**Housing Services** 

Program Instructions

This Program Instruction applies to the following:

- AHP Strong Start Program
  - ✓ Tom Taylor Place (constructed in 2008)

# **SETTING RENTS FOR AHP STRONG START COMMUNITIES**

Note: This Program Instruction replaces Program Instruction N°2024-01 [AHP/IAH]

## 1. Summary

This Program Instruction provides direction for setting market rents to housing providers operating buildings constructed under the Affordable Housing Program (AHP) – Strong Start.

# 2. Background

The Canada-Ontario AHP was designed to increase the supply of affordable housing. Contribution agreements outline the specific rent rules that must be followed during the 20-year affordability period.

# 3. Action Required

### RENT RULES FOR BUILDINGS IN CONTRIBUTION AGREEMENT YEARS 16 TO 20

Tom Taylor place is currently in year 17 of its contribution agreement. Years 16 to 20 are referred to as the 'phase-out' period which is defined as the last five years of the contribution agreement. During this period, following affordability requirements apply:

- **Rents for new tenants:** new tenancies are not subject to AHP rent restrictions and rents can be set at market rate determined by the housing provider.
- Rents for current tenants: <u>The Rent Increase Guideline</u> for 2025 is 2.5% and applies to rent increases that take effect between January 1, 2025 and December 31, 2025.

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**Applying the Rent Increase Guideline** 

- 1. Identify the current rent for the unit
- 2. Calculate the guideline rent increase by multiplying the current rent by the Rent Increase Guideline
- 3. Determine the new rent by adding the rent increase calculated in step 2 to current rent Example of using the 2025 Rent Increase Guideline:
  - Current rent is \$1,000
  - Multiply the current rent by 2.5%
    - \$1,000 x 2.5% = \$25
    - \$1,000 + \$25= \$1,025
  - Guideline rent increase amount is \$1,025

#### Example #1

A housing provider in Newmarket currently charging \$1,000 for a one-bedroom unit may raise the current tenant's rent by the Rent Increase Guideline of 2.5%, an increase of \$25.

### Example #2

A housing provider currently charging \$1,000 for a one-bedroom unit may determine the appropriate rent to charge a new market tenant when the unit becomes available.

Authority: Contribution Agreement

Please contact your Program Coordinator with any questions.

January 2025

This notice will be available in an accessible format or with communication supports upon request from 1-877-464-9675 or 905-830-4444 ext. 72119

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