

Program Instructions



This Program Instruction applies to the following:

AHP Pilot - Community Rental Housing Program

- ✓ Sutton Youth Shelter
- ✓ Blue Willow Terrace
- ✓ Armitage Gardens

Rent Increases for AHP Pilot - Community Rental Housing Program Funded Units

Note: This Program Instruction replaces Program Instruction N°2019-03 [AHP/IAH]

SUMMARY

This Program Instruction provides direction for setting rents to Housing Providers operating buildings constructed under the AHP Pilot - Community Rental Housing Program (CRHP).

2020 RENT INCREASE GUIDELINE

Each year in June the Ministry of Municipal Affairs and Housing releases the annual Rent Increase Guideline for the following year. The Rent Increase Guideline is the maximum amount that most landlords can increase a tenant's rent during the year without making an application to the Landlord and Tenant Board. Contribution Agreements require that rent increases in Canada-Ontario Affordable Housing Program-funded units follow the Rent Increase Guideline.

The Rent Increase Guideline for 2020 is 2.2% and applies to rent increases effective between January 1 and December 31, 2020.

The Guideline can be found at: <https://www.ontario.ca/page/rent-increase-guideline>

The rent for a unit can be increased if at least 12 months have passed since:

- a) The tenant first moved in, or
- b) The tenant's last rent increase

The tenant must be given written notice of the rent increase at least 90 days before the increase takes effect.

Community and Health Services
Housing Services

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ACTION REQUIRED

1) To increase rent during years 11 to 15 of the program, an additional 0.55% may be added to the Rent Increase Guideline

Housing Providers entering years 11 to 15 of CRHP are able to charge an increase of 0.55% in addition to the most current Rent Increase Guideline.

To increase rents for sitting tenants:

- i) Identify the current rent for the unit
- ii) Multiply the current rent by the sum of the Rent Increase Guideline and the 0.55% additional increase and add the total to the current rent

Example using the 2020 Rent Increase Guideline

A sitting tenant's rent is \$1,000.

Multiply \$1,000 by the sum of the 2020 Rent Increase Guideline (2.2%) and the 0.55% additional increase:

$$\$1,000 \times (2.2\% + 0.55\%) = \$27.50$$

$$\$1,000 + \$27.50 = \mathbf{\$1,027 \text{ (rounded down from \$27.50) is the maximum rent for the sitting tenant}}$$

2) In years 16 to 20 of the program, rent increases are capped for sitting tenants

In years 16-20, rents for sitting tenants cannot be increased beyond the Rent Increase Guideline and the 0.55% additional increase. When a unit turns over in years 16 to 20, there are no restrictions on rent increases.

Authority: Contribution Agreement

Please contact your Program Coordinator with any questions.

Kathy Milsom
General Manager
Housing Services Branch

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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