PROGRAM INSTRUCTION

SETTING RENTS FOR AHP PILOT – COMMUNITY RENTAL HOUSING PROGRAM FUNDED UNITS

Note: This Program Instruction replaces Program Instruction #2025-02 [AHP/IAH/OPHI]

This Program Instruction applies to the following program:

AHP Pilot - Community Rental Housing Program

- ✓ Sutton Youth Shelter (constructed in 2006)
- ✓ Blue Willow Terrace (constructed in 2006)

1.   Summary

This Program Instruction provides direction for setting rents for housing providers operating buildings constructed under the Affordable Housing Program (AHP) Pilot – Community Rental Housing Program.

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

Housing providers are required to follow the rental protocol outlined in their Contribution Agreements and as outlined in this Program Instruction.

Rent Rules for Buildings in Contribution Agreement Years 16 to 20

All buildings constructed under the AHP Pilot are in the "phase-out period" of their Contribution Agreements. Blue Willow Terrace and Sutton Youth Shelter are currently in Year 20 of their contribution agreements.

- **Rents for new tenants:** During the phase-out period, rents for new tenants are no longer subject to AHP program rules and may be set at an amount determined by the housing provider

- **Rents for current tenants:** During the phase-out period, Contribution Agreements permit housing providers to increase rents annually by the provincial Rent Increase Guideline plus 0.55%. For 2026, rents may be increased by the 2026 [Rent Increase Guideline](#) of 2.1% plus 0.55% = 2.65%

Applying the Rent Increase Guideline Plus 0.55%

1. Identify the current rent for the unit

2. Calculate the rent increase by multiplying the current rent by the sum of the Rent Increase Guideline plus 0.55%

3. Determine the new rent by adding the rent increase calculated in Step 2 to current rent

Example using the 2026 Rent Increase Guideline (2.1%) plus 0.55%.

- A sitting tenant's rent is $1,000
- To find the dollar amount of the increase, multiply $1,000 by the total allowable increase (2026 Rent Increase Guideline of 2.1% plus 0.55%):
  - $1,000 x (2.1% + 0.55%) = $26.50
  - $1,000 + $26.50 = **$1,026.50**

Rounded down to the nearest dollar, the maximum rent for the sitting tenant is $1,026

Authority: Contribution Agreement

Please contact your Program Coordinator with any questions.

February 2026

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

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