGI rent immediately prior to July 1, 2020, and had their annual RGI rent review completed in October of 2020.

Monthly RGI rent excluding utilities

•\$75

Utility charge

• \$34

Monthly RGI rent including utilities

• \$109

**Total RGI rent**

•\$129

### Indexing of Minimum Rent

The minimum rent of \$129 will be indexed annually beginning in 2021, in accordance with the Province of Ontario's Rent Control Guideline, as published in the Ontario Gazette under subsection 120 (3) of the Residential Tenancies Act, 2006.

For example:

2020 Minimum Rent	\$129
2021 Rent Control Guideline	1.5 %
2021 Minimum Rent	\$131

### Current Households with Minimum Rent

Households receiving RGI assistance who are currently paying rent less than the \$129 indexed minimum rent will continue to pay their previously assessed rent until the next annual or interim review.

If the assessed rent at July 1, 2020 remains below the indexed minimum rent of \$129, the new minimum rent at the next annual or interim review for the household will be set at \$93.

Households with rent below the indexed minimum rent in subsequent years will be subject to a phased-in minimum rent over a multi-year period. Annually, the minimum rent will increase by \$8 until the minimum rent for the household is equal to the indexed market rent as set out by the Service Manager.

For example:

Year 1 - 2020	\$93
Year 2 - 2021	\$93 plus \$8 = \$101
Year 3 - 2022	\$101 plus \$8 = \$109
Year 4 - 2023	\$109 plus \$8 = \$117

Going Forward from 2023 - add \$8 for each year after until the minimum rent is equal to the current year indexed minimum rent

If at any time, the household has an increase to their rent that brings their rent above the indexed minimum rent, the current indexed minimum rent will apply to any calculations going forward.

**Example 2**

A household was paying \$112 in RGI rent immediately prior to July 1, 2020, and had their annual RGI rent review completed in October of 2020.

Monthly RGI rent excluding utilities

•\$90

Utility charge

• \$34

Monthly RGI rent including utilities

• \$124

**Total RGI rent**

•\$124 > \$93 therefore RGI rent = **\$124**

Assessed rent remains below the minimum rent of \$129. RGI rent for this unit is higher than the minimum indexed rent of \$93.

**Ontario Works (OW) or Ontario Disability Support Programme (ODSP)**

Households in receipt of OW or ODSP will continue to have their rent established based on the method set out in the Housing Services Act, 2011 and the rent scales, as set in the Table 1, 2 or 3 of O.Reg 316/19 unless:

- the household is a benefit unit with non-benefit income at or above the income threshold, as outlined in Column 3 of Tables 1, 2 or 3 of O. Reg 316/19; or
- the household is a benefit unit with non-benefit income from Canada Pension Plan Disability (CPP/D) or Old Age Security Spousal Allowance (OAS/SA) with income above the basic needs eligibility for the benefit unit.

Effective July 1, 2021, minimum rents for benefit unit households paying RGI rent scale of less than \$129 (or the applicable indexed amount) will be the rent scale for the benefit unit.

For the transition period of June 1, 2020 to June 30, 2021, the minimum rent for single benefit unit households (OW and ODSP) will continue to be \$85.

**Example 3**

A woman lives in a one-bedroom apartment. She receives ODSP. The co-op is heated by electricity. She pays for her own electricity. Her annual RGI rent review is in September of 2020.

**Benefit Unit**

Monthly RGI rent excluding utilities

•based on Table 3 = **\$109**

Utility deduction

•electric heat (Table 8 of O. Reg 316/19) = **\$45**

Monthly RGI rent, including utilities

•\$109 - \$45 = **\$64**

**RGI rent**

• \$64 < \$85 therefore RGI rent = **\$85**

**Assuming there is no change to her income at her annual RGI review in September of 2021:**

**RGI rent**

• \$64 < \$109 therefore RGI rent = **\$109**

RGI rent for this benefit unit cannot be less than the rent scale amount in Table 3.

**Example 4**

A man lives in a two-bedroom apartment with his child. He receives OW with 2 beneficiaries. The unit is heated by gas which he pays. His annual RGI rent review is in August of 2020.

**Benefit Unit**

Monthly RGI rent excluding utilities

•based on Table 1 = **\$191**

Utility deduction

•electric heat (Table 7 of O.Reg 316/19) = **\$32**

Monthly RGI rent, including utilities

•\$191 - \$32 = **\$159**

**RGI rent**

• \$159 > \$129 therefore RGI rent = **\$159**

If you require additional information, please contact your Housing Programme Advisor.



Mark Poste  
Director of Housing