



Durham Community Housing Directives

Housing Services Division | Financial Housing Services

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Subject:	Minimum Rent
Directive Number:	RGI 2020-06
Date:	June 15, 2020

Purpose

To set out the minimum rent charge for rent-geared-to-income (RGI) tenants and co-op members for July 1, 2020 to June 30, 2021.

Background

Beginning July 1, 2020, the minimum rent-geared-to-income (RGI) payable under the Housing Services Act is increasing to \$129. This amount will be indexed annually at the same rate as the rent increase guideline under the Residential Tenancies Act.

There are two exceptions to the minimum rent amount:

- RGI tenants and co-op members who were paying less than \$129 on July 1, 2020 are subject to a provisional minimum rent amount of \$93.
- The minimum rent for RGI tenants and co-op members who pay RGI at social assistance scale rates of less than \$129 is the scale amount.

RGI tenants or co-op members who are paying less than the applicable minimum rent at July 1, 2020 will continue to pay the lower amount until the first time that their RGI is reviewed after July 1, 2020. Any increase in RGI is effective the first day of the month following the review.

Calculating Minimum Rent

Minimum rent is determined after all RGI calculations are completed – including any applicable utility adjustments. It applies to the whole household, not to individual family units or benefit units.

Housing providers calculate RGI for the household as follows:

- Determine the RGI charge for each family unit or benefit unit in the household using 30 per cent of the adjusted family net income (AFNI) or applicable social assistance scale.

- Total the RGI charges for all family units and benefit units in the household.
- Apply any utility adjustments for the unit.
- If this amount is lower than the applicable minimum rent for the household, increase the RGI charge to the applicable minimum rent amount.

Provisional Minimum Rent

If an RGI tenant or co-op member was paying less than \$129 on July 1, 2020, the minimum monthly rent applicable to that household is \$93. This provisional minimum rent amount will be increased annually by \$8 on July 1 of each year until it is equivalent to the indexed \$129 minimum rent amount.

The provisional minimum rent ceases to apply to an RGI tenant or co-op member if their RGI is subsequently calculated at more than \$129 (or the applicable indexed amount) any time after July 1, 2020.

For example:

You conduct an RGI review in September 2020 for a tenant who was previously paying RGI of \$100 due to low income. You calculate their new RGI at \$65.

Old RGI was less than \$129 and new RGI is also calculated at less than \$129, so RGI of \$65 is increased to provisional minimum rent of \$93.

At the following annual RGI review, you calculate RGI at \$300. This is more than the regular minimum rent amount of \$129.

Provisional minimum rent will no longer apply to this tenant. If their income decreases in future, minimum rent will be \$129 (or the annually indexed amount).

Minimum Rent for Benefit Units at Scale

The minimum rent for a tenant or co-op member who pays RGI of less than \$129 per the social assistance rent scale is the rent scale for the benefit unit. This only applies to households that consist of a single benefit unit of one person.

- Minimum rent for an ODSP benefit unit of one is \$109.
- Minimum rent for an Ontario Works benefit unit of one is \$85.

Indexed Minimum Rent

Beginning on July 1, 2021, the minimum rent will be increased annually at the same rate as the rent increase guideline under the Residential Tenancies Act. Provisional minimum rent will be increased by \$8.

The Housing Services Division will notify housing providers of the applicable indexed minimum rent amounts before July 1 each year. Housing providers will adjust RGI for tenants and co-op members paying minimum rent to the new indexed amount at the first RGI review conducted after July 1 each year.

Minimum rents for single benefit units paying RGI per the social assistance scales will continue to be the scale amount. These amounts are not indexed annually.

Effective Date

This directive comes into effect on July 1, 2020.

Repealed Rules

This directive repeals Directive 2002-02 (revised) Minimum Rent.

Legislative Authority

Ontario Regulation 316/19, s. 2(2), 2(3), 2(4), 2(5), 2(6), 2(7) and 2(8)