

Directive

Directive: Asset Limit

Issue Date:	March 15, 2021	Directive No.:	DIR2022-05
Revision Date:	June 9, 2022	Revision No.:	2

Applicable Policy:

Type: Legislation/Regulation

The policies and procedures in this Directive are to be implemented by Housing Providers/Cooperatives funded by the Municipality under the following programs.

Provincial Non-Profit Housing Providers

- | | |
|---|--|
| <input checked="" type="checkbox"/> Gananoque Family Housing | <input checked="" type="checkbox"/> Gananoque Housing Inc. |
| <input checked="" type="checkbox"/> Legion Village 96 Seniors Residence | <input checked="" type="checkbox"/> Twp. of Bastard & South Burgess Housing Corp. |
| <input checked="" type="checkbox"/> Brockville Municipal Non-Profit Housing Corp. | <input checked="" type="checkbox"/> South Crosby Non-Profit Housing Corp. – Pineview |

Federal Non-Profit Housing Providers

- | | |
|--|--|
| <input checked="" type="checkbox"/> Athens & District Non-Profit Housing | <input checked="" type="checkbox"/> Marguerita Residence Corp. |
| <input checked="" type="checkbox"/> Gananoque Housing Inc. | <input checked="" type="checkbox"/> South Crosby Non-Profit Housing Corp. – Rideau Lakes |

Federal/Provincial Cooperative Housing

- Shepherds Green Cooperative Homes Inc.

Housing Providers with Rent Geared-to-Income Service Agreements

- Athens & District Non-Profit Housing (RGI Service Agreement)
- Gananoque Housing Inc. (RGI Service Agreement)
- Marguerita Residence Corp. (RGI Service Agreement)
- South Crosby Non-Profit Housing Corp. - Rideau Lakes Apartments (RGI Service Agreement)
- Rent Supplement Program, including Housing Providers with expired Federal Operating Agreements

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Other Housing Providers

Leeds Grenville Housing Department

BACKGROUND

The United Counties of Leeds and Grenville has revised the household asset limit policy for subsidized housing applicants and tenants in the service area, in response to amendments being made to Ontario Regulation 367/11 under the *Housing Services Act, 2011*. The amendments include: increasing the minimum asset threshold, updating the list of exempt assets, allowing for extenuating circumstances to be considered with regard to household assets, and exempting social assistance recipients from the local asset limit.

PURPOSE

The purpose of this Directive is to communicate the new household asset limit and other revisions to the asset policy, and to provide the steps to assess assets for applicants and current tenants residing in rent-geared-to-income units located in Leeds and Grenville.

ACTION TO BE TAKEN

1. This asset limit policy applies to all applicant and tenant households residing in rent-geared-to-income units located in Leeds and Grenville, except where specified as exempt. See **Asset Policy HDPOL34** (Appendix A) for policy details.
2. The revised Asset Policy takes effect as of the first annual review completed on or after July 1, 2022.
3. The Housing Provider shall update all relevant forms related to the Application for Social Housing, Annual and In-Year Reviews, as applicable, to collect relevant information on household assets. See **Included and Excluded Assets that Require Documentation** (Appendix B) for further information on what is included or exempt, and what supporting documentation is acceptable.
4. Housing providers must provide written notice to notify all households about the asset policy.

Cashable and Non-Cashable Investments

5. Some investments are not cashable, such as Life Income Funds (LIFs); some are not cashable until the maturity date, such as non-cashable Guaranteed Investment Certificates (GICs); and some investments are cashable (e.g. TFSA's, GIC's), and may or may not have a penalty charged.

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6. The applicant/tenant must provide clarification and acceptable documentation of any assets that are not cashable. Non-cashable assets can be verified either through the completion of the **Asset Verification Form** (Appendix C), or a written statement from the financial institution.
7. Review of whether an asset is cashable or non-cashable is not required when the total household assets do not exceed than the maximum asset limit.
8. Once an asset has been verified as non-cashable, further review is not required until the next scheduled annual review after the maturity date has expired.

Joint Assets

9. Joint assets are reviewed as a part of the assessment process.
10. Where the applicant/tenant has assets that are jointly owned for the purpose of managing another person’s finances (e.g. an elderly parent), documentation must be provided to confirm that the asset legally does not belong to them, such as Power of Attorney or trust account documentation. A letter or informal agreement provided by the joint account holder is not sufficient.
11. Assets held jointly by a common-law or married couple that are separating, or an SPP applicant that is being sponsored by their abuser, shall be temporarily exempt until assets have been divided during the legal separation process, or sponsorship has ended (as applicable). Verification of the status of the division of assets and legal separation process or breakdown of sponsorship is required (e.g. court documents, immigration paperwork, or other acceptable verification).
 - a. Where the applicant is determined as “Special Priority Placement”, discretion shall be used in the collection of documents, as per the Request for Special Priority Placement Category Policy HDPOL29.
12. Assets are no longer exempt once assets have been divided during the separation process.
13. The full asset (100%) is attributed to applicant/tenant where circumstances outlined and verified in paragraphs #10 and #11 are not applicable.

Applicants

14. Assess assets when verifying applicant eligibility for rent-gear-to-income-assistance, except for households where all members are in receipt of social assistance (i.e. basic financial assistance from Ontario Works or income support from the Ontario Disability Support Program):
 - a. At the time of application,
 - b. Annual review of application, and
 - c. During the offer process.
15. Determine if household assets are included, temporarily exempt, or fully exempt.
16. If household assets are in excess of the limit established in the Asset Limit Policy (HDPOL34), the applicant is determined ineligible for subsidized housing and is not

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offered the unit. See the Application for Subsidized Housing and Waitlist Administration Directive (DIR2020-01) for steps when the applicant is determined ineligible.

- a. The Social Housing Registry (SHR) is responsible to notify applicants that applied through the SHR.
 - b. Housing providers that maintain their own RGI waitlist (e.g. Federal Housing Providers) must notify the applicant using the **Applicant Ineligible Due to Assets in Excess Letter** (Appendix D).
17. The applicant may reapply when asset levels decrease to less than the asset limit.
18. Assets disposed of near the time of application or offer must be assessed to determine if they were disposed of adequately. See “Determination of Adequate Disposal of Assets”.

Current Tenants

19. Review assets at each Annual Review, except for households where all members are in receipt of social assistance (i.e. basic financial assistance from Ontario Works or income support from the Ontario Disability Support Program). Determine if assets are included, temporarily exempt, or fully exempt.
20. When a household is found to have countable assets that are in excess, the Housing Provider will determine the household as ineligible for rent-gearred-to-income assistance, provide 90 days’ notice to set the household to market rent, and send the **Ineligible for RGI Assistance – Due to Assets in Excess Letter** (Appendix E).
21. Assets disposed of prior to the annual review, or within 12 months of being found ineligible due to assets in excess must be assessed to determine if they were disposed of adequately. See “Determination of Adequate Disposal of Assets”.
22. Annual reviews will continue to be completed for 24 months following the date of ineligibility due to assets:
 - a. A household may have eligibility for rent-gearred-to-income reinstated if household assets are adequately reduced to less than the asset limit **within 24 months** of ineligibility.
 - b. The household must reapply for rent-gearred-to-income assistance and wait on the SHR waitlist, if assets become lower than the limit **after 24 months** have passed from the effective date of ineligibility. Send a Notice of Ineligibility to communicate this decision.

Determination of Adequate Disposal of Assets

23. When a household’s total assets were less than the asset limit prior to disposal, an assessment of whether assets were adequately disposed of is not completed.
24. Request verification of how assets were disposed of within the past 12 months, when an applicant/current tenant has disposed of assets that had placed the household above the asset limit.
25. Determine if the asset(s) were disposed of adequately, as per direction outlined in the

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"criteria" section of the enclosed Asset Policy HDPOL34.

26. When it has been determined that the household did not dispose of assets adequately, the value of the asset will be recorded as a "ghost asset" and included in the household eligibility assessment. See the Asset Policy and **Improperly Transferred Assets Job Aid** (Appendix F) for details on the depreciation of the value of the ghost asset.
27. Follow the appropriate action where it has been determined that assets were not transferred adequately:
28. **Applicants:**
 - i. Where the housing provider houses applicants through the SHR: notify the SHR of the decision. The SHR is responsible to notify the applicant of the decision in writing.
 - ii. Where the housing provider houses applicants through their own waitlist (e.g. Federal Housing Provider in a Rent Supplement Agreement): notify the applicant in writing of the decision, using the **Applicant Ineligible for Subsidized Housing Inadequate Transfer of Assets Letter** (Appendix G).
29. **Current Tenants:** Send the **Current Tenant Ineligible for Subsidized Housing Inadequate Transfer of Assets Letter** (Appendix H).

Determination of Extenuating Circumstances

1. The Housing Provider will be notified at the time of vacancy if the Service Manager previously approved a household on the waitlist for extenuating circumstances regarding their household assets.
2. If a household is a survivor of domestic violence, human trafficking, or abuse from their immigration sponsor, is otherwise eligible for rent-gear-to-income assistance and is experiencing extenuating circumstances regarding their assets, the Housing Provider will contact the Policy and Program Review Analyst for discussion and review.
3. Where the household is experiencing an "extenuating circumstance" and that failure to provide rent-gear-to-income assistance places the household at-risk from domestic violence, the Service Manager may approve to temporarily exclude a household's assets.
4. Where extenuating circumstances are approved, the exemption will apply until the first annual review after being housed. If household assets are still in excess at the annual review, the household may be determined ineligible for rent-gear-to-income assistance.

APPENDICES

- Appendix A.....Asset Policy
- Appendix B.....Included and Excluded Assets that Require Documentation
- Appendix C..... Investment Verification Form
- Appendix D..... Applicant Ineligible Due to Assets in Excess Letter
- Appendix E..... Ineligible for RGI Assistance – Due to Assets in Excess Letter
- Appendix F..... Improperly Transferred Assets Job Aid

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APPENDICES

Appendix G.....Applicant Ineligible for Subsidized Housing Inadequate Transfer of Assets Letter
Appendix H.....Current Tenant Ineligible for Subsidized Housing Inadequate Transfer of Assets Letter

REFERENCE

SH Notification – Release 22-03 – Amendments to local eligibility rules related to income and asset limits in Ontario Regulation 367/11 under the *Housing Services Act, 2011*

LEGISLATION

O. Reg. 367/11 s.35

If you have any questions, please contact the following:

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**C. Morrison, Manager
Housing Department**

June 9, 2022

Date

SH *notification*

social housing

Subject: Amendments to local eligibility rules related to income and asset limits in Ontario Regulation 367/11 under the Housing Services Act, 2011

Legislation/Regulation

Operational

Release 22-03

The purpose of this notification is to provide an overview of amendments to Ontario Regulation 367/11 under the *Housing Services Act, 2011* (HSA) related to local income and asset limits eligibility rules for rent-geared-to-income (RGI) assistance.

Currently, under the HSA, Service Managers can set local income and asset limit eligibility rules for RGI assistance but the HSA does not require Service Managers to do so, leading to inconsistencies in how eligibility for rent-geared-to-income assistance is determined across the province. If a Service Manager chooses to set local asset and/or income limits, they must meet the requirements set out in regulation.

Ontario Regulation 367/11 is being amended to require Service Managers to set local income and asset limit rules to determine eligibility for RGI assistance.

As part of the amendments, **Service Managers will be required to:**

1. Set local income limits at least at the Household Income Limits (HILs) prescribed for their service area under [Ontario Regulation 370/11](#).
 - In alignment with RGI calculation rules in Ontario Regulation 316/19, household income will be based on net income (i.e., line 23600) as indicated on the notice of assessment of household members, less any Registered Disability Savings Plan income and plus any Registered Disability Savings Plan amounts repaid.
 - The income of full-time students will be excluded from determining household income.
 - Service Managers will continue to have flexibility to set different income limits for units of different types and sizes and for units in different parts of their service area.
 - Service Managers will continue to have flexibility to exclude payments from household income (e.g., universal child care benefits).
2. Set local asset limits at least at \$50,000.

- Service Managers will be allowed to set different asset limits by household size and type (e.g., senior households).
 - Service Managers will continue to have flexibility to set different asset limits for units of different types and sizes and for units in different parts of their service area.
 - The current list of required asset exclusions in regulation will be updated so that registered retirement plans (i.e., Registered Retirement Savings Plans and Registered Retirement Income Funds) are excluded from the value of household assets.
 - Service Managers will continue to have flexibility to exclude additional assets from the value of household assets (e.g., compensation payments for pain and suffering).
3. Periodically review and update their local income and asset limit rules, at their discretion.
- Although no specified period for this requirement will be outlined in regulation, Service Managers are encouraged to review their local income and asset limit rules as part of their periodic review of local Housing and Homelessness Plans.

How will the new required local income and asset limits be applied to households?

Service Managers will be required to apply local income limits as part of determining initial eligibility for RGI assistance (i.e., new RGI applicants and applicants on waitlists) and apply local asset limits as part of determining both initial and continued eligibility for RGI assistance (i.e., new RGI applicants, applicants on waitlists, and households in receipt of RGI assistance).

Service Managers will be required to exempt social assistance clients (i.e., Ontario Works and Ontario Disability Support Program clients) from their local asset limit rules. This exemption will only apply in cases where all household members are part of a social assistance benefit unit.

At their discretion, Service Managers will have the flexibility to exempt households in extenuating circumstances from their local income and/or asset limit rules (e.g., survivors of domestic violence/human trafficking).

When do the changes take effect?

The amendments to Ontario Regulation 367/11 related to local income and asset limit rules will come into force on July 1, 2022. Service Managers will have a flexible one-year implementation period from the in-force date to meet the new requirements. All Service Managers must comply with the new requirements by July 1, 2023.

Until the Service Manager implements the new income and asset limit requirements, any local eligibility rules that were made by the Service Manager under sections 34 and 35, as they read immediately before they were revoked, continue to apply.

Service Managers are required to make reasonable efforts to notify households before implementing the new requirements.

Further Information

The amended regulation is available through the following link:

<https://www.ontario.ca/laws/regulation/r22242>

Should you have any questions, please contact Neshalia Mohindra, Manager, Community Housing Renewal Unit. Neshalia can be reached by e-mail at Neshalia.Mohindra@ontario.ca.

Peter Kiatipis



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Ministry of Municipal Affairs and Housing