

Directive

Directive: 2020 Affordable Housing Rent Increase Guideline

Issue Date:	July 14, 2020	Directive No.:	AHDIR2020-02
Revision Date:		Revision No.:	

Applicable Policy:

Type:

The policies and procedures in this Directive are applicable to all affordable units funded by the Canada-Ontario Affordable Housing program.

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|--|---|
| <input checked="" type="checkbox"/> Elgin Seniors Housing Development | <input checked="" type="checkbox"/> 2049515 Ontario Inc. |
| <input checked="" type="checkbox"/> United Counties of Leeds and Grenville | <input checked="" type="checkbox"/> Community Living North Grenville |
| <input checked="" type="checkbox"/> Community Involvement
Legacy Homes | <input checked="" type="checkbox"/> Marguerita Residence Corp.
Wall Street Village |

BACKGROUND

Annual rent increase guidelines for residential tenancies are set each year by the Ontario government based on the Ontario Consumer Price Index (CPI), and is the maximum percentage by which a landlord can increase the rent for current residential tenants without approval from the Landlord and Tenant Board. The guideline is designed to take into account increases in building operating and maintenance costs incurred to protect the health and safety of tenants.

The rent increase guideline applies to any rent increase for current tenancies effective between **January 1, 2020 and December 31, 2020**. The rent increase guideline for 2020 is **2.2** per cent.

Affordable housing providers must also maintain "affordable" rents. This means that the increased rent cannot be higher than 80% of the average market rent for the area.

PURPOSE

The purpose of this directive is to notify all affordable housing providers within the United Counties of Leeds and Grenville of the 2020 rent increase guideline and the allowable average rent as published by Canada Mortgage and Housing Corporation and the Ministry of Community and Social Services, or alternate Average Market Rent approved by the Ministry of Municipal Affairs and Housing.

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ACTION TO BE TAKEN

Each Affordable Housing Provider is directed to increase the Market Rent for all units in accordance with the 2020 rent increase guideline (2.2 per cent) **up to** the allowable rent under the Affordable Housing Program (AHP), Investment in Affordable Housing (IAH), or Social Infrastructure Fund (SIF) by Service Manager area.

The rent increase must be approved in a motion by the Board of Directors, if applicable, prior to notifying tenants of the Market rent increase. Allowable rents under the AHP/IAH/SIF by provider, unit type and size are as follows:

2020 Allowable Rents

Unit Size	Average Market Rent (AMR)	Allowable Rent per Unit per Month
One Bedroom	\$911	\$728
Two Bedroom	\$1,100	\$880
Three Bedroom	\$1,350	\$1,080

All in-situ tenants must be given written notice of the rent increase at least **90 days** in advance of the effective date of the rent increase. At least 12 months must have passed since the tenant first moved in or since the previous rent increase. Units may be re-rented at the allowable rent per unit per month following a vacancy.

REFERENCES

Landlord and Tenant Board 1-800-332-3234 or www.ltb.gov.on.ca
Ministry of Municipal Affairs and Housing

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If you have any questions, please contact the following:

Caroline Rigutto, Policy and Program Review Analyst

Phone: 613-342-3840, ext. 2368

E-mail: Caroline.Rigutto@uclg.on.ca

Fax: 613-342-8908

Chris Morrison, Manager, Housing Department

Phone: 613-342-3840, ext. 2328

E-mail: Chris.Morrison@uclg.on.ca

Fax: 613-342-8908



**Chris Morrison, Manager
Housing Department**

July 16, 2020

Date